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CHINA SOLAR ENERGY HOLDINGS LIMITED

中國源暢光電能源控股有限公司*

(Provisional Liquidators Appointed)

(Incorporated in Bermuda with limited liability)

(Stock Code: 155)

- (1) VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE ACQUISITION OF CONTROLLING STAKE IN TWO COMPANIES THAT HOLD THREE SOLAR POWER PLANTS IN THE PRC;**
- (2) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION;**
- (3) SCHEMES OF ARRANGEMENT WITH CREDITORS;**
- (4) PROPOSED OPEN OFFER OF OFFER SHARES ON THE BASIS OF THREE OFFER SHARES FOR EVERY SHARE HELD ON THE OPEN OFFER RECORD DATE;**
- (5) PROPOSED SUBSCRIPTION OF SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE;**
- (6) PROPOSED PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;**
- (7) APPLICATION FOR WHITEWASH WAIVER AND SPECIAL DEAL;**
- (8) PROPOSED ADOPTION OF NEW BYE-LAWS; AND**
- (9) APPOINTMENT OF THE PROPOSED DIRECTORS**

**Sponsor to the new listing application
of the Company**



Financial adviser to the Company



Financial adviser to Lukong



Independent Financial Adviser to the Independent Shareholders



* For identification purpose only

EXCLUSIVITY AGREEMENT

On 11 January 2020, the Company and the Investors entered into the Exclusivity Agreement to replace the Exclusivity, Deposit and Investment Loan Agreement. Pursuant to the Exclusivity Agreement, among others, the Company has granted an exclusive right to negotiate, finalise and implement transactions contemplated under the Resumption Proposal for the purpose of the Resumption for the Exclusivity Period to the Investors. In particular, the Investors have been granted an exclusive right to negotiate and enter into a restructuring agreement with the Company to make their respective investment in the Company (i.e. (i) the investment of HK\$45 million by Happy Fountain; and (ii) the investment of HK\$565 million by Lukong (comprising of (a) the free assignment of the investment cost of HK\$50 million out of the Happy Fountain Loan by Happy Fountain to Lukong; (b) Lukong Facility of HK\$35 million; and (c) the Share Subscription by Lukong of HK\$480 million)).

THE RESTRUCTURING AGREEMENT

On 11 January 2020, the Company, the Provisional Liquidators, the Investors and Mr. Cheung entered into the Restructuring Agreement to replace the Original Restructuring Agreement in its entirety such that it reflects the terms set forth in the Acquisition Agreement to the extent relevant, and to regulate and implement the restructuring of the Company, which includes, among others, (i) the Acquisition; (ii) the Share Subscription; (iii) the Placing; (iv) the Open Offer; and (v) the Schemes, and in particular, to regulate (a) the free assignment of the investment cost of HK\$50 million out of the Happy Fountain Loan by Happy Fountain to Lukong; (b) Lukong Facility of HK\$35 million; and (c) the Share Subscription by the Investors.

Pursuant to the Restructuring Agreement, Lukong may elect to participate in the restructuring of the Company (including the Share Subscription) through its Designated Subsidiary.

THE ACQUISITION

On 11 January 2020, the Vendor, Excel Deal, China Singyes and the Investors entered into the Acquisition Agreement to replace the Original Acquisition Agreement (as supplemented, amended and restated) in its entirety. Pursuant to the Acquisition Agreement, the Vendor has conditionally agreed to sell and Excel Deal has conditionally agreed to purchase:

- (i) 81% of the equity interest of Xinjiang Singyes; and
- (ii) 81% of the equity interest of Wuwei Dongrun,

which collectively hold the Solar Plants.

The Consideration of the Acquisition is HK\$834,848,000 (or an amount of HK\$ equivalent to RMB745,400,000), subject to adjustment as detailed below.

THE SHARE SUBSCRIPTION

Lukong agreed to subscribe for 37,333,333,333 new Shares at HK\$0.015 per Subscription Share for an aggregate subscription price of HK\$560 million (comprising of (i) the free assignment of the investment cost of HK\$50 million out of the Happy Fountain Loan by Happy Fountain to Lukong (as detailed below); (ii) the issuance of Supplemental Subscription Shares (as detailed below); and (iii) the Share Subscription by Lukong of HK\$480 million).

As at the date of this announcement, Happy Fountain has advanced the Happy Fountain Loan of HK\$95 million to the Company for settlement of restructuring fee and the Deposit, out of which HK\$50 million will be assigned to Lukong for free in view of Lukong's commitment for the provision of Lukong Facility under the Exclusivity Agreement.

Pursuant to the Restructuring Agreement, Lukong agreed to provide the Lukong Facility of up to HK\$35 million to the Company for settlement of restructuring fee, which shall be repaid by the Company by (i) the issuance of 2,000,000,000 Supplemental Subscription Shares under the capitalisation of a sum of HK\$30 million; and (ii) cash of the remaining principal of HK\$5 million.

Happy Fountain agreed to subscribe for 3,000,000,000 new Shares at HK\$0.015 per Subscription Share for an aggregate subscription price of HK\$45 million, which shall be deemed to have been settled by way of set off with the remaining principal amount of HK\$45 million of the Happy Fountain Loan.

The Subscription Shares in aggregate of 40,333,333,333 shares represent approximately (i) 2,621.6% of the total number of Shares in issue as at the date of this announcement; and (ii) 80.9% of the total number of Shares in issue as enlarged by the allotment and issuance of the Subscription Shares, the Placing Shares and the Offer Shares.

