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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) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;  
AND  
(II) CONNECTED TRANSACTIONS INVOLVING  
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

On 20 January 2019, the Company and the First Subscriber entered into the First Subscription Agreement in respect of the First Subscription, pursuant to which the First Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 3,207,750,000 new Shares, which represent (i) approximately 33.66% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 25.18% of the entire issued share capital of the Company as enlarged by the issue of the First Subscription Shares only; and (iii) approximately 19.96% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares, at the subscription price of HK\$0.3 per First Subscription Share.

On 20 January 2019, at the nomination of CMNEG, the Company and the Second Subscriber I, being the nominee of CMNEG, entered into the Second Subscription I Agreement in relation to the Second Subscription I, pursuant to which the Second Subscriber I has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue up to a maximum of 1,216,793,309 new Shares, which represent (i) approximately 12.77% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 11.32% of the entire issued share capital of the Company as enlarged by the issue of the Second Subscription I Shares only; and (iii) approximately 7.57% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares, at the subscription price of HK\$0.3 per Second Subscription I Share.

On 20 January 2019, at the nomination of CMNEG, the Company and the Second Subscriber II, being the nominee of CMNEG, entered into the Second Subscription II Agreement in relation to the Second Subscription II, pursuant to which the Second Subscriber II has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 135,199,257 new Shares, which represent (i) approximately 1.42% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 1.40% of the entire issued share capital of the Company as enlarged by the issue of the Second Subscription II Shares only; and (iii) approximately 0.84% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares, at the subscription price of HK\$0.3 per Second Subscription II Share.

On 20 January 2019, the Company and the Third Subscriber entered into the Third Subscription Agreement in relation to the Third Subscription, pursuant to which the Third Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 938,054,087 new Shares, which represent (i) approximately 9.84% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 8.96% of the entire issued share capital of the Company as enlarged by the issue of the Third Subscription Shares only; and (iii) approximately 5.84% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares, at the subscription price of HK\$0.3 per Third Subscription Share.

On 20 January 2019, the Company and the Fourth Subscriber entered into the Fourth Subscription Agreement in relation to the Fourth Subscription, pursuant to which the Fourth Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,043,286,680 new Shares, which represent (i) approximately 10.95% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 9.87% of the entire issued share capital of the Company as enlarged by the issue of the Fourth Subscription Shares only; and (iii) approximately 6.49% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares, at the subscription price of HK\$0.3 per Fourth Subscription Share.

The Subscription Shares, in aggregate, represent (i) approximately 68.64% of the existing issued share capital of the Company; and (ii) approximately 40.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares under the Subscriptions will be HK\$654,108,333.3.

The Subscription Price under each of the Subscription Agreements is the same and equivalent to HK\$0.3 per Subscription Share which represents (i) a discount of approximately 23.08% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 22.28% to the average of the closing prices of HK\$0.386 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Subscription Price under each of the Subscription Agreements was arrived at after arm's length negotiations between the Company and each Subscriber with reference to the financial position of the Group, liquidity, the recent trading performance of the Shares and the volume of the respective Subscription Shares to be subscribed for under the respective Subscription Agreements. The Directors (excluding the independent non-executive Directors who will give their opinion on the Subscription Price and the terms of the Shareholder Subscription Agreement after reviewing the advice from the independent financial adviser to be appointed by the Board with the approval of the Independent Board Committee) consider that the Subscription Price and the terms of each Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds of the Subscriptions are expected of approximately HK\$1,962 million. After excluding the aggregate First Subscription Price where the subscription money will be set-off against the Huaqing Loan, the gross proceeds of the Subscriptions will be approximately HK\$1,000 million. The net proceeds (excluding the aggregate First Subscription Price where the subscription money will be set-off against the Huaqing Loan) are expected of approximately HK\$996 million and will be applied for the repayment of indebtedness which will become due in the first half of year 2019 and general working capital of the Group.

**The First Subscription Agreement, the Second Subscription I Agreement, the Second Subscription II Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement are not inter-conditional upon each other.**

## **GENERAL**

The Second Subscriber I, the Second Subscriber II and the Third Subscriber are associates of existing substantial Shareholders and the connected persons of the Company. Accordingly, the Second Subscription I, the Second Subscription II and the Third Subscription are connected transactions on the part of the Company under the Listing Rules and are subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Notwithstanding the Fourth Subscriber is not regarded as a connected person of the Company, given that the ultimate beneficial owner of the Fourth Subscriber is a Shareholder holding less than 10% shareholding of the Company, the Company will put forward the Fourth Subscription Agreement to Independent Shareholders' approval at the SGM as well.

The Independent Board Committee will be formed to advise the Independent Shareholders on the terms of the Shareholder Subscription Agreements and the transactions contemplated thereunder. None of the members of the Independent Board Committee will have any interest or involvement in the transactions contemplated under the Shareholder Subscription Agreements. An independent financial adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Shareholder Subscription Agreements and the transactions contemplated thereunder. The Company will make another announcement upon the establishment of the Independent Board Committee and/or the appointment of the independent financial adviser.

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the Subscription Agreements and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandates. The voting in relation to the Subscription Agreements and the Specific Mandates at the SGM will be conducted by way of a poll. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are interested or involved in the First Subscription and no Shareholders are required to abstain from voting on the relevant ordinary resolutions to be proposed at the SGM to approve the First Subscription Agreement and the Specific Mandate in respect of the First Subscription.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Shareholder Subscribers and its respective associates shall abstain from voting on its relevant ordinary resolution to be proposed at the SGM to approve its Subscription Agreement and the relevant Specific Mandate in respect of the relevant Subscription Shares. Hence, (i) CMNEG and its parties acting in concert shall abstain from voting on the relevant ordinary resolutions to be proposed at the SGM to approve the Second Subscription I Agreement, the Second Subscription II Agreement and the Specific Mandates in respect of the Second Subscription I Shares and the Second Subscription II Shares respectively; (ii) the Third Subscriber (though who does not hold any Shares as at the date of this announcement) and its associates shall abstain from voting on the relevant ordinary resolution to be proposed at the SGM to approve the Third Subscription Agreement and the Specific Mandate in respect of the Third Subscription Shares; and (iii) the Fourth Subscriber (though who does not hold any Shares as at the date of this announcement) and its associates shall abstain from voting on the relevant ordinary resolution to be proposed at the SGM to approve the Fourth Subscription Agreement and the Specific Mandate in respect of the Fourth Subscription Shares.

