Sun.King Power Electronics Group Limited
賽晶電力電子集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 580)

VOLUNTARY ANNOUNCEMENT – MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION

This is a voluntary announcement is made by the Company.

The Board is pleased to announce that on 18 April 2016 (after trading hours), one of the subsidiaries of the Company entered into the Memorandum of Understanding with the Vendors in respect of the Possible Acquisition. Pursuant to the Memorandum of Understanding, one of the subsidiaries of the Company may acquire the shares held by the Vendors, representing 65% of the issued share capital of the Target Company. The terms and conditions of the Possible Acquisition are subject to further negotiations among the Company and the Vendors.

The Target Company is a company incorporated in Switzerland with limited liability and engaged in the business of manufacturing and sales of pulsed power equipment, IGBT gate units and other electronic components. Pursuant to the Memorandum of Understanding, the strategic focuses of the Possible Acquisition are, among other things, (a) to make the Target Company a business hub for the Company's activities in Europe by adding products of the Company to the Target Company's product portfolio and to develop ready-to-market IGBT gate units of the Target Company to win shares in the global market; (b) to develop the Target Company to become a research and development centre of the Company; and (c) to facilitate the use of the technology of the Target Company, including transferring the relevant manufacturing technology to the Company, to develop the Chinese market.

The Memorandum of Understanding represents the preliminary mutual understanding of the parties regarding the Possible Acquisition. The Memorandum of Understanding does not create any legal obligations on any of the parties in any respect.

The Possible Acquisition, if materialises, may or may not constitute a notifiable transaction for the Company under the Listing Rules. If one of the subsidiaries of the Company enter into the Formal Agreement or decide to terminate the Memorandum of Understanding or if there are any material developments with respect to the Possible Acquisition, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The Company wishes to emphasise that the Possible Acquisition is subject to, among other things, the execution of the Formal Agreement, the terms and conditions of which are yet to be definitively agreed. Shareholders and potential investors of the Company should note that the Possible Acquisition may or may not materialise and the final structure and terms of the Possible Acquisition, which are still subject to further negotiations among the parties, have yet to be finalised. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

"associates"	has the meaning ascribed to it in the Listing Rules;
"Board"	the board of Directors;
"Company"	Sun.King Power Electronics Group Limited (stock code: 580), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	director(s) of the Company;
"Formal Agreement"	the formal sales and purchase agreement which may be entered into in relation to the Possible Acquisition;
"IGBT"	insulated-gate bipolar transistor;
"Independent Third Party(ies)"	third party independent of and not connected with the Company and any of its connected persons or their respective associates;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Memorandum of Understanding"	the memorandum of understanding dated 19 April 2016 and entered into among one of the subsidiaries of the Company and the Vendors in relation to the Possible Acquisition;

"Possible Acquisition"	the possible acquisition of 65% of the issued share capital of the Target Company by one of the subsidiaries of the Company from the Vendors as contemplated in the Memorandum of Understanding;
"Share(s)"	ordinary share(s) in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company"	a company incorporated in Switzerland with limited liability;
"Vendors"	two individuals and each of them being Independent Third Party; and
"%"	per cent.

By the order of the Board
Sun.King Power Electronics Group Limited
Xiang Jie
Chairman

Hong Kong, 19 April 2016

As at the date of this announcement, the executive Directors are Mr. Xiang Jie, Mr. Gong Renyuan and Mr. Yue Zhoumin; and the independent non-executive Directors are Mr. Wang Yi, Mr. Li Fengling and Mr. Chen Shimin.