THE OPEN OFFER

The Company proposes to implement the Open Offer on the basis of three Offer Shares for every existing Share held on the Open Offer Record Date. A total of 4,615,578,444 Offer Shares will be allotted and issued by the Company at the Offer Price of HK\$0.015 for each Offer Share and the gross proceeds of approximately HK\$69.2 million will be raised from the Open Offer. The Open Offer is fully underwritten by the Underwriter.

The 4,615,578,444 Offer Shares proposed to be allotted and issued represent approximately (i) 300.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 9.3% of the issued share capital of the Company as enlarged by the shares to be issued under the Open Offer, the Share Subscription and the Placing.

THE PLACING

The Company and Placing Agent entered into the Placing Agreement for a placing of 3,333,333,333 Placing Shares at the placing price of HK\$0.015 per Placing Share to raise HK\$50 million.

The 3,333,333,333 Placing Shares represent approximately (i) 216.6% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 6.7% of the issued share capital of the Company as enlarged by the shares to be issued under the Share Subscription, the Open Offer and the Placing.

THE SCHEMES

The Company intends to implement a restructuring of all its indebtedness and liabilities owed to the Scheme Creditors by way of the Schemes under the laws of Hong Kong and Bermuda respectively, as parallel, concurrent and inter-conditional schemes of arrangement contemporaneously. As a result of the Schemes, all outstanding amounts owed by the Company to the Scheme Creditors will fully and finally be settled.

As at the date of this announcement, to the best knowledge of the Provisional Liquidators based on the available books and records of the Company, it is estimated that the Indebtedness of the Company was approximately HK\$89 million. Indebtedness information above is indicative only, which is subject to the determination and confirmation by the Scheme Administrators under the Schemes after the Effective Date.

On and from the Effective Date, none of the Scheme Creditors shall be entitled to demand or exercise any right of set-off against the Company in respect of its Claim, nor be able to seek to recover from the Company by legal process or otherwise, or to take any step or proceedings against the Company or its property or assets, for the purpose of enforcing its Claim or recovering any part of its Claim by way of execution or otherwise, or to commence or prosecute or join in any proceedings to wind up the Company based upon its Claim. The Excluded Companies will cease to be subsidiaries of the Company upon the transfer of all the issued shares of the Excluded Companies to Scheme Co on or after the Effective Date.

PROPOSED ADOPTION OF NEW BYE-LAWS

The Bye-laws were adopted in August 2001 and subsequently amended in September 2004, August 2005 and September 2007, and have not been amended since. The Board considers that it is appropriate to adopt the New Bye-laws of the Company in substitution for and to the exclusion of the Bye-laws to bring them in line with the amendments of the Listing Rules and Companies Act.

The New Bye-laws will be in compliance with the relevant laws of Bermuda and the requirements under the Listing Rules, and will also comply with the requirements under Appendix 3 and Appendix 13 to the Listing Rules. A summary of the principal provisions of the New Bye-laws will be set out in the Circular and the proposed special resolution to adopt the New Bye-laws will be included in the Circular.

PROPOSED APPOINTMENT OF DIRECTORS

The Board proposes to appoint Mr. Shen Lindong and Mr. Hu Xinning as executive Directors, Mr. Zhu Xianlei and Mr. Yu Hongming as non-executive Directors, and Ms. Liu Shuang, Mr. Cheung, Ngar Tat, Eddie and Mr. Yang Dongwei as independent non-executive Directors with effect from the date of Resumption.

LISTING RULES IMPLICATIONS

The Acquisition constitutes:

- (i) a very substantial acquisition of the Company under Rule 14.06(5) of the Listing Rules as the applicable percentage ratios are over 100%; and
- (ii) a reverse takeover of the Company under Rule 14.06(B) of the Listing Rules and is subject to the approval of the Independent Shareholders at the SGM.

In addition, as the Acquisition constitutes a reverse takeover of the Company, the Company is being treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules. The Acquisition is therefore also subject to the approval of the Listing Committee of a new listing application.

As the Open Offer will increase the number of issued Shares by more than 50%, pursuant to Rule 7.24A of the Listing Rules, the Open Offer must be made conditional on Independent Shareholders' approval.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Whitewash Waiver

Upon the completion of the Restructuring, the Investors Concert Group will hold 40,333,333,333 Shares, representing approximately 80.9% of the issued capital of the Company as enlarged by the Fund Raisings (out of which 37,333,333,333 and 3,000,000,000 new Shares will be held by Lukong (or its Designated Subsidiary) and Happy Fountain, representing approximately 74.9% and 6.0% of the issued capital of the Company as enlarged by the Fund Raisings respectively). As such, Lukong and the Designated Subsidiary would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by the Investors Concert Group) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

Lukong and the Designated Subsidiary will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of at least 75% and 50% of the votes cast by the Independent Shareholders at the SGM by way of poll on the resolutions approving the Whitewash Waiver and the Share Subscription respectively, in which those who are involved in or interested in the Schemes, the Share Subscription, the Placing, the Open Offer and/or the Acquisition shall abstain from voting on the relevant resolutions. As at the date of this announcement, there are two Scheme Creditors who are Shareholders and accordingly they and their associates and parties acting in concert with any of them shall abstain from voting on the relevant resolutions approving these matters. The Investors Concert Group does not own or control any Shares, convertible securities, warrants, options or derivatives in respect of any Shares as at the date of this announcement.

If the Whitewash Waiver is granted by the Executive and the resolutions approving the Whitewash Waiver and the Share Subscription are approved by at least 75% and 50%, respectively of the votes cast by the Independent Shareholders at the SGM by poll, Lukong and its Designated Subsidiary will not be required to make a mandatory offer which would otherwise be required as a result of completion of the Share Subscription. The Executive may or may not grant the Whitewash Waiver.

If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Restructuring will lapse.

