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Jin Cai Holdings Company Limited

金彩控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

**INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING IN RESPECT OF
THE PROPOSED COOPERATION**

This announcement is made by Jin Cai Holdings Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement of the Company dated 2 February 2015 (the “**Announcement**”). As stated in the Announcement, the Company has been actively looking for new investments and business opportunities and considers photovoltaic power generation industry to be a sector with great potential.

THE MOU

On 19 March 2015, Greatest Winner Limited, an indirect wholly-owned subsidiary of the Company (the “**Investor**”), entered into a memorandum of understanding (the “**MOU**”) with Mr. Du Yizhong (杜義忠) (“**Mr. Du**”), Ms. Song Qiaofeng (宋巧鳳) (“**Ms. Song**”) (Mr. Du and Ms. Song collectively, the “**Owners**”) and 北京中能和信光電技術有限公司 (Beijing Zhong Neng He Xin Guang Dian Technology Company Limited*) (the “**Project Company**”), pursuant to which the parties agreed, among other things, to cooperate in the development of a photovoltaic power project owned by the Project Company in Bugugou Town, Longhua County, Chengde City, Hebei Province (河北省承德市隆化縣步古溝鎮), the PRC with installed capacity of 20 MW (the “**Project**”). The Project has obtained the 固定資產投資項目備案證 (Registration Certificate for Fixed Assets Investment*) issued by Hebei Development and Reform Commission. As at the date of this announcement, the Project Company is owned as to 60% by Mr. Du and 40% by Ms. Song.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Project Company, Mr. Du and Ms. Song is third party independent of the Company and its connected persons.

PRINCIPAL TERMS OF THE MOU

The principal terms of the MOU include:

- (1) the Project Company and the Owners shall be responsible for obtaining the relevant approvals and permits for the Project;
- (2) the Investor or its designated party shall provide to the Project Company and the Owners (i) assistance in obtaining the relevant permits for the Project; (ii) technical support and consultancy services in respect of the tendering and construction of the Project; (iii) assistance in procuring electric equipment, selecting service providers in respect of the design, construction, installation and testing of the Project; and (iv) other necessary assistance in relation to the development of the Project;

* *For identification purpose only*

- (3) the Investor or its designated party shall provide funding for the development of the Project. The Project Company and the Owners agreed to enter into legally binding agreements to pledge the equity interest and future income of and all machinery and equipment owned by the Project Company to the Investor or its designated party. The parties also agreed to enter into legally binding agreement pursuant to which the Owners irrecoverably agree to transfer the equity interest of the Project Company to the Investor or its designated party upon the completion of the construction of the Project. The consideration for the transfer of the equity interest of the Project Company shall be determined by the parties with reference to an independent valuation;
- (4) the Project Company and the Owners agreed that during the period of 2 months from the date of the MOU (the “**Exclusivity Period**”), the Project Company and the Owners shall not, directly or indirectly, discuss, negotiate, enter into any contract or agreement or conduct cooperation in any form with any party other than the Investor in respect of the cooperation or transactions contemplated under the MOU or in relation to the Project and cease any such cooperation or discussion that is ongoing as at the date of the MOU (if any);
- (5) if no definitive agreement has been entered into by the parties in connection with the Project on or before the expiration of the Exclusivity Period, the parties shall negotiate with each other in respect of the termination or extension of the MOU;
- (6) it is the mutual understanding of the parties that the MOU shall not constitute the entire legal agreement among the parties on the cooperation in respect of the Project. The parties shall negotiate in good faith with the aim of agreeing and reaching definitive agreements including but not limited to cooperation (or equipment procurement) agreement, equity interest pledge agreement, irrevocable equity interest transfer agreement;
- (7) except for the provisions regarding exclusivity, confidentiality, termination and governing law under the MOU, the MOU is not intended to be legally binding.

If the transactions contemplated under the MOU materialise, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

The MOU may or may not lead to the entering into of any definitive agreement(s) for the Project. As the transactions contemplated under the MOU may or may not materialise, shareholders and investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
Jin Cai Holdings Company Limited
Huang Li
Chairman

Hong Kong, 19 March 2015

As at the date of this announcement, the Board comprises six Directors, namely Ms. Huang Li and Mr. Zheng Hua as executive Directors; Mr. Huang Chao as non-executive Director; Mr. Zeng Shiquan, Mr. Tam Tak Kei Raymond and Professor Lam Sing Kwong Simon as independent non-executive Directors.