A circular containing, among other things, details of the Subscriptions and the Specific Mandates, together with the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Shareholder Subscription Agreements and the corresponding Specific Mandates and a notice of the SGM is expected to be despatched by the Company to the Shareholders on or before 18 February 2019.

**The Subscriptions are subject to the satisfaction of a number of conditions as set out in the Subscription Agreements and, accordingly, the Subscriptions may or may not proceed. The issue of this announcement does not in any way imply that the Subscription Agreements will be implemented or completed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

Reference is made to the announcement of the Company dated 26 December 2018 in relation to the entering into of the MOUs in respect of the Possible Subscriptions.

On 20 January 2019, the parties to the MOUs (or their nominees as the case may be) entered into the Subscription Agreements for the subscription of up to 6,541,083,333 new Shares, of which (i) the First Subscriber agreed to subscribe for 3,207,750,000 Subscription Shares, (ii) CMNEG nominated the Second Subscriber I and the Second Subscriber II to subscribe for a maximum of 1,351,992,566 Subscription Shares, (iii) the Third Subscriber agreed to subscribe for 938,054,087 Subscription Shares; and (iv) the Fourth Subscriber agreed to subscribe for 1,043,286,680 Subscription Shares.

## **THE SUBSCRIPTIONS**

### **(A) The First Subscription Agreement**

Date: 20 January 2019

Parties: (i) the Company; and  
(ii) the First Subscriber

The First Subscriber is a company incorporated in the BVI. The First Subscriber is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the First Subscriber does not hold any Shares. As at the date of this announcement, the Company is indebted to the First Subscriber the Huaqing Loan. Save as disclosed, the First Subscriber and its ultimate beneficial owner are parties independent of the Company and the connected persons of the Company as at the date of this announcement.

#### ***The First Subscription Shares***

Pursuant to the First Subscription Agreement, the First Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 3,207,750,000 new Shares. The First Subscription Shares to be allotted and issued represent (i) approximately 33.66% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 25.18% of the entire issued share capital of the Company as enlarged by the issue of the First Subscription Shares only; and (iii) approximately 19.96% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

#### ***The First Subscription Price***

The First Subscription Price is HK\$0.3 per First Subscription Share, which represents (i) a discount of approximately 23.08% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 22.28% to the average of the closing prices of HK\$0.386 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

On the completion of the First Subscription Agreement, the Company and the First Subscriber will enter into a deed of set-off, pursuant to which all the aggregate First Subscription Price in the sum of HK\$962,325,000 payable by the First Subscriber to the Company shall be set off against the equivalent amount of Huaqing Loan on dollar-for-dollar basis.

### ***Conditions of the First Subscription***

The completion of the First Subscription is conditional upon, among others, the following conditions being satisfied:

- (i) the passing by the Shareholders at the SGM in accordance with the requirements of the Listing Rules of resolutions approving the First Subscription Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue under a specific mandate of the First Subscription Shares;
- (ii) the Listing Committee of the Stock Exchange granting approval (subject to allotment) for the listing of and permission to deal in the First Subscription Shares to be issued and such approval not being subsequently revoked;
- (iii) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the First Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect; and
- (iv) all necessary consents, licenses and approvals required to be obtained on the part of the First Subscriber in respect of the First Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect.

The parties to the First Subscription Agreement shall use all endeavours to procure the fulfilment of all the conditions above by the Long Stop Date or such other date as the parties to the First Subscription Agreement may agree. In the event that all the conditions have not been fulfilled by the Long Stop Date and the Company and the First Subscriber have not agreed to extend the Long Stop Date upon the expiry of the Long Stop Date, the First Subscription Agreement will be terminated and ceased to be effective, neither parties have obligations and liabilities thereafter save for any antecedent breach.

### ***Completion of the First Subscription***

The completion of the First Subscription will take place on the third Business Day after the conditions of the First Subscription have been fulfilled (or such other date and time as may be agreed between the Company and the First Subscriber). On the completion of the First Subscription, the First Subscriber shall effect payment of the aggregate First Subscription Price in full, and the Company shall simultaneously, among others, allot and issue the First Subscription Shares to the First Subscriber free and clear of all encumbrances and on terms that they rank *pari passu* in all respects with the existing issued Shares and issue the relevant share certificate(s) in the name of the First Subscriber (or its nominee).

**The First Subscription Agreement and each of the Second Subscription I Agreement, the Second Subscription II Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement are not inter-conditional from upon other.**

**(B) The Second Subscription Agreements**

***(I) The Second Subscription I Agreement***

Date: 20 January 2019

Parties: (i) the Company; and  
(ii) the Second Subscriber I

The Second Subscriber I is an investment fund established in the PRC. As the general partner of the Second Subscriber I is an indirect wholly-owned subsidiary of CMG, the Second Subscriber I is an associate of CMNEG. The Second Subscriber I is a nominee of CMNEG, to enter into the Second Subscription I Agreement to subscribe for up to 1,216,793,309 new Shares.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Second Subscriber I is not interested in any Shares. CMNEG and its parties acting in concert are beneficially interested in 2,117,288,763 Shares, which represent approximately 22.22% of the entire issued share capital of the Company as at the date of this announcement. The Second Subscriber I and its ultimate beneficial owners, being associates of CMNEG, are connected persons of the Company as at the date of this announcement.