The Schemes and the Special Deal

It is proposed that the Schemes will be implemented as detailed in this announcement. Based on the records currently available to the Provisional Liquidators, there are two Scheme Creditors, namely Ankang Limited and Mr. Larm Cheung Hon Peter, who are in aggregate claiming approximately HK\$44.63 million against the Company, and are in aggregate interested in 447,693,549 Shares, representing approximately 29.10% of the issued share capital of the Company, as at the date of this announcement.

As the proposed settlement of the indebtedness due to the Scheme Creditors who are Shareholders under the Schemes is not extended to all the other Shareholders, the implementation of the Schemes constitutes a special deal under Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Schemes are fair and reasonable; and (iii) approval by the Independent Shareholders at the SGM, in which the said Scheme Creditors and their associates and parties acting in concert with any of them who are Shareholders will be required to abstain from voting on the relevant resolutions approving the Schemes and the Special Deal. The Company will apply to the Executive for the consent to the Special Deal under Rule 25 of the Takeovers Code.

GENERAL

(a) SGM

The SGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of, among others, the Acquisition, the Share Subscription, the Open Offer, the Placing, the Schemes, the Whitewash Waiver, the Special Deal, the appointment of the Proposed Directors and the proposed adoption of the New Bye-laws.

Ordinary resolutions will be proposed at the SGM to approve the Acquisition, Share Subscription, the Placing, the Open Offer, the Whitewash Waiver, the Special Deal and the Schemes by the Independent Shareholders and the appointment of the Proposed Directors by the Shareholders, and special resolution will be proposed to approve the adoption of New Bye-laws by the Shareholders. To the best of the Provisional Liquidators' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions approving the appointment of the Proposed Directors and the adoption of New Bye-laws.

Since part of the net proceeds from the Open Offer and the Placing is intended to be used for settling the Scheme Debts under the Schemes, the Scheme Creditors are deemed to have material interests in the Placing and Open Offer. Two Scheme Creditors were in aggregate interested in 447,693,549 Shares, representing approximately 29.10% of the issued share capital of the Company as at the date of this announcement. As the Share Subscription, the Placing, the Open Offer, the Acquisition and the Schemes form part of the transactions under the Restructuring and are inter-conditional, the Scheme Creditors (namely An Kang Limited and Mr. Larm Cheung Hon Peter) and their associates and parties acting in concert with any of them who are Shareholders will be required to abstain from voting in the SGM in respect of the transactions contemplated under the Restructuring which includes the Schemes, the Share Subscription, the Placing, the Open Offer, the Acquisition, the Whitewash Waiver and the Special Deal.

None of the Directors was considered to have any material interest in the Acquisition, the Schemes, the Share Subscription, the Open Offer, the Placing, the proposed adoption of the New Bye-laws and the appointment of the Proposed Directors under the Bye-laws or the Listing Rules.

As at the date of this announcement, since the Company has no Controlling Shareholder, the Directors (other than the independent non-executive Directors), the chief executive of the Company and their associates will abstain from voting in favour of the resolution to approve the Open Offer at the SGM pursuant to the Listing Rules.

As at the date of this announcement, no Directors (namely Mr. Xie Xin Ye and Mr. Zhou Wei), the chief executive of the Company or their respective associates holds any Shares.

(b) Independent board committee and Independent Financial Adviser

As at the date of this announcement, the Company does not have any non-executive Directors or independent non-executive Directors. The Board proposes to appoint new independent non-executive Directors effective from Resumption to fulfil the relevant requirements under the Listing Rules. Accordingly, no independent board committee under the Listing Rules or the Takeovers Code will be established but an Independent Financial Adviser has been appointed by the Company to advise the Independent Shareholders on the Acquisition, the Schemes, the Share Subscription, the Open Offer, the Placing, the Whitewash Waiver and the Special Deal.

(c) Despatch of Circular

A circular containing, inter alia, (i) further information relating to the Acquisition, the Schemes, the Share Subscription, the Open Offer, the Placing, the Whitewash Waiver and the Special Deal; (ii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in respect of transactions that require Independent Shareholders' approval and as to voting on the relevant resolutions; (iii) information about the Target Companies; (iv) audited financial information of the Target Companies; (v) latest audited financial information of the Group up to the year ended 31 March 2019 and the unaudited interim financial information of the Group for the six months ended 30 September 2019; (vi) the unaudited pro-forma financial information of the Enlarged Group; (vii) summary of the New Bye-laws; and (viii) the notice of SGM will be despatched to the Shareholders as soon as possible.

Under Rules 14.60(7) of the Listing Rules, the Company is required to despatch the Circular within 15 business days after the publication of this announcement.

Under Rule 8.2 of the Takeovers Code, the Company is required to despatch to Shareholders the Circular in respect of, amongst others, the Whitewash Waiver within 21 days from the date of publication of this announcement, that is, on or before 12 June 2020.

The Company has renewed its new listing application on 8 May 2020. The Company's new listing application is subject to approval by the Stock Exchange, it is expected that more time may be needed for the Stock Exchange to approve the Company's new listing application and for the preparation of the Circular.

As such, the Company will apply to the Stock Exchange pursuant to Rule 14.60(7) of the Listing Rules and the Executive pursuant to Rule 8.2 of the Takeovers Code for their respective consent to extend the time limit for the despatch of the Circular. The Company will make further announcement on the expected date of despatch of the Circular.

(d) Despatch of Prospectus Document

The Company will send the Prospectus Document containing, inter alia, details of the Open Offer to the Qualifying Shareholders after the approval of the relevant resolutions at the SGM. The Company will send the Prospectus with the Overseas Letter to the Prohibited Shareholders, if any, for their information only but the Company will not send any application forms to the Prohibited Shareholders.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 16 August 2013 and will remain suspended until further notice.

