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熊猫绿能
Panda Green

PANDA GREEN ENERGY GROUP LIMITED

熊猫绿色能源集团有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

**(I) THE ENTERING INTO NON-LEGALLY BINDING
MEMORANDA OF UNDERSTANDING IN RELATION TO
THE POSSIBLE SUBSCRIPTIONS OF NEW SHARES
AND
(II) RESUMPTION OF TRADING**

The Board wishes to announce that, on 26 December 2018, the Company as issuer entered into non-legally binding MOUs with each of Huaqing, CMNEG, Huarong, ORIX and Asia Pacific respectively, pursuant to which the Company intends to allot and issue and each of Huaqing, CMNEG, Huarong, ORIX and Asia Pacific intends to subscribe for not more than 3,207,750,000 new Shares, 1,351,992,566 new Shares, 938,054,087 new Shares, 685,889,866 new Shares and 357,396,814 new Shares respectively at the Subscription Price. The Company and each of Huaqing, CMNEG, Huarong, ORIX and Asia Pacific will further negotiate for the exact numbers of subscription shares which will be determined in the Subscription Agreements.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

MOUS IN RESPECT OF THE POSSIBLE SUBSCRIPTIONS

The Board wishes to announce that, on 26 December 2018, the Company as issuer entered into five non-legally binding MOUs with each of Huaqing, CMNEG, Huarong, ORIX and Asia Pacific respectively, pursuant to which the Company intends to allot and issue and each of Huaqing, CMNEG, Huarong, ORIX and Asia Pacific intends to subscribe for not more than 3,207,750,000 new Shares, 1,351,992,566 new Shares, 938,054,087 new Shares, 685,889,866 new Shares and 357,396,814 new Shares respectively at the Subscription Price. The Company and each of Huaqing and the Shareholder Subscribers will further negotiate for the exact numbers of subscription shares which will be determined in the Subscription Agreements.

Save for the identities of the subscribers and the maximum number of new Shares to be subscribed by each of Huaqing and the Shareholder Subscribers, the MOUs contain similar terms as followings:

Conditions precedent

Completion of the possible subscription under the Huaqing MOU will be conditional upon, among other conditions,

- (i) the passing by the Shareholders at the special general meeting of the Company the necessary resolutions approving the special mandate to allot and issue of new Shares to Huaqing;
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new Shares to be subscribed under the Huaqing Subscription Agreement and such approval has not yet been revoked or withdrawn;
- (iii) the obtaining of approval by Huaqing from its regulatory authority or its superior authority in respect of the possible subscription under the Huaqing MOU; and
- (iv) all other conditions precedent to be agreed between the Company and Huaqing in the Huaqing Subscription Agreement.

Completion of the possible subscriptions under the Shareholder Subscribers MOUs will be conditional upon, among other conditions,

- (i) the passing by the Independent Shareholders at the special general meeting of the Company the necessary resolutions approving the special mandate to allot and issue of new Shares to the Shareholder Subscribers;

- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new Shares to be subscribed under the Shareholder Subscribers Subscription Agreements and such approval has not yet been revoked or withdrawn; and
- (iii) all other conditions precedent to be agreed between the Company and the Shareholder Subscribers in their respective Shareholder Subscribers Subscription Agreements.

The Exclusivity Period

The Company has granted a 120-day Exclusivity Period to each of Huaqing and the Shareholder Subscribers under the MOUs, commencing from the date of the MOUs. During the Exclusivity Period, the Company shall not, directly or indirectly, negotiate or discuss, nor enter into any agreement, letter of intent, or memorandum of understanding, with any person or entity (other than Huaqing and/or the Shareholder Subscribers) relating to the Possible Subscriptions.

Binding force of the MOUs

Save for the provisions relating to the Subscription Price, exclusivity, confidentiality, notice, fees, binding effect and governing law contained in the MOUs, which are legally binding, the MOUs do not have any legally binding effect. The Possible Subscriptions are subject to further negotiations between the Company and Huaqing and the Shareholder Subscribers and the execution of the Subscription Agreements. Shareholders will be informed of any further developments with regard to the Possible Subscriptions as and when necessary in accordance with the Listing Rules.

REASON FOR THE POSSIBLE SUBSCRIPTIONS

The Company is an investment holding company and operates its businesses through its subsidiaries. The Group is principally engaged in development, investment, operation and management of renewable energy power plants.

Huaqing is an investment vehicle of Qingdao Investment, which is a state-owned enterprise. One of the major investments of Qingdao Investment is the investment in the clean and renewable energy, in particular, the solar energy in the PRC. The Directors are advised by Huaqing that it considers that the Group's investment in renewable energy power plants is in line with its investment strategy. Huaqing believes that the investment in the Group will be able to bring synergic effect to Qingdao Investment. On the other hand, the Directors consider that Qingdao Investment is a well-established state-owned enterprise with experience and expertise in the clean and renewable energy investment, the introduction of Qingdao Investment as a strategic investor of the Group, will enhance the Group's competitiveness in clean and renewable energy in the PRC.

It is one of conditions for Huaqing's investment in the Group that the Group shall strengthen its capital base and shall also secure the support from the Shareholder Subscribers. The Shareholder Subscribers consider that under the global trend of green ecological transformation, the development of new energy is expected to continue to thrive with the support of national policies and the concerted efforts of the stakeholders in the industry as well as attention of the public. In addition, the Shareholder Subscribers also share the view of the Directors that the introduction of Qingdao Investment as a strategic investor of the Group will be beneficial to the Group's development. The Shareholder Subscribers therefore agree to participate in the Possible Subscriptions.

