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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)

**(1) PROPOSED EXCHANGE OFFER FOR THE
COMPANY’S OUTSTANDING US\$350,000,000 8.25%
SENIOR NOTES DUE 2020**

(ISIN: XS1512652600, Common Code: 151265260)

AND

**(2) CONNECTED TRANSACTION IN RELATION TO
DEALER MANAGER AGREEMENT**

(1) PROPOSED EXCHANGE OFFER

The Company proposes to conduct the Exchange Offer with respect to the Existing Notes subject to the terms and conditions as set out in the Exchange Offer Memorandum.

In respect of the Exchange Offer, the Company has mandated CMB International as dealer manager and CLSA Limited as financial advisor. The Company has also mandated D. F. King Ltd. as information and exchange agent. For detailed description of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

The Company will apply for the listing of the Exchange Notes on the Stock Exchange. Admission of the Exchange Notes should not be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Exchange Notes.

Shareholders, holders of the Existing Notes and potential investors should note that completion of the Exchange Offer remains subject to all general conditions being satisfied or waived, including, among other things, the fulfilment or waiver of the conditions precedent to the Exchange Offer and market conditions. No assurance can be given that the Exchange Offer will be completed and the Company has the right to withdraw or terminate the Exchange Offer. As the Exchange Offer may or may not proceed, shareholders of the Company, holders of the Existing Notes and potential investors should exercise caution when dealing in the Existing Notes, shares and/or other securities of the Company. Potential investors shall not engage in any secondary market trading until the settlement of the Exchange Offer and the issuance of the Exchange Notes are effectuated.

IMPORTANT NOTICE — THE EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO (I) ARE NOT U.S. PERSONS (WITHIN THE MEANING OF REGULATION S) AND ARE OUTSIDE THE UNITED STATES, AND (II) (TO THE EXTENT IN HONG KONG) ARE PROFESSIONAL INVESTORS FOR THE PURPOSES OF THE SECURITIES AND FUTURES ORDINANCE. PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER THE EXISTING NOTES IN THE EXCHANGE OFFER. IN ADDITION, THE EXCHANGE OFFER IS ONLY MADE TO (AND IS CAPABLE OF ACCEPTANCE ONLY BY) ELIGIBLE HOLDERS IN JURISDICTIONS IN WHICH THE EXCHANGE OFFER COULD BE MADE WITHOUT TRIGGERING PROSPECTUS AND OTHER REGISTRATION REQUIREMENTS.

(2) DEALER MANAGER AGREEMENT

In connection with the Exchange Offer, the Company has entered into the Dealer Manager Agreement pursuant to which CMB International was appointed as dealer manager.

As at the date of this announcement, CMB International is an indirect subsidiary of CMG, which is an indirect substantial shareholder of the Company. Accordingly, CMB International is an associate of CMG and a connected person of the Company and entry of the Dealer Manager Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Dealer Manager Agreement, when aggregated with the fees paid under the engagement of CMB International and an associate of CMG as joint financial advisers to the Company in connection with a share subscription (the subject of the circular of the Company dated 1 March 2019), exceeded 0.1% but did not exceed 5%, the entry of the Dealer Manager Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Company proposes to conduct the Exchange Offer with respect to the Existing Notes subject to the terms and conditions as set out in the Exchange Offer Memorandum.

In respect of the Exchange Offer, the Company has mandated CMB International as dealer manager and CLSA Limited as financial advisor. The Company has also mandated D. F. King Ltd. as information and exchange agent. For detailed description of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

(1) PROPOSED EXCHANGE OFFER

Reasons for and benefits of the Exchange Offer and the Dealer Manager Agreement

In 2017, the Company issued US\$350,000,000 in aggregate principal amount of 8.25% senior guaranteed notes due 2020 (ISIN: XS1512652600, Common Code: 151265260). The Existing Notes are listed on the SGX-ST. As at the date of this announcement, a total of US\$350,000,000 in principal amount of the Existing Notes remains outstanding.

The Company proposes to offer to exchange any and all of its outstanding Existing Notes held by Eligible Holders for the Exchange Consideration (as defined below) in accordance with the terms and conditions as set out in the Exchange Offer Memorandum. The Company believes that refinancing the Existing Notes would improve its debt structure and enable it to extend its debt maturity profile, strengthen its balance sheet and improve cash flow management.

Holder of the Existing Notes who validly accept and exchange in the Exchange Offer will, from and including the date of settlement (which is expected to be on or around 6 January 2020), waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the applicable Exchange Consideration (as defined below)) and will release and discharge the Company from any and all claims such Eligible Holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

Instructions in connection with the Exchange Offer are irrevocable. Eligible Holders may not withdraw instructions at any time once delivered in accordance with the terms herein.