Shareholders and potential investors should note that the Acquisition, the Open Offer, the Share Subscription, the Placing, the Whitewash Waiver, the Special Deal and the Schemes are subject to various conditions which may or may not be fulfilled, in particular, whether the Stock Exchange will allow the Acquisition and accompanying transactions to proceed. There is therefore no assurance that any of these transactions will proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrants any approval from the Stock Exchange on the resumption of trading in Shares. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.

INTRODUCTION

Reference is made to the announcements of the Company dated 22 December 2015, 12 February 2016, 19 February 2016, 18 March 2016, 25 May 2016, 31 May 2016, 26 August 2016, 5 September 2016, 8 September 2016, 5 December 2016, 20 December 2016, 17 February 2017, 27 February 2017, 6 June 2017, 4 August 2017, 1 September 2017, 18 September 2017, 28 February 2018, 16 March 2018, 16 May 2018, 1 August 2018, 1 November 2018, 1 February 2019, 3 May 2019, 1 August 2019, 1 November 2019, 3 and 5 February 2020 and 4 May 2020 in relation to, inter alia, the submission of the Resumption Proposal, the Acquisition and the Restructuring, and the announcement of the Company dated 14 May 2020 relating to clarification for the application proof of its new listing application.

The Shares were suspended from trading on the Stock Exchange with effect from 1:00 p.m. on 16 August 2013 pending for the release of an announcement in connection with an unusual price movement of the Company's Shares.

On 5 January 2015, the Stock Exchange issued a letter to the Company stating that the Company has been placed in the first stage of the delisting procedure pursuant to Practice Note 17 to the Listing Rules in view of, among others, the continuing suspension of trading in the Shares on the Stock Exchange since 16 August 2013 due to the allegations as disclosed in the Company's announcements dated 18 October 2013 and 20 December 2013, and concerns on the operation sufficiency of the Company to fulfil the requirement under Rule 13.24 of the Listing Rules to support a continued listing.

As no resumption proposal was submitted before the expiry date of the first delisting stage, pursuant to a letter from the Stock Exchange to the Company dated 8 July 2015 (the “**Letter**”), the Stock Exchange placed the Company in the second delisting stage commencing on 8 July 2015 pursuant to Practice Note 17 to the Listing Rules. Pursuant to the Letter, the Stock Exchange requires the Company to submit a viable resumption proposal to address the following:

- (a) demonstrate its compliance with Rule 13.24 of the Listing Rules;
- (b) conduct an appropriate investigation on the allegations of the Group and directors of the Company and the related transactions and legal proceedings, disclose the findings of the investigation and take remedial actions, if any;
- (c) publish all outstanding financial results and address any audit qualifications; and
- (d) demonstrate that the Company has put in place adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules.

On 21 August 2015, the Hong Kong Court made an order to appoint Mr. Stephen Liu Yiu Keung of Ernst & Young Transactions Limited and Mr. Andrew Koo Chi Ho of Ernst & Young (China) Advisory Limited as joint and several provisional liquidators of the Company.

On 17 December 2015, Happy Fountain and the Company entered into the Exclusivity, Deposit and Investment Loan Agreement pursuant to which (i) Happy Fountain agreed to provide a loan facility of up to HK\$13,000,000 at the Prime Rate for a term of 2 years to the Company for the purpose of implementing the restructuring and resumption work, in addition to a non-refundable deposit of HK\$10,000,000 paid by Happy Fountain upon signing of the Exclusivity, Deposit and Investment Loan Agreement; and (ii) Happy Fountain was granted an exclusive right to negotiate, finalise and implement transactions contemplated under the Resumption Proposal for the purpose of the Resumption and the Company shall not discuss or negotiate with other parties for the Resumption. On 21 December 2015, the Company submitted the Resumption Proposal prepared by Happy Fountain to the Stock Exchange.

Pursuant to a letter dated 29 January 2016 from the Stock Exchange to the Company, the Listing Department of the Stock Exchange considered, inter alia, that the Resumption Proposal did not satisfactorily demonstrate sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and decided to place the Company in the third delisting stage under Practice Note 17 of the Listing Rules. The Company requested a review of the above decision by the Listing Committee of the Stock Exchange on 12 February 2016. On 16 May 2016, the Listing Committee of the Stock Exchange upheld the decision in the review hearing. On 25 May 2016, the Company requested a second review. The Listing Committee of the Stock Exchange upheld the decision in the review hearing on 9 August 2016. On 2 September 2016, the Company was placed in the third delisting stage.

On 2 September 2016, the Vendor, Excel Deal, China Singyes and Happy Fountain entered into the Original Acquisition Agreement and the Company, the Provisional Liquidators, Happy Fountain and Mr. Cheung entered into the Original Restructuring Agreement to implement the transactions contemplated under the Resumption Proposal. On 14 February 2017, the Resumption Proposal was submitted to the Stock Exchange.

On 24 February 2017 (as renewed on 15 September 2017 and 15 May 2018), the Company made a new listing application in relation to the Resumption Proposal to the Stock Exchange.

On 16 November 2018, the Stock Exchange informed the Company that its new listing application has lapsed on 14 November 2018.

The Company was not able to renew its new listing application after the lapse of its new listing application in November 2018 mainly because China Singyes had been slow in response to the audit of the Target Companies, structure and the completion logistics of the Acquisition since October 2018 as a result of its financial difficulties and the possible change in control.

