



RENEWABLE ENERGY ASIA GROUP LIMITED

(Incorporated in Bermuda)
(Company Registration No. 33437)

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- THE INCREASE IN SHARE CAPITAL OF RENEWABLE ENERGY ASIA (JINHU) SOLAR POWER CO., LTD., RENEWABLE ENERGY ASIA (ZHENGLANQI) CO., LTD., RENEWABLE ENERGY ASIA DA AN CO., LTD. AND RENEWABLE ENERGY ASIA (ZHENLAI) SOLAR POWER CO., LTD.
 - UNAUTHORISED PLEDGES OF SHARES
 - PAYMENT OF EXPENSES ON BEHALF OF OCEANTEC INDUSTRIES CO., LTD
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1. INTRODUCTION

- 1.1 The Board of Directors (“**Board**”) of Renewable Energy Asia Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcements released by the Company on 13 February 2015 and 28 October 2015 (“**Announcements**”) in relation to the subscription of new shares in each of Renewable Energy Asia (Jinhu) Solar Power Co., Ltd. (“**REAJH**”), Renewable Energy Asia (Zhenglanqi) Co., Ltd. (“**REAZLQ**”), Renewable Energy Asia Da An Co., Ltd. (“**READA**”) and Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd (“**REAZL**”) by Renewable Energy Asia (China) Co., Ltd. (“**REAC**”) (“**Capitalisations**”). Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the Announcements.
- 1.2 As of 25 January 2015, when REAJH, REAZLQ, READA and REAC each entered into a share subscription agreement with REAC (“**Agreements**”), Mr. Xu Jian had a deemed interest of 89.2% of the share capital of REAC. Xu Jian is also the Executive Chairman, Executive Director and controlling shareholder of the Company. Accordingly, Mr. Xu Jian is an “interested person” pursuant to Chapter 9 of the Catalist Rules, and each of the Capitalisations is considered an “interested person transaction” pursuant to Chapter 9 of the Catalist Rules.
- 1.3 Pursuant to Rule 906 of the Catalist Rules, approval of shareholders of the Company has to be obtained for any interested person transaction of a value equal to, or more than (a) 5% of the Group’s latest audited NTA; or (b) 5% of the Group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. As the Capitalisations of REAJH, REAZLQ, READA and REAZL amount to RMB41 million, RMB29 million, RMB30 million and RMB30 million respectively and represent 45.1%, 31.9%, 33.0% and 33.0% respectively of the Group’s audited NTA of 91.0 million as at 31 March 2014, approval of shareholders of the Company for each Capitalisation will be required.
- 1.4 Pursuant to Rule 918 of the Catalist Rules, if a transaction requires approval of shareholders, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. Accordingly, approval of shareholders of the Company must be obtained either prior to the Capitalisations being entered into or prior to Completion.

2. CAPITALISATIONS

- 2.1 The Board wishes to announce that the Company is in breach of Rules 906 and 918 of the Catalist Rules as completion of the Capitalisations (“**Completion**”) took place prior to shareholders of the Company approving the Capitalisations at a special general meeting of the Company.

- 2.2 On 7 April 2016, after an enquiry was made with the staff of the Group's PRC operations, the management of the Company had discovered that Completion took place on the following dates:-
- (a) 20 March 2015 for the Capitalisation of REAJH;
 - (b) 9 June 2015 for the Capitalisation of REAZLQ;
 - (c) 8 June 2015 for the Capitalisation of READA; and
 - (d) 8 June 2015 for the Capitalisation of REAZL.
- 2.2 Since 7 April 2016, the management of the Company have been investigating this matter and seeking advice from its advisers. As at the date of this announcement, the Company is unable to contact Mr. Xu Jian, who is the Executive Chairman, Executive Director and controlling shareholder of the Company and is also deemed interested in 89.2% of the issued share capital of REAC, to obtain a confirmation that Completion has taken place. Accordingly, the Board is unable to confirm that the requirements for Completion pursuant to the Agreements have been satisfied. However, public records of REAJH, REAZLQ, READA and REAZL obtained from the State Administration for Industry and Commerce of the People's Republic of China indicate that the Capitalisations have taken place. The Board wishes to highlight that the Completion was not authorised by the Board and the management of the Company. Additionally, as announced on 13 February 2015, the Audit Committee of the Company was not informed of the Agreements prior to each of REAJH, REAZLQ, READA and REAC entering into the Agreements.

