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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)

INSIDE INFORMATION

OFFER LETTER IN RELATION TO POTENTIAL JOINT VENTURE FORMATION TO ACQUIRE A POWER RENTAL AND MODULAR SYSTEM SOLUTION PROVIDER

This announcement is made by VPower Group International Holdings Limited (the "**Company**"), together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 28 August 2017, the Company and an independent third party company incorporated in the Emirate of Dubai in the United Arab Emirates (the "**JV Partner**") received the acceptance to a binding offer letter (the "**Offer Letter**") from the sellers, which are independent third parties to the Company, for the sale and purchase of a company established in the Emirate of Dubai in the United Arab Emirates (the "**Target**"). The Target is one of the largest power rental and modular system solution providers in the Gulf Cooperation Council region with over 20 years of experience. The Target has been a long standing system integration customer of the Group since 2013. This potential transaction is expected to expand the Group's business presence in the fast growing Middle East markets.

Pursuant to the Offer Letter, the parties agreed a mechanism for determining and calculating the consideration which will be a multiple of the earnings before interest, tax, depreciation and amortization less the net debt of the Target derived from the 2016 audited financial statements of the Target, subject to adjustments. The Company and the JV Partner intend to set up a 60:40 joint venture (the "**Joint Venture**") in the Dubai International Financial Centre to acquire, hold and operate the Target.

Other terms and conditions for the sale and purchase of the Target and the Joint Venture formation are currently under negotiations and remain subject to execution of definitive agreements.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Further announcement in respect of the transactions contemplated under the Offer Letter and the Joint Venture formation will be made by the Company as and when appropriate in compliance with the Listing Rules.

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

Hong Kong, 28 August 2017

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