In light of the above, the Provisional Liquidators had approached Shuifa, the potential investor in China Singyes at that time, to ascertain its stance towards the proposed sale of Solar Plants to the Company and the Company's restructuring proposal since January 2019. Shuifa had indicated its preliminary interest in participating in the restructuring of the Company through its subsidiary, Lukong in April 2019. However, as Shuifa had been focusing on the debt restructuring and the share subscription of China Singyes at that time, the relevant parties did not reach definitive terms of the restructuring of the Company. Upon completion of Shuifa's subscription in China Singyes in November 2019, the Provisional Liquidators approached Lukong and China Singyes again in relation to the sale of the Solar Plants and during the course of the discussion, Lukong and China Singyes both reiterated their interest in continuing the sale of the Solar Plants. However, due to the changes in the circumstances including but not limited to the participation of Lukong as a new investor for the Restructuring, further negotiations were conducted between, among others, the Provisional Liquidators, the Company, the Investors and China Singyes whereby certain terms of the Acquisition and the Restructuring were amended and supplemented.

In view of the prolonged vetting process of the Company's new listing application, Happy Fountain informed the Company that it may not provide further funding for the restructuring of the Company. Happy Fountain offered the free assignment of the investment cost of HK\$50 million out of the Happy Fountain Loan to Lukong in order to attract Lukong in participation and provision of funding of the restructuring of the Company.

On 11 January 2020, the parties (including the Company, the Provisional Liquidators, Happy Fountain, Mr. Cheung, Lukong, the Vendor, Excel Deal and China Singyes, where applicable) entered into the Exclusivity Agreement, the Restructuring Agreement and the Acquisition Agreement to proceed the Restructuring.

On 8 May 2020, the parties (including the Company, the Provisional Liquidators, Happy Fountain, Mr. Cheung, Lukong, the Vendor, Excel Deal and China Singyes, where applicable) entered into the Lukong Supplemental Restructuring Agreement, the Lukong Supplemental Acquisition Agreement and the Deed of Loan Assignment. On the even date, the Company has renewed its new listing application.

The proposed transactions relating to the Restructuring include, amongst other things, the Acquisition Agreement involving the Acquisition, the Restructuring Agreement involving the Share Subscription, the Open Offer, the Placing and the Schemes, each of which is explained below.

EXCLUSIVITY AGREEMENT

On 11 January 2020, the Company and the Investors entered into the Exclusivity Agreement to replace the Exclusivity, Deposit and Investment Loan Agreement. Pursuant to the Exclusivity Agreement, among others, the Company has granted an exclusive right to negotiate, finalise and implement transactions contemplated under the Resumption Proposal for the purpose of the Resumption for the Exclusivity Period to the Investors. In particular, the Investors have been granted an exclusive right to negotiate and enter into a restructuring agreement with the Company to make their respective investment in the Company (i.e. (i) the investment of HK\$45 million by Happy Fountain; and (ii) the investment of HK\$565 million by Lukong (comprising of (a) the free assignment of the investment cost of HK\$50 million out of the Happy Fountain Loan by Happy Fountain to Lukong; (b) Lukong Facility of HK\$35 million; and (c) the Share Subscription by Lukong of HK\$480 million)).

RESTRUCTURING

The Board proposes to implement the Restructuring, subject to the approval by the Independent Shareholders, to restructure its business and debt to resume the trading of the Shares on the Stock Exchange.

1. The Acquisition

Terms of the Acquisition Agreement

The Acquisition Agreement is summarised below:

Date of Acquisition Agreement : 11 January 2020^(Note)

Note: The Acquisition Agreement (as supplemented by the Lukong Supplemental Acquisition Agreement) replaced the Original Acquisition Agreement (being the initial agreement dated 2 September 2016, as supplemented by the Supplemental Acquisition Agreement dated 14 February 2017 and amended and restated by the First Amended and Restated Acquisition Agreement dated 11 May 2018 and the Second Amended and Restated Acquisition Agreement dated 27 March 2019 respectively) in its entirety.

Parties

Purchaser	:	Excel Deal
Vendor	:	Vendor
Vendor's guarantor	:	China Singyes
Investors	:	(i) Happy Fountain (ii) Lukong

As at the date of this announcement, (i) the Vendor, the Investors and their respective ultimate beneficial owners and associates are Independent Third Parties; and (ii) China Singyes and the Vendor do not own or control any equity interest in the Company.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Vender has conditionally agreed to sell and Excel Deal has conditionally agreed to purchase:

- (i) 81% of the equity interest of Xinjiang Singyes; and
- (ii) 81% of the equity interest of Wuwei Dongrun,

which collectively hold the Solar Plants.

Consideration of the Acquisition

The Consideration of the Acquisition, being HK\$834,848,000 (or an amount of HK\$ equivalent to RMB745,400,000), is payable to the Vendor in the following manner:

- (i) HK\$50,000,000 in cash as deposit (the “**Deposit**”) (all of which was received by the Vendor from Happy Fountain in full);
- (ii) HK\$480,000,000 in cash to be paid within five business days from the date of fulfillment of certain conditions including but not limited to the proceeds arising from the Fund Raisings have been received by or on behalf of the Company and that all requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations applicable to any use or application of the Fund Raisings proceeds have been complied with, as irrevocable completion payment; and
- (iii) the After Completion Payment by cashier’s order to be paid within 36 months from the Completion Date.

The After Completion Payment shall be subject to the following adjustments:

1. if the total amount profit distributions (if any) made by either or both of the Target Companies to the Vendor is in excess of HK\$100,000,000, the After Completion Payment shall be reduced by an amount equal to 81% of the part of the aggregate distribution in excess of HK\$100,000,000 and such adjustment shall be determined based on the audited completion accounts to be prepared by the auditors of the Target Companies in accordance with the terms and conditions of the Acquisition Agreement; and
2. if any loan or indebtedness arises between (i) Xinjiang Singyes and Wuwei Dongrun and (ii) the Vendor’s group (other than Xinjiang Singyes and Wuwei Dongrun) prior to Completion, such loan or indebtedness shall be eliminated by deduction from the balance of the After Completion Payment.

