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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)

**CONNECTED TRANSACTION IN RELATION TO
AMENDMENTS TO CERTAIN TERMS OF THE CONVERTIBLE BONDS ISSUED
TO CHINA MERCHANTS FUND MANAGEMENT LIMITED**

AMENDMENTS TO TERMS OF THE CONVERTIBLE BONDS

On 23 October 2017, the Company entered into an Amendment Deed with CM Fund in relation to the Proposed Amendments, pursuant to which, the Company shall have the right to redeem the outstanding Convertible Bonds up to a principal amount of HK\$384,803,198.80 prior to the Maturity Date. Save as set out in the Amendment Deed, all other terms of the Convertible Bonds shall remain unchanged.

As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Bonds amounted to HK\$434,803,198.80. It is the intention of the Company to redeem up to HK\$384,803,198.80 principal amount of the Convertible Bonds immediately after the Proposed Amendments become effective.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible bonds after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of such convertible bonds. The Company will apply to the Stock Exchange for approval of the Proposed Amendments.

CM Fund is an associate of China Merchants and CMNEG is a non-wholly owned subsidiary of China Merchants. CMNEG (together with parties acting concert with it) is a substantial shareholder of the Company, and therefore, CM Fund is an associate of CMNEG, and hence a connected person of the Company. Accordingly, the Proposed Amendments to be effected by the Supplemental Deed constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements at the SGM under Chapter 14A of the Listing Rules. The Company will establish an independent board committee and appoint an independent financial adviser to advise the Independent Shareholders and the independent board committee of the Company in respect of the Proposed Amendments. CMNEG together with its associates will abstain from voting in respect of the resolution(s) approving the Proposed Amendments at the SGM.

The Company will convene the SGM to seek the Independent Shareholders' approval for the Proposed Amendments and the grant of Specific Mandate. The application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission of deal in, the Conversion Shares falling to be allotted and issued under the Convertible Bonds (as amended by the Supplemental Deed).

GENERAL INFORMATION

A circular containing, among other matters, (a) further details of the Amendment Deed and the Proposed Amendments, (b) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in respect of the Proposed Amendments, (c) a letter of recommendation from the independent board committee to the Independent Shareholders in respect of the Proposed Amendments, and (d) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

INTRODUCTION

References are made to the announcements of the Company dated 23 January 2015, 17 March 2015, 8 April 2015 and 20 April 2015 and the circular of the Company dated 27 February 2015 in relation to the issue of the Convertible Bonds. As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Bonds amounted to HK\$434,803,198.80.

AMENDMENTS TO TERMS OF THE CONVERTIBLE BONDS

On 23 October 2017, the Company entered into an Amendment Deed with CM Fund in relation to the Proposed Amendments, pursuant to which, the Company shall have the right to redeem the outstanding Convertible Bonds up to a principal amount of HK\$384,803,198.80 prior to the Maturity Date. On the same date, the Bondholder passed a special resolution to sanction the Proposed Amendments.

The Proposed Amendments

The Proposed Amendments to the terms and conditions of the Convertible Bonds are set out below:

To the extent not previously redeemed or converted into Shares or not being subject to conversion under the Bond Instrument at the relevant time, the Company shall have the right, at any time commencing from the effective date of the Supplemental Deed and ending on the fifth business day prior to the Maturity Date after having given a redemption notice (the “Redemption Notice”) to the Bondholder in accordance with the Bond Instrument, redeem all or part of the outstanding principal amount of the Convertible Bonds up to an amount equivalent to HK\$384,803,198.80 at a price that is equal to the sum of items (a) and (b) set out below:

- (a) 100% of the face value of the part of principal amount of the Convertible Bonds proposed to be redeemed; and
- (b) all interest accrued thereon up to (but excluding) the Maturity Date as specified on the Redemption Notice.

Conditions Precedent

The Proposed Amendments are subject to the following conditions precedent:

- (a) the approval of the Proposed Amendments and the grant of the approval for the listing of and permission to deal in the Conversation Shares by the Stock Exchange;
- (b) the approval of the Proposed Amendments by the Independent Shareholders at the SGM; and
- (c) the sanction of the Supplemental Deed by a special resolution of the Bondholder as holder of the Convertible Bonds (which is co-signed by CM Fund).

The Company shall execute the Supplemental Deed within three business days after the conditions precedent have been fulfilled to effectuate the Proposed Amendments.

CM Fund has undertaken with the Company that it shall not exercise the conversion rights attached to the Convertible Bonds and that it shall not transfer the Convertible Bonds to any third party, each commencing from the date of the Amendment Deed and ending on 31 December 2017, unless with prior written consent of the Company.

CM Fund has further undertaken with the Company to release all the security that was executed in its favour to secure for the Convertible Bonds within 5 business days after redemption of the Convertible Bonds up to a principal amount of HK\$384,803,198.80 by the Company.

Save as disclosed above, all other terms and conditions of the Convertible Bonds shall remain unchanged.

REASONS FOR ENTERING INTO OF THE AMENDMENT DEED

The Company is an investment holding company and the Group is principally engaged in the development, investment, operation and management of solar power plants and has progressed to diversify into other renewable energy projects as a long-term development strategy.