***The Second Subscription I Shares***

Pursuant to the Second Subscription I Agreement, the Second Subscriber I has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue up to a maximum of 1,216,793,309 new Shares. The Second Subscription I Agreement further provides that the Company has absolute discretion to adjust the number of Second Subscription I Shares to be issued to Second Subscriber I to ensure that CMNEG and its parties acting in concert (including the Second Subscriber I and the Second Subscriber II) do not hold 30% or more of the Shares as a result of the Second Subscription I, but the number of Second Subscription I Shares shall be no less than 909,201,407 and no more than 1,216,793,309.

The maximum number of Second Subscription I Shares to be allotted and issued represent (i) approximately 12.77% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 11.32% of the entire issued share capital of the Company as enlarged by the issue of the Second Subscription I Shares only; and (iii) approximately 7.57% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

### ***The Second Subscription I Price***

The maximum aggregate Second Subscription I Price is HK\$365,037,992.70, representing HK\$0.3 per Second Subscription I Share, which shall be payable in full in cash at completion of the Second Subscription I Agreement. The Second Subscription I Price represents (i) a discount of approximately 23.08% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 22.28% to the average of the closing prices of HK\$0.386 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

### ***Conditions of the Second Subscription I***

The completion of the Second Subscription I is conditional upon, among other, the following conditions being satisfied:

- (i) the passing by the Independent Shareholders at the SGM in accordance with the requirements of the Listing Rules of resolutions approving the Second Subscription I Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue under a specific mandate of the maximum Second Subscription I Shares;
- (ii) the Listing Committee of the Stock Exchange granting approval (subject to allotment) for the listing of and permission to deal in the Second Subscription I Shares to be issued and such approval not being subsequently revoked;
- (iii) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the Second Subscription I Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;

- (iv) all necessary consents, licenses and approvals required to be obtained on the part of the Second Subscriber I in respect of the Second Subscription I Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (v) the Second Subscriber I having obtained approval from the relevant government authority of the PRC to be a qualified domestic institutional investor;
- (vi) the Company having complied with all of its obligations under the Second Subscription I Agreement;
- (vii) no order or judgment of any court or governmental, statutory or regulatory body having been issued or made prior to completion of the Second Subscription I (and no legal or regulatory requirements remaining to be satisfied) which has the effect of making unlawful or otherwise prohibiting the Second Subscription I;
- (viii) there having been no occurrence of a material adverse change on or prior to completion of the Second Subscription I; and
- (ix) the representations and warranties made by the Company to the Second Subscriber I (except for those warranties which are expressly made as of a different date, in which case such warranties shall have been true and accurate in all respects and not misleading in any respect on such date) remaining true and accurate in all respects and not misleading in any respect on the date of completion of the Second Subscription I.

The conditions set out in paragraphs (iv) to (ix) above may be waived by the Second Subscriber I.

The parties to the Second Subscription I Agreement shall use all reasonable endeavours to procure the fulfilment of all the conditions above by the Long Stop Date or such other date as the parties to the Second Subscription I Agreement may agree. In the event that all the conditions have not been fulfilled (or waived as the case may be) by the Long Stop Date and the Company and the Second Subscriber I have not agreed to extend the Long Stop Date upon the expiry of the Long Stop Date, the Second Subscription I Agreement will be terminated and ceased to be effective, neither parties have obligations and liabilities thereafter save for any antecedent breach.

### ***Completion of the Second Subscription I***

The completion of the Second Subscription I will take place on the third Business Day after the conditions of the Second Subscription I have been fulfilled (or such other date and time as may be agreed in writing between the Company and the Second Subscriber I). On the completion of the Second Subscription I, the Second Subscriber I shall effect payment of the aggregate Second Subscription I Price in full, and the Company shall simultaneously, among others, allot and issue the Second Subscription I Shares to the Second Subscriber I free and clear of all encumbrances and on terms that they rank pari passu in all respects with the existing issued Shares and issue the relevant share certificate(s) in the name of the Second Subscriber I (or its nominee).

**The Second Subscription I Agreement and each of the First Subscription Agreement, the Second Subscription II Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement are not inter-conditional from upon other.**

### ***(II) The Second Subscription II Agreement***

Date: 20 January 2019

Parties: (i) the Company; and  
(ii) the Second Subscriber II

The Second Subscriber II is an investment fund established in the PRC. The general partner of the Second Subscriber II is an indirect wholly-owned subsidiary of CMG, the Second Subscriber II is an associate of CMNEG. The Second Subscriber II is a nominee of CMNEG, to enter into the Second Subscription II Agreement to subscribe for 135,199,257 new Shares.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Second Subscriber II is not interested in any Shares. CMNEG and its parties acting in concert are beneficially interested in 2,117,288,763 Shares, which represents approximately 22.22% of the entire issued share capital of the Company as at the date of this announcement. The Second Subscriber II and its ultimate beneficial owners, being associates of CMNEG, are connected persons of the Company as at the date of this announcement.

