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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)

INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING
IN RELATION TO POSSIBLE SUBSCRIPTION OF SHARES

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 2 August, 2019 (after trading hours), the Company entered into the non-legally binding MOU with the Subscriber in relation to the Possible Subscription for the purpose of long term strategic cooperation with each other, pursuant to which the Company intends to allot and issue, and the Subscriber intends to subscribe for, new Shares.

THE MOU

The non-legally binding MOU contains, inter alia, the following salient terms:

Date: 2 August, 2019 (after trading hours)

Parties: (a) the Company; and

(b) the Subscriber

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties. None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Possible Subscription.

Conditions Precedent

As a condition precedent to completion of the Possible Subscription, all approvals, consents and waivers from all relevant third parties and regulatory authorities in relation to the Possible Subscription shall be duly obtained. For this purpose, as conditions precedent to the MOU, the Subscriber shall:

- 1) sign the Formal Agreement within three months from the date of the MOU; and
- 2) provide a specific plan within three months from the date of the MOU relating to capital market solution arrangement, including but not limited to, acquiring other related assets, integrating the assets of the Company and injecting high quality assets to the Company so as to improve the operation of the Company.

Subscription Price

The determination of the Subscription Price shall make reference to the average closing price quoted on the Stock Exchange for thirty days prior to the date of the Formal Agreement. Subject to the Formal Agreement, the price range and the exact amount of the Subscription Price shall be further negotiated between the Parties.

Completion

Upon execution of the Formal Agreement by the Parties, completion shall take place within one month from the date of approval by the Shareholders at the general meeting of the Company in relation to the Possible Subscription.

Non legally-binding effect

Save for the provisions relating to confidentiality, notice, costs and expenses, legal effect, governing laws and jurisdiction and counterparts, the provisions of MOU are not legally binding.

INFORMATION OF THE SUBSCRIBER

The Subscriber is a company established in the PRC with limited liability, which is a state-owned company. The Subscriber and its subsidiaries are principally engaged in electricity production and supply, thermal heat production and supply, the production and sale of coal, property development and real estate management. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party.

REASONS FOR THE POSSIBLE SUBSCRIPTIONS

The Group is a leading global eco-development solutions provider and is principally engaged in the development, investment, operation and management of solar power plants and other renewable energy projects.

The Company has been actively looking for cooperation opportunities to improve its financial and operational capabilities. The Company expects that guarantee from the Subscriber, being a state-owned PRC company with strong international reputation, would help the Company to enhance its credit and thus lower the Company's cost of financing. Meanwhile, the Company could benefit from the Subscriber's affluent industry experience, technology skills and possible injection of high quality assets to improve the Company's operation, profitability and competitiveness.

The Directors consider that the Possible Subscription represents an opportunity to improve the financial position and strengthen the operation of the Company.

LISTING RULES IMPLICATIONS

If the Possible Subscription proceeds, the Company will make further announcements in compliance with the Listing Rules and the Company will undertake all necessary compliance with the Listing Rules, including but not limited to, obtaining Shareholders' approval (if applicable), and any other applicable laws and regulations.

There is no assurance that the Possible Subscription will materialise or eventually be consummated. Shareholders and potential investors of the Company should be aware that the terms of the Possible Subscription are subject to further negotiations between the Company and the Subscriber, and the completion of the Possible Subscription is subject to the Formal Agreement 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 Subscription 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:

“Board”	board of the Directors
“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, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Formal Agreement”	a formal legally-binding agreement to be entered into between the Company and the Subscriber in connection with the Possible Subscription
“Group”	the Company and its subsidiaries
“Independent Third Party”	third party independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange
“MOU”	a non-legally binding memorandum of understanding dated 2 August, 2019 entered into between the Company and the Subscriber in relation to the Possible Subscription
“Parties”	the Company and the Subscriber

“Possible Subscription”	The possible subscription of new Shares by the Subscriber pursuant to the MOU
“PRC”	People’s Republic of China
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Beijing Energy Holdings Co., Ltd (北京能源集團有限公司), a company established in the PRC with limited liability
“Subscription Price”	price of subscribing for new Shares by the Subscriber

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

Hong Kong, 2 August, 2019

As at the date of this announcement, the executive directors of the Company are Mr. Lu Zhenwei (Chairman), Ms. Zhong Hui (Chief Executive Officer), Mr. Chen Qinglong and Mr. Xu Jianjun; the non-executive directors of the Company are Mr. Yu Qiuming, Mr. Li Hao, Ms. Xie Yi and Mr. Wang Heng; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Chen Hongsheng.