The Company considers that the entering into of the Amendment Deed will allow the Company to redeem a majority part of the Convertible Bonds prior to its maturity date and to better manage its capital structure with flexibility.

It is the intention of the Company to redeem up to HK\$384,803,198.80 principal amount of the Convertible Bonds immediately after the Proposed Amendments become effective. The Company will use internal resources to finance the early redemption of the Convertible Bonds.

The Directors (other than the independent non-executive Directors who will express their views after having considered the advice of the independent financial adviser) consider that the Amendment Deed and the transactions contemplated thereunder are on normal commercial terms determined after arm's length negotiation between the Company and CM Fund and are fair and reasonable and in the interests of the Company and the Shareholders as whole.

None of the Directors has any material interest in the transactions contemplated under the Amendment Deed, and therefore none of the Directors has abstained from voting on such Board resolutions. However, in the relevant Board meeting, Mr. Li, Alan, Mr. Lu Zhenwei and Mr. Tang Wenyong, who are directors of CMNEG, voluntarily abstained from voting on the aforesaid agreements.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible bonds after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of such convertible bonds. The Company will apply to the Stock Exchange for approval of the Proposed Amendments.

CM Fund is an associate of China Merchants and CMNEG is a non-wholly owned subsidiary of China Merchants. CMNEG (together with parties acting concert with it) is a substantial shareholder of the Company, and therefore, CM Fund is an associate of CMNEG, and hence a connected person of the Company. Accordingly, the Proposed Amendments to be effected by the Supplemental Deed constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements at the SGM under Chapter 14A of the Listing Rules. The Company will establish an independent board committee and appoint an independent financial adviser to advise the Independent Shareholders and the independent board committee of the Company in respect of the Proposed Amendments. CMNEG together with its associates will abstain from voting in respect of the resolution(s) approving the Proposed Amendments at the SGM.

The Company will convene the SGM to seek the Independent Shareholders' approval for the Proposed Amendments and the grant of Specific Mandate. The application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission of deal in, the Conversion Shares falling to be allotted and issued under the Convertible Bonds (as amended by the Supplemental Deed).

GENERAL INFORMATION

A circular containing, among other matters, (a) further details of the Amendment Deed and the Proposed Amendments, (b) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in respect of the Proposed Amendments, (c) a letter of recommendation from the independent board committee to the Independent Shareholders in respect of the Proposed Amendments, and (d) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Amendment Deed”	the amendment deed dated 23 October 2017 entered into between the Company and CM Fund in relation to the Proposed Amendments
“Board”	the board of Directors
“business day”	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Bond Instrument”	the deed executed by the Company on 20 April 2015 constituting the Convertible Bonds
“Bondholder”	ICBC (Asia) Nominee Limited, a company incorporated in Hong Kong with limited liability, who held the Convertible Bonds on trust of a fund portfolio managed by CM Fund
“China Merchants”	China Merchants Group Limited* (招商局集團有限公司), a company established in the PRC with limited liability, and the holding company of CMNEG
“CM Fund”	China Merchants Fund Management Limited* (招商基金管理有限公司), a company established in the PRC with limited liability
“CMNEG”	China Merchants New Energy Group Limited* (招商新能源集團有限公司), a company established in the British Virgin Islands with limited liability and a 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, the Shares of which are listed on the Main Board of the Stock Exchange

“Conversion Share(s)”	the Share(s) to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds; in payment of the accrued and unpaid interest under the Convertible Bonds; and/or upon mandatory conversion by the Company in accordance with the terms of the Bond Instrument
“Convertible Bonds”	the 7.5% secured three-year convertible bonds with an outstanding principal amount of HK\$434,803,198.80 due 20 April 2018 issued by the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than CMNEG and its associates and other Shareholders who have material interests in the Proposed Amendments
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	20 April 2018, being the maturity of the Convertible Bonds
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendments to certain terms and conditions of the Convertible Bonds pursuant to the terms of the Amendment Deed
“SGM”	the special general meeting of the Company to be convened and held for the purpose of consideration, if thought fit, approving the Proposed Amendments; and the grant of Specific Mandate
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company, and where applicable, the term shall also include shares of any class or classes of the Company resulting from any subdivision, consolidation or re-classification of those shares

“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate(s) to be sought at the SGM for the allotment and issue of the Conversion Shares pursuant to the terms of the Convertible Bonds (as amended by the Supplemental Deed)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Supplemental Deed”	the supplemental deed poll to be executed by the Company to effect the Proposed Amendments in accordance with the terms of the Amendment Deed

For and on behalf of
Panda Green Energy Group Limited
Li, Alan
Chairman of the Board

Hong Kong, 23 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Li, Alan (Chairman and Chief Executive Officer), Mr. Lu Zhenwei, Mr. Li Hong, Ms. Qiu Ping, Maggie, Mr. Jiang Wei and Mr. Yu Qiuming; the non-executive directors of the Company are Mr. Tang Wenyong and Mr. Li Hao; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing.

* *For identification purpose only*