The Consideration may be settled either in RMB or HK\$ (at Excel Deal's option) converted at the HK\$/RMB exchange rate which shall be the middle rate of exchange between the buying and selling rates as quoted or published by the People's Bank of China at or before 11:00 a.m. (Hong Kong time) on the relevant payment or determination date unless otherwise stated to the contrary.

The Consideration was determined after arm's length negotiations between the Vendor, the Investors and Excel Deal after taking into account of the following factors: (i) the total unaudited net asset value of the Target Companies of approximately RMB643.8 million as at 31 December 2018; (ii) the net book value of property, plant and equipment of the Target Companies of approximately RMB690.4 million as at 31 December 2018; (iii) the historical financial performance of the Target Companies; (iv) the favourable prospect of the photovoltaic power station operation market in Northwest China supported by government policies; (v) high on-grid tariffs of the Solar Plants; and (vi) power generation for sale by the Solar Plants has commenced and has been in operation.

Conditions precedent of the Acquisition Agreement

Completion of the Acquisition Agreement is conditional upon, inter alia, the satisfaction or waiver (as applicable) of the following conditions:

- (i) Excel Deal has, at its own cost:
 - (1) carried out due diligence review and investigation (whether legal, accounting, financial, operational or other aspects relating to the Target Companies that Excel Deal considers important) on each of the Target Companies, the Solar Plants and each of their respective related business assets, liabilities, activities, operations and prospects which Excel Deal, its agents and/or its professional advisers consider necessary and appropriate to conduct and is satisfied with the results thereof and specifically that the Solar Plants have a total installed production capacity of not less than 100 MW;
 - (2) obtained the PRC legal opinion, prepared and issued by Dentons, the PRC Legal Advisers, in form and substance satisfactory to Excel Deal;
 - (3) appointed a financial adviser in respect of the Resumption Proposal;
- (ii) the Circular having been approved by the Stock Exchange and despatched to the Shareholders;

- (iii) the approval by the board of directors of the Excel Deal and the Shareholders (or, if so required by the Listing Rules or by the Takeovers Code, the Independent Shareholders) of the Restructuring, Whitewash Waiver, Special Deal and the transactions contemplated thereunder at a special general meeting of China Solar to be convened in accordance with, and all other consents and acts required under, the Listing Rules and the Takeovers Code being obtained and completed or, as the case may be, the relevant waiver and consent from compliance with any of such rules being obtained from the Stock Exchange and the Executive;
- (iv) the approvals to be given by the board of directors and shareholders of China Singyes (or, if so required by the Listing Rules, the independent shareholders of China Singyes) of the Acquisition Agreement, the Acquisition and the transactions contemplated thereunder at a special general meeting or board meeting of China Singyes to be convened in accordance with, and all other consents and acts required under, the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange;
- (v) the compliance with any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance at any time prior to Completion in relation to the transactions contemplated under the Acquisition Agreement;
- (vi) (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties in connection with the transactions contemplated by the Acquisition Agreement having been obtained by the Company;
- (vii) the memorandum of understanding between Lukong and Happy Fountain dated 1 April 2019 in relation to the free assignment of the investment cost of HK\$50 million out of the Happy Fountain Loan by Happy Fountain to Lukong having been duly signed by the Investors;
- (viii) the Restructuring Agreement (in respect to the Share Subscription) having been duly signed by Lukong and the Company;
- (ix) the Stock Exchange having approved in principle of the Resumption;
- (x) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties (including but not limited to State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC, Ministry of Commerce of the PRC, National Development and Reform Commission and State Foreign Exchange Administration of the PRC) in connection with the transactions contemplated by the Acquisition Agreement having been obtained by Lukong and its Designated Subsidiary;

- (xi) with respect to the Resumption Proposal:
- (1) the Restructuring Agreement having been duly entered into and having become unconditional and been completed in accordance with its terms, save for the fulfillment of any condition precedent therein contained and the transaction of any business at completion of the Restructuring Agreement that will be fulfilled and transacted upon (i) the Acquisition Agreement becoming unconditional or (ii) simultaneous completion occurring of the Restructuring Agreement and the Acquisition Agreement;
 - (2) all condition precedents to the Fund Raisings becoming unconditional and that the Company shall receive net proceeds therefrom in the aggregate amount of not less than HK\$565 million;
 - (3) grant of conditional or unconditional approval by the Stock Exchange to the Resumption Proposal and such approval has not been revoked or cancelled; and
 - (4) grant of conditional or unconditional approval by the Stock Exchange to the resumption of trading in the Shares and such approval has not been revoked or cancelled;
- (xii) production by the Vendor to Excel Deal of evidence that the reorganisation of the Vendor Group have been completed in accordance with the Acquisition Agreement and all applicable laws;
- (xiii) from the date of the Acquisition Agreement and at any time before the Completion, the warranties defined in the Acquisition Agreement remain true and accurate and not misleading and no act, omission, transaction or circumstance occurring or subsisting at the relevant time have occurred that would result in any breach of any warranties defined in the Acquisition Agreement or other provisions of the Acquisition Agreement by the Vendor or China Singyes;
- (xiv) the Executive granting the Whitewash Waiver to Lukong and its Designated Subsidiary in respect of the Share Subscription;
- (xv) the Executive granting consent under Rule 25 of the Takeovers Code in respect of Special Deal;
- (xvi) notwithstanding the exclusivity restriction under the Exclusivity, Deposit and Investment Loan Agreement, the Investors and the Company having entered in the Exclusivity Agreement to govern the exclusivity for the Share Subscription;
- (xvii) an order having been granted by the Hong Kong Court to unconditionally or conditionally discharge the Provisional Liquidators in respect of the provisional liquidation of the Company;