### ***The Second Subscription II Shares***

Pursuant to the Second Subscription II Agreement, the Second Subscriber II has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 135,199,257 new Shares. The Second Subscription II Shares to be allotted and issued represent (i) approximately 1.42% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 1.40% of the entire issued share capital of the Company as enlarged by the issue of the Second Subscription II Shares only; and (iii) approximately 0.84% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

### ***The Second Subscription II Price***

The total Second Subscription II Price is HK\$40,559,777.10, representing HK\$0.3 per Second Subscription II Share, which shall be payable in full in cash at completion of the Second Subscription II Agreement. The Second Subscription II Price represents (i) a discount of approximately 23.08% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 22.28% to the average of the closing prices of HK\$0.386 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

### ***Conditions of the Second Subscription II***

The completion of the Second Subscription II is conditional upon, among other, the following conditions being satisfied:

- (i) the passing by the Independent Shareholders at the SGM in accordance with the requirements of the Listing Rules of resolutions approving the Second Subscription II Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue under a specific mandate of the Second Subscription II Shares;
- (ii) the Listing Committee of the Stock Exchange granting approval (subject to allotment) for the listing of and permission to deal in the Second Subscription II Shares to be issued and such approval not being subsequently revoked;
- (iii) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the Second Subscription II Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;

- (iv) all necessary consents, licenses and approvals required to be obtained on the part of the Second Subscriber II in respect of the Second Subscription II Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect;
- (v) the Second Subscriber II having obtained approval from the relevant government authority of the PRC to be a qualified domestic institutional investor;
- (vi) the Company having complied with all of its obligations under the Second Subscription II Agreement;
- (vii) no order or judgment of any court or governmental, statutory or regulatory body having been issued or made prior to completion of the Second Subscription II (and no legal or regulatory requirements remaining to be satisfied) which has the effect of making unlawful or otherwise prohibiting the Second Subscription II;
- (viii) there having been no occurrence of a material adverse change on or prior to completion of the Second Subscription II; and
- (ix) the representations and warranties made by the Company to the Second Subscriber II (except for those warranties which are expressly made as of a different date, in which case such warranties shall have been true and accurate in all respects and not misleading in any respect on such date) remaining true and accurate in all respects and not misleading in any respect on the date of completion of the Second Subscription II.

The conditions set out in paragraphs (iv) to (ix) above may be waived by the Second Subscriber II.

The parties to the Second Subscription II Agreement shall use all reasonable endeavours to procure the fulfilment of all the conditions above by the Long Stop Date or such other date as the parties to the Second Subscription II Agreement may agree. In the event that all the conditions have not been fulfilled (or waived as the case may be) by the Long Stop Date and the Company and the Second Subscriber II have not agreed to extend the Long Stop Date upon the expiry of the Long Stop Date, the Second Subscription II Agreement will be terminated and ceased to be effective, neither parties have obligations and liabilities thereafter save for any antecedent breach.

### ***Completion of the Second Subscription II***

The completion of the Second Subscription II will take place on the third Business Day after the conditions of the Second Subscription II have been fulfilled (or such other date and time as may be agreed in writing between the Company and the Second Subscriber II). On the completion of the Second Subscription II, the Second Subscriber II shall effect payment of the aggregate Second Subscription II Price in full, and the Company shall simultaneously, among others, allot and issue the Second Subscription II Shares to the Second Subscriber II free and clear of all encumbrances and on terms that they rank pari passu in all respects with the existing issued Shares and issue the relevant share certificate(s) in the name of the Second Subscriber II (or its nominee).

**The Second Subscription II Agreement and each of the First Subscription Agreement, the Second Subscription I Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement are not inter-conditional from upon other.**

#### **(C) The Third Subscription Agreement**

Date: 20 January 2019

Parties: (i) the Company; and  
(ii) the Third Subscriber

The Third Subscriber is a company incorporated in Hong Kong. The Third Subscriber is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Third Subscriber does not hold any Shares but its subsidiaries are interested in 2,110,257,846 Shares, which represents approximately 22.14% of the entire issued share capital of the Company as at the date of this announcement. The Third Subscriber and its ultimate beneficial owner are connected persons of the Company as at the date of this announcement.

### ***The Third Subscription Shares***

Pursuant to the Third Subscription Agreement, the Third Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 938,054,087 new Shares. The Third Subscription Shares to be allotted and issued represent (i) approximately 9.84% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 8.96% of the entire issued share capital of the Company as enlarged by the issue of the Third Subscription Shares only; and (iii) approximately 5.84% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

### ***The Third Subscription Price***

The total Third Subscription Price is HK\$281,416,226.10, representing HK\$0.3 per Third Subscription Share, which shall be payable in full in cash at the completion of the Third Subscription. The Third Subscription Price represents (i) a discount of approximately 23.08% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 22.28% to the average of the closing prices of HK\$0.386 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

### ***Conditions of the Third Subscription***

The completion of the Third Subscription is conditional upon, among other, the following conditions being satisfied:

- (i) the passing by the Independent Shareholders at the SGM in accordance with the requirements of the Listing Rules of resolutions approving the Third Subscription Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue under a specific mandate of the Third Subscription Shares;
- (ii) the Listing Committee of the Stock Exchange granting approval (subject to allotment) for the listing of and permission to deal in the Third Subscription Shares to be issued and such approval not being subsequently revoked;
- (iii) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the Third Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect; and
- (iv) all necessary consents, licenses and approvals required to be obtained on the part of the Third Subscriber in respect of the Third Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect.

The parties to the Third Subscription Agreement shall use all endeavours to procure the fulfilment of all the conditions above by the Long Stop Date or such other date as the parties to the Third Subscription Agreement may agree. In the event that all the conditions have not been fulfilled by the Long Stop Date and the Company and the Third Subscriber have not agreed to extend the Long Stop Date upon the expiry of the Long Stop Date, the Third Subscription Agreement will be terminated and ceased to be effective, neither parties have obligations and liabilities thereafter save for any antecedent breach.

### ***Completion of the Third Subscription***

The completion of the Third Subscription will take place on the third Business Day after the conditions of the Third Subscription have been fulfilled (or such other date and time as may be agreed between the Company and the Third Subscriber). On the completion of the Third Subscription, the Third Subscriber shall effect payment of the aggregate Third Subscription Price in full, and the Company shall simultaneously, among others, allot and issue the Third Subscription Shares to the Third Subscriber free and clear of all encumbrances and on terms that they rank pari passu in all respects with the existing issued Shares and issue the relevant share certificate(s) in the name of the Third Subscriber (or its nominee).