3. UNAUTHORISED SHARE PLEDGES

- 3.1 The Board wishes to announce that, on 17 June 2016, the management of the Company had discovered that shares of REAJH ("**REAJH Shares**"), REAZLQ ("**REAZLQ Shares**"), READA ("**READA Shares**") and REAZL ("**REAZL Shares**"), which are held by the Company's wholly-owned subsidiary, Renewable Energy Asia Nantong Co., Ltd., were pledged ("**Share Pledges**") without proper authorisation from the Board and the management of the Company.
- 3.2 Based on public records of REAJH, REAZLQ, READA and REAZL obtained from the State Administration for Industry and Commerce of the People's Republic of China, the REAJH Shares and REAZLQ Shares have been pledged to 中航信托股份有限公司. The public records of READA and REAZL do not provide details of the party whom the READA Shares and REAZL Shares is pledged to.
- 3.3 The Board wishes to highlight that the Share Pledges were not authorised by the Board and the management of the Company.

4. PAYMENT OF EXPENSES ON BEHALF OF OCEANTEC INDUSTRIES CO., LTD

- 4.1 The Board wishes to announce that from the period between 1 October 2015 and 31 December 2015, Renewable Energy Asia Nantong Co., Ltd., a subsidiary of the Company, had paid an aggregate of RMB2,740,000 as expenses on behalf of Oceantec Industries Co., Ltd ("**Expenses Payments**"). As at the date of this announcement, the management of the Company is looking into the accounts of the Company to identify the parties whom Renewable Energy Asia Nantong Co., Ltd. paid on behalf of Oceantec Industries Co., Ltd, and when the Expenses Payments were made.
- 4.2 From the period between 1 October 2015 and 31 December 2015, Mr. Xu Jian and his mother, Mdm. Sun Jin Lan, were deemed interested in the entire share capital of Oceantec Industries Co., Ltd. Mr. Xu Jian is also the Executive Chairman, Executive Director and controlling shareholder of the Company. Accordingly, Mr. Xu Jian is an "interested person" pursuant to Chapter 9 of the Catalyst Rules, and the Expenses Payment is considered an "interested person transaction" pursuant to Chapter 9 of the Catalyst Rules.

- 4.3 As RMB2,740,000 represents approximately 6.07% of the Group's latest audited NTA of RMB45,131,000 as at 31 March 2015, approval of shareholders of the Company will be required for the Expenses Payment pursuant to Rule 906 of the Catalist Rules, and such approval must be obtained either prior to the Expenses Payments or, if the Expenses Payments are expressed to be conditional on such approval, prior to the completion of the Expenses Payments pursuant to Rule 918 of the Catalist Rules.
- 4.4 The Board wishes to announce that the Expenses Payments constitute a breach of Rules 906 and 918 of the Catalist Rules as the Expenses Payments were made prior to shareholders of the Company approving the Expenses Payments at a special general meeting of the Company.
- 4.5 The Board also wishes to highlight that the Board and the management of the Company did not authorise the Expenses Payment, and had no knowledge about the Expenses Payments until the management accounts were prepared for the purposes of releasing the financial statements for the third quarter results of the Group.

5. INVESTIGATION AND FURTHER ANNOUNCEMENTS

The Board is currently investigating the above matters and seeking advice from its advisers, and will release further announcements on material developments in due course.

BY ORDER OF THE BOARD

Dr Zheng Lei
Chief Executive Officer and Executive Director
29 June 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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