- (xviii) the Petition having been discontinued or withdrawn and an order to that effect having been made by and filed at the Hong Kong Court;
- (xix) there is no occurrence of (i) any change which has a material and adverse effect on the conditions (including but not limited to the financial position, business, asset or property, results of operations, prospects or otherwise) of any of the Target Companies; nor (ii) any of the events, matters or circumstances referred to in the Acquisition Agreement with respect to any of the Target Companies including but not limited to capital, assets, liabilities, accounting policies, directors and management and constitutional documents;
- (xx) the PRC Bank Debts having been repaid fully, the Asset Pledges having been discharged in full and Xinjiang Singyes, Wuwei Dongrun and their respective assets are not subject to any encumbrances;
- (xxi) the Vendor and relevant PRC Banks having executed deeds of release (including ancillary documents referred to in the deeds (if any)) and all documents specified in the deeds of release in respect of each of the Asset Pledges; and
- (xxii) the execution of a deed of loan assignment (content and form to Lukong's satisfaction) by Excel Deal and the Vendor in respect of the assignment of the WW Sale Loan by the Vendor to Excel Deal with nil consideration.

Excel Deal may at its sole and absolute discretion and at any time waive, by notice in writing to the Vendor and China Singyes, the conditions precedent (i)(1) and (2), and (xii) set out above. Such waiver may be made subject to such terms and conditions as are determined by Excel Deal. None of the other conditions precedent (including (iii), (xiv) and (xv)) set out above can be waived by any party. As at the date of this announcement, the Directors confirmed that the Group had no intention to waive conditions precedent (i) (1) and (2) and (xii) above. As at the date of this announcement, conditions precedent (i) (3), (vii), (viii), (xvi) and (xxii) of the Acquisition Agreement had been satisfied.

If any of the conditions precedent set out above has not been satisfied (or, as the case may be, waived by Excel Deal) on or before 12:00 noon on the Long Stop Date, the Acquisition Agreement shall cease and terminate (except certain survival clauses such as confidentiality, cost and expenses, communications and governing law as stated in the Acquisition Agreement which shall remain in full force and effect) and none of the parties shall have any obligations and liabilities thereunder save that China Singyes shall refund the Deposit and other part of the Consideration paid, if any, (subject to the deduction of up to HK\$4 million to cover the transaction cost of the Vendor) in full to Excel Deal or its designated entity within three business days.

As advised by Lukong, regarding condition (x) above, except for approvals from State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC, Ministry of Commerce of the PRC, National Development and Reform Commission and State Foreign Exchange Administration of the PRC, it is not expected that Lukong and its Designated Subsidiary will need to obtain approvals from other relevant governments or regulatory authorities in connection with the transactions contemplated by the Acquisition Agreement as at the date of this announcement.

Completion of the Acquisition

Completion shall take place on the Completion Date, which shall be on or before the fifth business days after all the conditions precedent set out in the sub-paragraph headed “Conditions precedent of the Acquisition Agreement” above have been fulfilled (or waived by Excel Deal on or before such date) or, if different, the day (which must be a business day) agreed by Excel Deal and the Vendor in writing on which Completion shall take place.

The executive Directors consider that the terms of the Acquisition Agreement are fair and reasonable, are on normal commercial terms and are in the interest of the Company and the Independent Shareholders as a whole.

Immediately after Completion, the Company will continue to satisfy the minimum public float requirement under Rule 8.08 of the Listing Rules. The Company will indirectly own approximately 81% equity interest in each of the Target Companies and the Target Companies’ financial results will be consolidated into the financial statements of the Enlarged Group. Please refer to the paragraph headed “Effect on the shareholding structure of the Company” below for the shareholding structure of the Company immediately after Completion.

Pursuant to the Acquisition Agreement and the Restructuring Agreement, the Acquisition and the Restructuring are inter-conditional. Completion of the Fund Raisings, the Acquisition and the Schemes will take place simultaneously.

Intention to continue existing business of the Target Companies

After Completion and the Schemes become effective, the Excluded Companies will be transferred to the Scheme Co and cease to be subsidiaries of the Company and the principal business of the Target Companies will become the principal business of the Enlarged Group. The Enlarged Group intends to continue the existing business of the Target Companies (i.e. the operation of the Solar Plants).

2. The Restructuring and Fund Raisings Plan

2.1 Restructuring Agreement

The Restructuring Agreement regulates the implementation of the Restructuring Proposal and sets out, among others, the terms and conditions governing the Share Subscription by the Investors. Pursuant to the Restructuring Agreement, Lukong may elect to participate in the restructuring of the Company (including the Share Subscription) through its Designated Subsidiary. The implementation of the Resumption Proposal to be conducted by the Company thereunder includes, amongst others, the Acquisition, the Share Subscription, the Placing, the Open Offer and the Schemes, the details of each of which will be discussed in the sections below.

Terms of Restructuring Agreement

The terms of the Restructuring Agreement are as follows:

Date of Restructuring Agreement : 11 January 2020

Note: The Restructuring Agreement (as supplemented by the Lukong Supplemental Restructuring Agreement) replaced the Original Restructuring Agreement (being the initial agreement dated 2 September 2016, as supplemented by the Supplemental Restructuring Agreements dated 30 November 2016, 14 February 2017, 1 May 2018 and 27 March 2019 respectively) in its entirety.