**The Third Subscription Agreement and each of the First Subscription Agreement, the Second Subscription I Agreement, the Second Subscription II Agreement and the Fourth Subscription Agreement are not inter-conditional from upon other.**

### **(D) The Fourth Subscription Agreement**

Date: 20 January 2019

Parties: (i) the Company; and  
(ii) the Fourth Subscriber

The Fourth Subscriber is a company incorporated in the BVI. The Fourth Subscriber is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the ultimate beneficial owner of the Fourth Subscriber is interested in 559,701,493 Shares, which represent approximately 5.87% of the entire issued share capital of the Company as at the date of this announcement. Save as disclosed, the Fourth Subscriber does not hold any Shares. The Fourth Subscriber and its ultimate beneficial owner are parties independent of the Company and the connected persons of the Company as at the date of the Fourth Subscription Agreement.

### ***The Fourth Subscription Shares***

Pursuant to the Fourth Subscription Agreement, the Fourth Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,043,286,680 new Shares. The Fourth Subscription Shares to be allotted and issued represent (i) approximately 10.95% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 9.87% of the entire issued share capital of the Company as enlarged by the issue of the Fourth Subscription Shares only; and (iii) approximately 6.49% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

### ***The Fourth Subscription Price***

The total Fourth Subscription Price is HK\$312,986,004.00, representing HK\$0.3 per Fourth Subscription Share, which shall be payable in full in cash at Completion. The Fourth Subscription Price represents (i) a discount of approximately 23.08% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 22.28% to the average of the closing prices of HK\$0.386 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

### ***Conditions of the Fourth Subscription***

The completion of the Fourth Subscription is conditional upon, among other, the following conditions being satisfied:

- (i) the passing by the Independent Shareholders at the SGM in accordance with the requirements of the Listing Rules of resolutions approving the Fourth Subscription Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue under a specific mandate of the Fourth Subscription Shares;
- (ii) the Listing Committee of the Stock Exchange granting approval (subject to allotment) for the listing of and permission to deal in the Fourth Subscription Shares to be issued and such approval not being subsequently revoked;

- (iii) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the Fourth Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect; and
- (iv) all necessary consents, licenses and approvals required to be obtained on the part of the Fourth Subscriber in respect of the Fourth Subscription Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect.

The parties to the Fourth Subscription Agreement shall use all endeavours to procure the fulfilment of all the conditions above by the Long Stop Date or such other date as the parties to the Fourth Subscription Agreement may agree. In the event that all the conditions have not been fulfilled by the Long Stop Date and the Company and the Fourth Subscriber have not agreed to extend the Long Stop Date upon the expiry of the Long Stop Date, the Fourth Subscription Agreement will be terminated and ceased to be effective, neither parties have obligations and liabilities thereafter save for any antecedent breach.

### ***Completion of the Fourth Subscription***

The completion of the Fourth Subscription will take place on the third Business Day after the conditions of the Fourth Subscription have been fulfilled (or such other date and time as may be agreed between the Company and the Fourth Subscriber). On the completion of the Fourth Subscription, the Fourth Subscriber shall effect payment of the aggregate Fourth Subscription Price in full, and the Company shall simultaneously, among others, allot and issue the Fourth Subscription Shares to the Fourth Subscriber free and clear of all encumbrances and on terms that they rank pari passu in all respects with the existing issued Shares and issue the relevant share certificate(s) in the name of the Fourth Subscriber (or its nominee).

**The Fourth Subscription Agreement and each of the First Subscription Agreement the Second Subscription I Agreement, the Second Subscription II Agreement and the Third Subscription Agreement are not inter-conditional from upon other.**

### ***Lock-up***

Each of the Subscribers has irrevocably undertaken to the Company that from the date of completion of the its respective Subscriptions and until the first anniversary thereof, it shall not lend, sell, agree to sell, give an option to purchase or other forms of dealing with such Subscription Shares or use the Subscription Shares (in whole or in part) whether any of the foregoing transactions or arrangement is to be settled by delivery of such Subscription Shares or in cash or otherwise (altogether the “**Dealings**”) or released to the public any Dealings in respect of the Subscription Shares (in whole or in part) or enter into any intent to do any of the foregoing or deposit any of the Subscription Shares (in whole or in part) to any depository.

### ***Ranking of the Subscription Shares***

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

The Subscription Shares, in aggregate, represent (i) approximately 68.64% of the existing issued share capital of the Company; and (ii) approximately 40.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares under the Subscriptions will be HK\$654,108,333.3.

### ***Mandates to issue the Subscription Shares***

The issue of the Subscription Shares is subject to approval by the Shareholders (or Independent Shareholders, as the case may be) at the SGM. Ordinary resolutions will be proposed at the SGM to seek, among other things, the Specific Mandates to issue the respective Subscription Shares under the respective Subscription Agreements.

### ***Application for listing***

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR THE SUBSCRIPTION AGREEMENTS**

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.

As shown in the interim report of the Company, as at 30 June 2018, the Company had total borrowing of approximately RMB20,799 million and gearing ratio was approximately 73.1%. By 30 April 2019, the Group will have approximately HK\$1 billion of indebtedness (including the principal and interest payment of bank borrowings, other borrowings, medium-terms notes and corporate bond) become due. The Huaqing Loan in the principal amount of US\$123,375,000 will become due in December 2019.

Notwithstanding the view of the Directors that the Group has the financial ability to meet the interest payments accrued on the borrowings, the Directors are mindful of the significant deterioration in economic and credit conditions that have affected the world economies in the past year. Given the uncertain economic outlook in the near to medium term, the Group is well conscious of the risk that the Company may not be able to obtain the necessary funding, either through debt or equity financing or both, to repay or refinance the loan and indebtedness when they fall due. The Directors also considered that it is not desirable to raise funds only when there is immediate need of funds as the cost of fund raising by then may be higher, and/or there are uncertainties as to whether the Group will be able to raise the amount of funding required for its business development by then, which may depend on the then prevailing market sentiments.