Having considered the above, together with the terms and conditions of the Dealer Manager Agreement which were negotiated on an arm's length basis between the Company and CMB International, the Directors (including the independent non-executive Directors) consider that the terms of the Dealer Manager Agreement are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Exchange Consideration

For each US\$1,000 principal amount of the outstanding Existing Notes that is validly tendered prior to the exchange expiration deadline (which is excepted to be on or around 27 December 2019) and accepted for exchange, an Eligible Holder of such Existing Notes will receive the Exchange Consideration consisting of (the “**Exchange Consideration**”):

- (a) US\$1,000 in aggregate principal amount of the Exchange Notes to be newly issued;
- (b) Capitalized Interest; and
- (c) subject to the requirement that any Exchange Notes issued to any Eligible Holder be in a minimum principal amount (inclusive of Capitalized Interest) of US\$200,000 and integral multiples of US\$1,000 in excess thereof, in the event that such Eligible Holder is entitled to receive any Exchange Notes in a principal amount (inclusive of Capitalized Interest) that is not an integral multiple of US\$1,000, cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) in lieu of any fractional amount of the Exchange Notes equal to the principal amount (inclusive of Capitalized Interest) of the Exchange Notes not issued (after rounding downward the amount of the Exchange Notes to the nearest multiple of US\$1,000).

Exchange Notes

The aggregate principal amount of the Exchange Notes to be issued is up to the sum of US\$350,000,000, being the outstanding amount of the Existing Notes subject to the Exchange Offer, plus Capitalized Interest. The Exchange Notes will be guaranteed and bear a coupon rate of 8% per annum. The Exchange Notes will have a tenor of 2 years from date of settlement.

The Exchange Offer

Summary timetable

The following summarizes the current schedule for the Exchange Offer. Please note that the expiration of the Exchange Offer and the settlement of the Exchange Notes, as well as the other events listed below, may be earlier or later than indicated below. This summary timetable is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing in the Exchange Offer Memorandum. All references to time below are to Hong Kong time, unless otherwise stated.

Date	Event
16 December 2019	Commencement of the Exchange Offer and announcement via the websites of the SGX-ST and the Stock Exchange and the Exchange Website and through Euroclear and Clearstream, as applicable
On or about 27 December 2019 (4:00 p.m. London time, unless extended or earlier terminated	Exchange expiration deadline. This being the last date and time on which Eligible Holders who validly tender the Existing Notes are eligible to receive the Exchange Consideration
As soon as practicable after the exchange expiration deadline, currently expected to be 30 December 2019	Announcement of the amount of tenders for exchange received prior to the exchange expiration deadline, and the final aggregate principal amount of the Exchange Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged
After all general conditions are satisfied or waived, including, among others, obtaining the consent letters to waive the restrictions on the Exchange Offer under certain existing financing agreements of the Company or its subsidiaries, currently expected to be on or about 6 January 2020	Settlement of the Exchange Notes and delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange
On or about 7 January 2020	Listing of the Exchange Notes on the Stock Exchange

Conditions precedent of the Exchange Offer

The Company's obligation to consummate the Exchange Offer is conditional upon, among other things, the following:

- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the date of settlement;
- consent letters having been duly issued and delivered by certain creditors of the Company or its subsidiaries to waive the restrictions on the Exchange Offer under certain existing financing agreement of the Company or any of its subsidiaries in the form satisfactory to the Dealer Manager;
- certain Subsidiary Guarantors (who are not guarantors under the Existing Notes) having provided a guarantee in respect of payment obligations of the Company under the Existing Notes, and a supplemental indenture to be duly executed and delivered pursuant to the indenture governing the Existing Notes together with any other documents as may be required; and
- satisfaction of other conditions described in the section headed "Description of the Exchange Offer – Conditions to the Exchange Offer" in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the date of settlement. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

Eligible Holders

The Exchange Offer is only made to (and is capable of acceptance only by) Eligible Holders in jurisdictions in which the Exchange Offer could be made without triggering prospectus and other registration requirements, being in the case of Eligible Holders in Hong Kong, those who are professional investors for the purposes of the Securities and Futures Ordinance. None of the Exchange Notes will be offered to the public in Hong Kong. The Exchange Notes are being offered only to non-U.S persons (within the meaning of Regulation S) outside the United States in compliance with Regulation S.

Listing of Exchange Notes

The Company will apply for the listing of the Exchange Notes on the Stock Exchange. Admission of the Exchange Notes should not be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Exchange Notes.

