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VPower Group International Holdings Limited
偉能集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1608)

POSITIVE PROFIT ALERT
FOR THE YEAR ENDED 31 DECEMBER 2016

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

Based on the currently available information, the Board wishes to inform the Shareholders and prospective investors of the Company that the Net Profit for the year ended 31 December 2016 is expected to increase significantly not less than 40%, when compared with the Net Profit for the year ended 31 December 2015 of HK\$141.2 million.

The significant improvement in the profitability of the Group is principally due to (a) the increase in the Group's revenue, (b) the increase in the Group's overall gross profit margin, both of which were driven primarily by strong growth in the IBO business, and (c) partially offset by the one-off listing expense.

Excluding the one-off listing expense, the Group's net profit would have been expected to increase not less than 70%, as compared with the net profit for the year ended 31 December 2015 of HK\$141.2 million.

The Board expects that the announcement of the consolidated results of the Group for the year ended 31 December 2016 will be published around the end of March 2017 in compliance with the requirements under the Listing Rules.

Shareholders and prospective investors of the Company are advised to exercise caution when dealings in the shares of the Company.

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of VPower Group International Holdings Limited (the “**Company**” which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Following the review of the currently available information which includes, but without limitation to, the unaudited management accounts of the Group for the eleven months ended 30 November 2016, the Board wishes to inform the shareholders (the “**Shareholders**”) of the Company and prospective investors of the Company that the amount of the consolidated net profit attributable to the equity holders of the Company for the year ended 31 December 2016 (the “**2016 Net Profit**”) is expected to increase significantly not less than 40%, as compared with the net profit for the year ended 31 December 2015 of HK\$141.2 million. The significant increase in the amount of the 2016 Net Profit is attributable to the following principal factors:

- a) The increase in the Group’s revenue as a result of significant growth of the IBO segment revenue of not less than 80% in 2016 compared with that of 2015.
- b) The increase in the Group’s overall gross profit which is mainly attributable to strong growth of the IBO business which has higher gross profit margin.

The increases in the revenue and gross profit contribution are mainly come from the following IBO projects:

- Commencement of Operation of 49.9 MW Kyauk Phyu II project in Myanmar in March 2016;
 - Commencement of Operation of 149.8 MW Myingyan project in Myanmar in June 2016;
 - Commencement of Operation of 56.4 MW Jambi project in Indonesia in September 2016; and
 - Full year operation in 2016 of 56.2MW Palembang and 49.9 MW Kyauk Phyu I projects, both of which commenced operations in 2Q and 1Q 2015 respectively.
- c) The above impacts are partially offset by the one-off listing expense amounted to not less than HK\$45 million.

Excluding the one-off listing expense, the Group’s net profit would have been expected to increase not less than 70%, as compared with the net profit for the year ended 31 December 2015 of HK\$141.2 million.

The Company is finalizing the consolidated results of the Group for the year ended 31 December 2016. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to the Board. The audited consolidated results of the Group may be subject to adjustments following further review by the Board, discussions with the auditors of the Company and completion of the required auditing procedures. The information in this announcement has not been

reviewed by the auditors of the Company or the audit committee of the Board. The Board expects that the announcement of the audited consolidated results of the Group for the year ended 31 December 2016 will be published around the end of March 2017.

Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
VPower Group International Holdings Limited
Lam Yee Chun
Executive Chairman

Hong Kong, 9 January 2017

As at the date hereof, the Board comprises Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Mr. Au-Yeung Tai Hong and Mr. Lo Siu Yuen as executive directors; Ms. Chan Mei Wan and Dr. Chan Ka Keung as non-executive directors; and Mr. David Tsoi, Mr. Yeung Wai Fai Andrew and Mr. Suen Wai Yu as independent non-executive directors.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.vpower.com.