As to the Huaqing Loan, the Company has negotiated with Huaqing for the capitalisation of its loan due from the Company, which in the view of the Directors that the Company can introduce a strategic investor as well as reduce cash outflows for repayment of the indebtedness to Huaqing.

The Directors had also explored the feasibility of conducting rights issue so as to allow all Shareholders to participate in the future development of the Company. Considering the total amount of fund required, if the Company were to carry out the rights issue, it is expected that a longer time would be required. Further, the Shareholder Subscribers may or may not be willing to participate in the rights issue given that majority of the proceeds from rights issue will be used for repayment of borrowings without introducing a new strategic partner, like Huaqing, which may create synergy to the Group's business development.

Huaqing is an investment vehicle of Qingdao Investment, which is a state-owned enterprise in PRC. One of the major investments of Qingdao Investment is in the clean and renewable energy projects, in particular, the solar energy in the PRC. On the one hand, 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, and therefore the introduction of Qingdao Investment as a strategic investor of the Company will enhance the Group's competitiveness in clean and renewable energy industry in the PRC.

It is one of conditions for Qingdao Investment'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 business is expected to continue to thrive with the support of national policies, the concerted efforts of the stakeholders in the industry as well as the 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 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 through the 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 Subscription Agreements, including the Subscription Price, are fair and reasonable.

The Directors are of the view that a new equity financing is an imminent priority of the Company and the Subscriptions are the most viable options for the Company. Given the high gearing ratio of the Company as mentioned above, the Subscriptions provide a good opportunity for the Company to raise equity funding to repay its outstanding liabilities, improve its financial position and mobilise further resources to develop the Group in the renewable energy industry of the PRC by, where appropriate, seeking suitable investment opportunities.

As such, the Directors believe that the Subscribers will bring in additional resources and investment opportunities to the Company that would be beneficial to the Company and the Shareholders as a whole. Having considered all the factors as mentioned above, the Directors considered it is in the interest of the Company and the Shareholders as a whole to proceed with the Subscriptions.

The Directors (excluding the independent non-executive Directors, who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Shareholder Subscription Agreements) are therefore of the view that the Subscriptions are in the interest of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS FROM THE SUBSCRIPTIONS**

The maximum gross proceeds of the Subscriptions are expected of approximately HK\$1,962 million. After excluding the aggregate First Subscription Price where the subscription money will be set-off against the Huaqing Loan, the gross proceeds of the Subscriptions will be approximately HK\$1,000 million. The net proceeds (excluding the aggregate First Subscription Price where the subscription money will be set-off against the Huaqing Loan) are expected of approximately HK\$996 million (representing a net issue price of approximately HK\$0.299 per Subscription Share) and will be applied for the repayment of indebtedness which will become due in the first half of year 2019 and general working capital of the Group.

## CHANGES IN SHAREHOLDING STRUCTURES

For illustration purposes, the changes of the shareholding structures of the Company as a result of the Subscriptions are as follows:

	As at the date of this announcement and immediately before completion of the Subscriptions		Scenario (1) Immediately after completion of the First Subscription only		Scenario (2) Immediately after completion of the Second Subscription I and Second Subscription II only		Scenario (3) Immediately after completion of the Third Subscription only		Scenario (4) Immediately after completion of the Fourth Subscription only		Scenario (5) Immediately after completion of all the Subscriptions	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
CMNEG and its parties acting in concert	2,117,288,763	22.22%	2,117,288,763	16.62%	2,117,288,763	20.02%	2,117,288,763	20.23%	2,117,288,763	20.03%	2,117,288,763	13.17%
Second Subscriber I	–	–	–	–	909,201,407 <sup>(1)</sup>	8.60%	–	–	–	–	1,216,793,309	7.57%
Second Subscriber II	–	–	–	–	135,199,257	1.28%	–	–	–	–	135,199,257	0.84%
<b>Sub-total</b>	<b>2,117,288,763</b>	<b>22.22%</b>	<b>2,117,288,763</b>	<b>16.62%</b>	<b>3,161,689,427</b>	<b>29.90%</b>	<b>2,117,288,763</b>	<b>20.23%</b>	<b>2,117,288,763</b>	<b>20.03%</b>	<b>3,469,281,329</b>	<b>21.58%</b>
First Subscriber	–	–	3,207,750,000	25.18%	–	–	–	–	–	–	3,207,750,000	19.96%
Third Subscriber and its subsidiaries	2,110,257,846	22.14%	2,110,257,846	16.57%	2,110,257,846	19.96%	3,048,311,933	29.12%	2,110,257,846	19.96%	3,048,311,933	18.97%
Fourth Subscriber and its sole shareholder <sup>(2)</sup>	559,701,493	5.87%	559,701,493	4.39%	559,701,493	5.29%	559,701,493	5.35%	1,602,988,173	15.16%	1,602,988,173	9.97%
Director	15,919,000	0.17%	15,919,000	0.12%	15,919,000	0.15%	15,919,000	0.15%	15,919,000	0.15%	15,919,000	0.10%
<b>Public Shareholders</b>												
ORIX <sup>(3)</sup>	1,074,138,234	11.27%	1,074,138,234	8.43%	1,074,138,234	10.16%	1,074,138,234	10.26%	1,074,138,234	10.16%	1,074,138,234	6.68%
Other public Shareholders	3,652,506,131	38.33%	3,652,506,131	28.69%	3,652,506,131	34.54%	3,652,506,131	34.89%	3,652,506,131	34.54%	3,652,506,131	22.74%
<b>Total</b>	<b>9,529,811,467</b>	<b>100.00%</b>	<b>12,737,561,467</b>	<b>100.00%</b>	<b>10,574,212,131</b>	<b>100.00%</b>	<b>10,467,865,554</b>	<b>100.00%</b>	<b>10,573,098,147</b>	<b>100.00%</b>	<b>16,070,894,800</b>	<b>100.00%</b>