Shareholders, holders of the Existing Notes and potential investors should note that completion of the Exchange Offer remains subject to all general conditions being satisfied or waived, including, among other things, the fulfilment or waiver of the conditions precedent to the Exchange Offer and market conditions. No assurance can be given that the Exchange Offer will be completed and the Company has the right to withdraw or terminate the Exchange Offer. As the Exchange Offer may or may not proceed, shareholders of the Company, holders of the Existing Notes and potential investors should exercise caution when dealing in the Existing Notes, shares and/or other securities of the Company. Potential investors shall not engage in any secondary market trading until the settlement of the Exchange Offer and the issuance of the Exchange Notes are effectuated.

IMPORTANT NOTICE — THE EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO (I) ARE NOT U.S. PERSONS (WITHIN THE MEANING OF REGULATION S) AND ARE OUTSIDE THE UNITED STATES, AND (II) (TO THE EXTENT IN HONG KONG) ARE PROFESSIONAL INVESTORS FOR THE PURPOSES OF THE SECURITIES AND FUTURES ORDINANCE. PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER THE EXISTING NOTES IN THE EXCHANGE OFFER. IN ADDITION, THE EXCHANGE OFFER IS ONLY MADE TO (AND IS CAPABLE OF ACCEPTANCE ONLY BY) ELIGIBLE HOLDERS IN JURISDICTIONS IN WHICH THE EXCHANGE OFFER COULD BE MADE WITHOUT TRIGGERING PROSPECTUS AND OTHER REGISTRATION REQUIREMENTS.

(2) DEALER MANAGER AGREEMENT

In connection with the Exchange Offer, the Company entered into the Dealer Manager Agreement, principal terms of which are set out below.

Date

16 December 2019

Parties

1. The Company
2. CMB International
3. Subsidiary Guarantors

Transaction fee

In consideration of the services of CMB International in connection with the Exchange Offer, CMB International will be entitled to a transaction fee to be determined by way of a fee letter, which shall in any event not exceed 1% of the total principal amount of Existing Bonds tendered for exchange under the Exchange Offer, which is payable whether or not the Company consummates the Exchange Offer.

The transaction fee was negotiated on an arm's length basis between the Company and CMB International and determined with reference to, among other things, the market rate for services of similar nature.

Information about the Company

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.

Information about CMB International

CMB International is licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance in Hong Kong and an indirect subsidiary of CMG.

Listing Rule implications

As at the date of this announcement, CMB International is an indirect subsidiary of CMG, which is an indirect substantial shareholder of the Company. Accordingly, CMB International is an associate of CMG and a connected person of the Company and the entry into the Dealer Manager Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Dealer Manager Agreement, when aggregated with the fees paid under the engagement of CMB International and an associate of CMG as joint financial advisers to the Company in connection with a share subscription (the subject of the circular of the Company dated 1 March 2019), exceeded 0.1% but did not exceed 5%, the Dealer Manager Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“associate”	has the meaning as defined in Chapter 14A of the Listing Rules
“Capitalized Interest”	accrued but unpaid interest on the Existing Notes which will be exchanged for US\$1.00 in principal amount of the New Notes elected to be received by the Eligible Holder
“Clearstream”	Clearstream Banking S.A.
“CMB International”	CMB International Capital Limited (招銀國際融資有限公司), licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance in Hong Kong and an indirect subsidiary of CMG
“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 shares of which are listed on the Main Board of the Stock Exchange (stock code: 686)
“Dealer Manager Agreement”	the dealer manager agreement dated 16 December 2019 between the Company, the Subsidiary Guarantors and CMB International (together with the fee letter)
“Director(s)”	director(s) of the Company
“Eligible Holders”	each of the or all holders of the Existing Notes who are non-U.S. persons (as those terms are defined in Regulation S) located outside the United States in exchange for their Existing Notes through Euroclear or Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons (as those terms are defined in Regulation S) outside the United States with the Existing Notes held through Euroclear or Clearstream
“Euroclear”	Euroclear Bank SA/NV
“Exchange Notes”	the new 8% guaranteed senior notes due 2022 proposed to be issued by the Company under the Exchange Offer

“Exchange Offer”	the exchange offer made by the Company subject to the terms and conditions as set out in the Exchange Offer Memorandum
“Exchange Offer Memorandum”	the exchange offer memorandum dated 16 December 2019 in relation to the Exchange Offer
“Exchange Website”	https://sites.dfkingltd.com/pandagreen , the website set up by the the information and exchange agent for hosting documents relating to the Exchange Offer
“Existing Notes”	US\$350,000,000 in aggregate principal amount of 8.25% guaranteed senior notes due 2020 issued by the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees to be provided by the Subsidiary Guarantors in respect of the Exchange Notes
“Subsidiary Guarantors”	certain subsidiaries of the Company which are required to guarantee the Company’s payment obligations under the Exchange Notes
“U.S.” or “United States”	United States of America
“US\$”	United States dollar(s), the lawful currency of the United States
“%”	per cent

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

Hong Kong, 16 December 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.