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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)

VOLUNTARY ANNOUNCEMENT Potential JV Formation with CITIC Pacific

This announcement is made by VPower Group International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**VPower Group**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the VPower Group’s latest business development.

The board of directors (the “**Board**”) of the Company is pleased to announce that, on 28 March 2017, the Company has entered into a memorandum of understanding (the “**MOU**”) with CITIC Pacific Limited (“**CITIC Pacific**”), a subsidiary of CITIC Limited (SEHK: 267), (collectively “**CITIC**”) and a beneficial shareholder of the Company, to explore the acquisition opportunities on the clean and renewable power generation projects in Southeast Asia (“**Potential Acquisitions**”) and, subject to definitive agreements, to co-invest through establishing a joint venture company (“**JV Formation**”); and the co-development (“**Co-Development**”) of certain gas-fired power stations in Southeast Asia.

Reasons for and benefits of the JV Formation

We believe the JV Formation will bring the following benefits to the VPower Group:

- 1) Through the JV Formation, we can strengthen and materialize our strategic co-operation relationship with CITIC, by leveraging on the expertise, knowhow, financial resources and operation platforms of both the VPower Group and CITIC to capture the substantial market opportunities of power generation market in the low electrification countries covered under the Belt and Road Initiatives launched by the Chinese government.
- 2) Both the Potential Acquisitions and Co-Development are in line with the Company’s overall business development strategies, enabling the VPower Group to expand its market position in the Southeast Asia region as well as expanding the scope of coverage of its power generation capacities in the fast growing clean and renewable energy sector.

Information of CITIC

CITIC Pacific is a wholly owned subsidiary of CITIC Limited, a Hong Kong listed company. CITIC Pacific's key businesses include special steel manufacturing, energy and real estate development. It is also the majority shareholder of two Hong Kong listed companies, Dah Chong Hong Holdings Limited (SEHK: 1828) and CITIC Telecom International Holdings Limited (SEHK: 1883).

CITIC Limited is one of China's largest conglomerates operating domestically and overseas, with businesses in financial services, resources and energy, manufacturing, engineering contracting and real estate as well as others.

CITIC is a beneficial cornerstone shareholder of the Company, holding 8% of the outstanding issued shares of the Company. It is not a connected person within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Since no legally binding agreement has been entered into by the parties as of the date of this announcement, the proposed JV Formation and other transactions contemplated under the MOU may or may not materialize. 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 MOU will be made by the Company as and when appropriate in compliance with the Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 March 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 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.