### Notes:

- According to the Second Subscription I Agreement, it is stipulated that CMNEG and its parties acting in concert (including the Second Subscriber I and the Second Subscriber II) shall in no event hold 30% or more shareholding of the Company as a result of the Second Subscriptions. If none of the Subscriptions have completed save for the Second Subscriptions, the Company has the absolute discretion to issue less Second Subscription I Shares, but no less than 909,201,407 new Shares, so that CMNEG and its parties acting in concert (including the Second Subscriber I and the Second Subscriber II) shall in no event hold 30% or more of the shareholding of the Company as a result of the Second Subscriptions.
- Prior to the completion of the Fourth Subscription, Mr. He Bing, the sole ultimate beneficial owner of the Fourth Subscriber is interested in 559,701,493 Shares, which represent approximately 5.87% of the total issued share capital of the Company. Mr. He Bing and the Fourth Subscriber shall not be regarded as connected persons of the Group and shall be regarded as public shareholders. Depending on the outcome of the Subscriptions, Mr. He Bing and the Fourth Subscriber may or may not be regarded as public shareholders after the completion of the Subscriptions.
- Prior to the completion of the Subscriptions, ORIX holds approximately 11.27% of the total shareholding of the Company while upon completion of the Subscriptions, ORIX holds 6.68% of the total shareholdings of the Company as enlarged by the all Subscription Shares. ORIX is therefore regarded as a public shareholder upon the completion of the Subscriptions.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD**

During the past twelve months immediately preceding the date of this announcement, the Company has not conducted any equity fund raising activity.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Second Subscriber I, the Second Subscriber II and the Third Subscriber are associates of existing substantial Shareholders and are connected persons of the Company. Accordingly, the Second Subscription I, the Second Subscription II and the Third Subscription are connected transactions on the part of the Company under the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Notwithstanding the Fourth Subscriber is not regarded as a connected person of the Company, given that the ultimate beneficial owner of the Fourth Subscriber is a Shareholder holding less than 10% shareholding of the Company, the Company will put forward the Fourth Subscription Agreement to Independent Shareholders' approval at the SGM as well.

## **THE INDEPENDENT BOARD COMMITTEE AND THE SGM**

The Independent Board Committee will be formed to advise the Independent Shareholders on the terms of the Shareholder Subscription Agreements and the transactions contemplated thereunder. None of the members of the Independent Board Committee will have any interest or involvement in the transactions contemplated under the Shareholder Subscription Agreements. An independent financial adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Shareholder Subscription Agreements and the transactions contemplated thereunder. The Company will make another announcement upon the establishment of the Independent Board Committee and/or the appointment of the independent financial adviser.

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the Subscription Agreements and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandates. The voting in relation to the Subscription Agreements and the Specific Mandates at the SGM will be conducted by way of a poll. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are interested or involved in the First Subscription and no Shareholders are required to abstain from voting on the relevant ordinary resolutions to be proposed at the SGM to approve the First Subscription Agreement and the Specific Mandates in respect of the First Subscription.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Shareholder Subscribers and its respective associates shall abstain from voting on the relevant ordinary resolutions to be proposed at the SGM to approve its Subscription Agreement and the relevant Specific Mandate in respect of the relevant Subscription Shares. Hence, (i) the CMNEG and its parties acting in concert shall abstain from voting on the relevant ordinary resolutions to be proposed at the SGM to approve the Second Subscription I Agreement, the Second Subscription II Agreement and the Specific Mandates in respect of the Second Subscription I Shares and the Second Subscription II Shares respectively; (ii) the Third Subscriber (though who does not hold any Shares as at the date of this announcement) and its associates shall abstain from voting on the relevant ordinary resolution to be proposed at the SGM to approve the Third Subscription Agreement and the Specific Mandate in respect of the Third Subscription Shares; and (iii) the Fourth Subscriber (though who does not hold any Shares as at the date of this announcement) and its associates shall abstain from voting on the relevant ordinary resolution to be proposed at the SGM to approve the Fourth Subscription Agreement and the Specific Mandate in respect of the Fourth Subscription Shares.

## **GENERAL**

A circular containing, among other things, details of the Subscriptions and the Specific Mandates, together with the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Shareholder Subscription Agreements and the corresponding Specific Mandates and a notice of the SGM is expected to be despatched by the Company to the Shareholders on or before 18 February 2019.

**The Subscriptions are subject to the satisfaction of a number of conditions as set out in the Subscription Agreements and, accordingly, the Subscriptions may or may not proceed. The issue of this announcement does not in any way imply that the Subscription Agreements will be implemented or completed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“acting in concert”	has the meaning ascribed to it in the Hong Kong Code on Takeovers and Mergers
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“CMG”	China Merchants Group Limited (招商局集團有限公司), an indirect substantial shareholder of the Company
“CMNEG”	China Merchants New Energy Group Limited (招商新能源集團有限公司), a company incorporated in the BVI and an indirect subsidiary of CMG, and a, together with its holding company, 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 and “connected” shall be construed accordingly