The Directors consider that it is in the interest of the Company and its Shareholders as a whole to strengthen the financial position of the Company by entering into the Possible Subscriptions, which will enable the Company to expand its capital base and finance those clean energy projects in the PRC. The Directors consider that the terms and conditions of the Possible Subscriptions, including the Subscription Price, are fair and reasonable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 27 December 2018 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 28 December 2018.

There is no assurance that the Possible Subscriptions will materialise or eventually be consummated. Shareholders and potential investors of the Company should be aware that the terms of the Possible Subscriptions are subject to further negotiations between the Company and Huaqing and the Shareholder Subscribers, and the completions of the Possible Subscriptions are subject to the Subscription Agreements being entered into and the satisfaction (or, as the case may be, waiver) of such conditions precedent to completion as may be specified therein. The Possible Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional adviser(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Asia Pacific”	Asia Pacific Energy and Infrastructure Investment Group Limited (亞太能源及基礎設施投資集團有限公司), a company incorporated in the BVI, an associate of He Bing who is a shareholder of the Company and one of the Shareholder Subscribers
“Asia Pacific MOU”	the non-legally binding memorandum of understanding dated 26 December 2018 entered into between the Company as issuer and Asia Pacific as potential subscriber in relation to the possible subscription of not more than 357,396,814 new Shares by Asia Pacific at the Subscription Price
“BVI”	the British Virgin Islands
“CMNEG”	China Merchants New Energy Group Limited (招商新能源集團有限公司), a company incorporated in BVI and an indirect subsidiary of CMG, and one of the Shareholder Subscribers
“CMNEG MOU”	the non-legally binding memorandum of understanding dated 26 December 2018 entered into between the Company as issuer and CMNEG as potential subscriber in relation to the possible subscription of not more than 1,351,992,566 new Shares by CMNEG at the Subscription Price
“CMG”	China Merchants Group Limited (招商局集團有限公司), an indirect substantial shareholder of the Company
“Company”	Panda Green Energy Group Limited (熊貓綠色能源集團有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code:686)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	a term of 120 days from the date of each of the MOUs

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaqing”	Huaqing Solar Power Limited, a company incorporated in the BVI, the subscriber to the Huaqing MOU
“Huaqing MOU”	the non-legally binding memorandum of understanding dated 26 December 2018 entered into between the Company as issuer and Huaqing as potential subscriber in relation to the possible subscription of not more than 3,207,750,000 new Shares by Huaqing at the Subscription Price
“Huaqing Subscription Agreement”	legally binding formal subscription agreement which may or may not be entered into between the Company and Huaqing or its subsidiary in relation to the possible subscription under the Huaqing MOU
“Huarong”	China Huarong Overseas Investment Holdings Co., Limited, a company incorporated in Hong Kong, an indirect substantial shareholder of the Company and one of the Shareholder Subscribers
“Huarong MOU”	the non-legally binding memorandum of understanding dated 26 December 2018 entered into between the Company as issuer and Huarong as potential subscriber in relation to the possible subscription of not more than 938,054,087 new Shares by Huarong at the Subscription Price
“Independent Shareholders”	Shareholders other than the Shareholders Subscribers and their associates who are required to abstain from voting under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“MOUs”	collectively, the Huaqing MOU and the Shareholder Subscribers MOUs
“ORIX”	ORIX Asia Capital Limited, a company incorporated in Hong Kong, a substantial shareholder of the Company and one of the Shareholder Subscribers

“ORIX MOU”	the non-legally binding memorandum of understanding dated 26 December 2018 entered into between the Company as issuer and ORIX as potential subscriber in relation to the possible subscription of not more than 685,889,866 new Shares by ORIX at the Subscription Price
“Possible Subscriptions”	the possible subscriptions of the new Shares by Huaqing and the Shareholder Subscribers respectively pursuant to the MOUs
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Qingdao Investment”	Qingdao City Construction Investment (Group) Co. Limited (青島城市建設投資(集團)有限責任公司), a state-owned enterprise
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.1 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Shareholder Subscribers Subscription Agreements”	legally binding formal subscription agreements which may or may not be entered into respectively between the Company and each of the Shareholder Subscribers or their respective associate in relation to the possible subscriptions under the Shareholder Subscribers MOUs
“Shareholder Subscribers MOUs”	collectively, the Asia Pacific MOU, the CMNEG MOU, the Huarong MOU and the ORIX MOU
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreements”	collectively, the Huaqing Subscription Agreement and the Shareholder Subscribers Subscription Agreements

“Subscription Price” HK\$0.3 per new Share

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

For and on behalf of
Panda Green Energy Group Limited
Li, Alan and Lu Zhenwei
Chairmen of the Board

Hong Kong, 27 December 2018

As at the date of this announcement, the executive Directors are Mr. Li, Alan (Chairman and Chief Executive Officer), Mr. Lu Zhenwei (Co-Chairman), Mr. Yu Qiuming (Co-Chief Executive Officer), Mr. Li Hong and Mr. Li Guangqiang; the non-executive directors of the Company are Mr. Tang Wenyong and Mr. Li Hao; and the independent non-executive Directors are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, and Mr. Shi Dinghuan.