“Director(s)”	the director(s) of the Company
“First Subscriber” or “Huaqing”	Huaqing Solar Power Limited, a company incorporated in the BVI
“First Subscription”	the subscription for the First Subscription Shares by the First Subscriber pursuant to the First Subscription Agreement
“First Subscription Agreement”	the subscription agreement dated 20 January 2019 and entered into between the Company and the First Subscriber in respect of the First Subscription
“First Subscription Price”	the subscription price of HK\$0.3 per First Subscription Share
“First Subscription Share(s)”	3,207,750,000 new Shares (assuming that there is no change in the issued share capital of the Company up to the completion of First Subscription and the public float is not less than 25% at the time of completion of the First Subscription) to be allotted and issued pursuant to the First Subscription Agreement
“Fourth Subscriber”	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
“Fourth Subscription”	the subscription for the Fourth Subscription Shares by the Fourth Subscriber pursuant to the Fourth Subscription Agreement
“Fourth Subscription Agreement”	the subscription agreement dated 20 January 2019 and entered into between the Company and the Fourth Subscriber in respect of the Fourth Subscription
“Fourth Subscription Price”	the subscription price of HK\$0.3 per Fourth Subscription Share
“Fourth Subscription Share(s)”	1,043,286,680 new Shares to be allotted and issued pursuant to the Fourth Subscription Agreement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaqing Loan”	a loan due by the Company to Huaqing in the sum of US\$123,375,000 (equivalent to approximately HK\$962,325,000) due in December 2019 bearing an interest rate of 13.41% per annum
“Independent Board Committee”	an independent committee of the Board to be established which comprises all independent non-executive Directors in compliance with the Listing Rules, who will have no direct or indirect interest in the Shareholder Subscription Agreements
“Independent Shareholders”	Shareholders other than the Shareholder Subscribers and their associates, and those who are required to abstain from voting in the SGM to consider and approve the Shareholder Subscription Agreements under the Listing Rules
“Last Trading Day”	18 January 2019, being the last trading day of the Shares prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	29 March 2019 or such later date as the parties to each of the First Subscription Agreement, the Second Subscription I Agreement, the Second Subscription II Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement may agree
“MOUs”	the five non-legally binding memoranda of understanding all dated 26 December 2018 in relation to the Possible Subscriptions
“ORIX”	ORIX Asia Capital Limited, a company incorporated in Hong Kong, a substantial shareholder of the Company as at the date of this announcement but a public shareholder after the completion of the Subscriptions

“Possible Subscriptions”	the possible subscriptions of the new Shares by, among others, Huaqing, and the Shareholder Subscribers pursuant to the MOUs
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China 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 in PRC
“Second Subscriber I”	深圳國調招商併購股權投資基金合夥企業(有限合夥)(transliterated as State-Owned Enterprise Structural Adjustment China Merchants Buyout Fund (LP)), an entity established in the PRC and a nominee of CMNEG, and one of the Shareholder Subscribers
“Second Subscriber II”	深圳市國協一期股權投資基金合夥企業(有限合夥)(transliterated as Shenzhen City Guoxie First Equity Investment Fund (LP)), an entity established in the PRC and a nominee of CMNEG, and one of the Shareholder Subscribers
“Second Subscription I”	the subscription for the Second Subscription I Shares by the Second Subscriber I pursuant to the Second Subscription I Agreement
“Second Subscription II”	the subscription for the Second Subscription Shares II by the Second Subscriber II pursuant to the Second Subscription II Agreement
“Second Subscription I Agreement”	the subscription agreement dated 20 January 2019 and entered into between the Company and the Second Subscriber I in respect of the Second Subscription I
“Second Subscription II Agreement”	the subscription agreement dated 20 January 2019 and entered into between the Company and the Second Subscriber II in respect of the Second Subscription II

“Second Subscription Agreements”	collectively, the Second Subscription I Agreement and Second Subscription II Agreement
“Second Subscription I Price”	the subscription price of HK\$0.3 per Second Subscription I Share
“Second Subscription II Price”	the subscription price of HK\$0.3 per Second Subscription II Share
“Second Subscription I Share(s)”	no less than 909,201,407 new Shares and no more than 1,216,793,309 new Shares to be allotted and issued pursuant to the Second Subscription I Agreement
“Second Subscription II Share(s)”	135,199,257 new Shares to be allotted and issued pursuant to the Second Subscription II Agreement
“Second Subscriptions”	collectively, the Second Subscription I and Second Subscription II
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be held to approve, among other things, the Subscription Agreements and the Specific Mandates
“Share(s)”	the ordinary shares of par value of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Shareholder Subscribers”	collectively, the Second Subscriber I, the Second Subscriber II, the Third Subscriber and the Fourth Subscriber
“Shareholder Subscriptions”	collectively, the Second Subscription I, the Second Subscription II, the Third Subscription and the Fourth Subscription
“Shareholder Subscription Agreements”	collectively, the Second Subscription I Agreement, the Second Subscription II Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement

“Specific Mandate(s)”	the authority to be sought from the Shareholders (and/or Independent Shareholders, as the case may be) to authorise the Board to issue the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, the First Subscriber, the Second Subscriber I, Second Subscriber II, the Third Subscriber and the Fourth Subscriber
“Subscription Price”	the subscription price of HK\$0.3 per Subscription Share
“Subscription Share(s)”	collectively, the First Subscription Shares, the Second Subscription I Shares, the Second Subscription II Shares, the Third Subscription Shares and the Fourth Subscription Shares
“Subscriptions”	collectively, the First Subscription, the Second Subscription I, the Second Subscription II, the Third Subscription and the Fourth Subscription
“Subscription Agreement(s)”	collectively, the First Subscription Agreement, the Second Subscription I Agreement, the Second Subscription II Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement
“Third Subscriber”	China Huarong Overseas Investment Holdings Co., Limited, a company incorporated in Hong Kong, an indirect shareholder of the Company, and one of the Shareholder Subscribers
“Third Subscription”	the subscription for the Third Subscription Shares by the Third Subscriber pursuant to the Third Subscription Agreement
“Third Subscription Agreement”	the subscription agreement dated 20 January 2019 and entered into between the Company and the Third Subscriber in respect of the Third Subscription
“Third Subscription Price”	the subscription price of HK\$0.3 per Third Subscription Share
“Third Subscription Share(s)”	938,054,087 new Shares to be allotted and issued pursuant to the Third Subscription Agreement

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*In this announcement, translation of US\$ into HK\$ based on the exchange rate of US\$1.00 to HK\$7.80. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or United States dollars have been, could have been or may be converted at such or any other rate or at all.*

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

Hong Kong, 20 January 2019

*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.*