Parties

Company : China Solar

Provisional Liquidators : Mr. Stephen Liu Yiu Keung; and
Mr. Andrew Koo Chi Ho

Investors : (i) Happy Fountain
(ii) Lukong

Happy Fountain's guarantor : Mr. Cheung

Conditions precedent of the Restructuring Agreement

The completion of the Restructuring Agreement is subject to various conditions being fulfilled and remaining satisfied as at completion, including but not limited to the following:

- (i) the Circular having been approved by the Stock Exchange and despatched to the Shareholders;
- (ii) the approval by the Shareholders (or, if so required by the Listing Rules and the Takeovers Code, the Independent Shareholders) to the Restructuring, the Whitewash Waiver, the Special Deal and the transactions contemplated thereby at the SGM and all other consents and acts required under the Listing Rules being obtained and completed or, as the case may be, the relevant waiver and consent from compliance with any of such rules being obtained from the Stock Exchange and the Executive;
- (iii) the approval of the Acquisition by the independent shareholders of China Singyes;

- (iv) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares, the Placing Shares and the Offer Shares, and such approval has not been revoked or cancelled;
- (v) with respect to the Schemes:
 - (a) the Scheme Documents having been issued with approval by the Hong Kong Court, the Bermuda Court and the Investors;
 - (b) approval of the Schemes by the requisite majority of the Creditors at the Scheme Meetings;
 - (c) sanction by the Hong Kong Court and the Bermuda Court of the Schemes;
 - (d) registration of a copy of each of the relevant Court Orders sanctioning the Schemes with the registrars of companies in Hong Kong and Bermuda, respectively; and
 - (e) each of the Schemes having become unconditional and effective in accordance with their respective terms;
- (vi) with respect to the Restructuring and the Resumption Proposal:
 - (1) each of the Acquisition Agreement, Restructuring Agreement, the Placing Agreement and the Underwriting Agreement having become unconditional (save for the condition for the Restructuring Agreement having becoming unconditional) or, as applicable, waived;
 - (2) all condition precedents to the Fund Raisings becoming unconditional and that the Company shall receive net proceeds therefrom in the aggregate amount of not less than HK\$565 million;
 - (3) the Stock Exchange having approved in principle of the Resumption Proposal;
 - (4) grant of conditional or unconditional approval by the Stock Exchange to the resumption of trading in the Shares;
- (vii) with respect to the Open Offer:
 - (1) the Prospectus Documents having been approved by the Stock Exchange and despatched to the Shareholders (Prohibited Shareholders excluded);
 - (2) the Open Offer having been consummated in accordance with the terms of the Prospectus Documents;

- (3) the Underwriter having carried out and discharged its underwriting obligation contained in the Underwriting Agreement;
- (4) the Open Offer having been approved by the Independent Shareholders at SGM.
- (viii) the Petition having been discontinued or withdrawn and an order to that effect having been made by the Hong Kong Court;
- (ix) an order having been granted by the Hong Kong Court to unconditionally or conditionally discharge the Provisional Liquidators in respect of the provisional liquidation of the Company (subject only to those conditions to the reasonable satisfaction of the Investors, such as completion of the Restructuring);
- (x) (if required) all requisite waivers, consents and approvals from any relevant courts, governments or regulatory authorities or other relevant third parties in connection with the Restructuring Agreement and the transactions contemplated thereunder and all the restructuring documents having been obtained;
- (xi) none of the Company's warranties as defined in the Restructuring Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect;
- (xii) none of the Investors' warranties as defined in the Restructuring Agreement and/or the Mr. Cheung's warranties as defined in the Restructuring Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect;
- (xiii) the Stock Exchange having approved in principle of the Resumption;
- (xiv) the Executive granting the Whitewash Waiver to Lukong and its Designated Subsidiary in respect of the Share Subscription;
- (xv) notwithstanding the exclusivity restriction under the Exclusivity, Deposit and Investment Loan Agreement, the Investors and the Company having entered into the Exclusivity Agreement to govern the exclusivity for the Share Subscription;
- (xvi) the Acquisition Agreement and the documents of the transaction contemplated thereunder having been executed;
- (xvii) the Executive granting consent under Rule 25 of the Takeovers Code in respect of Special Deal;
- (xviii) the Stock Exchange having approved the reverse takeover contemplated under the Acquisition Agreement; and

(xix) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties (including but not limited to State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC, Ministry of Commerce of the PRC, National Development and Reform Commission and State Foreign Exchange Administration of the PRC) in connection with the transactions contemplated by the Restructuring Agreement having been obtained by Lukong and its Designated Subsidiary.

Save for the waivers, consents and approvals set out in the conditions (i) to (xix) (except (x)) above, there is no other waivers, consents and approvals required to be obtained by the Company and the Investors for fulfilling condition (x) above. In the event the Company becomes aware of any other waivers, consents and/or approvals required to be obtained on the part of the Company and/or the Investors, the Company shall issue further announcement(s) as and when appropriate in accordance with the Listing Rules and Takeovers Code.

The Investors may at their sole and absolute discretion and at any time waive, by notice in writing to the Company, condition precedent (xi) of the Restructuring Agreement. Such waiver may be made subject to such terms and conditions as are determined by the Investors.

The Company may at its sole and absolute discretion and at any time waive, by notice in writing to the Investors and Mr. Cheung, condition precedent (xii) of the Restructuring Agreement. Such waiver may be made subject to such terms and conditions as are determined by the Company.

Save as the waivers of the conditions precedent of the Restructuring Agreement mentioned above, none of the other conditions precedent (including (ii), (xiv), (xvii) and (xviii)) set out in the Restructuring Agreement may be waived by any party. As at the date of this announcement, the Company and the Investors had no intention to waive any of the conditions precedent of the Restructuring Agreement. As at the date of this announcement, the conditions precedent (xv) of the Restructuring Agreement had been satisfied.

As advised by Lukong, regarding condition (xix) above, except for approvals from State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC, Ministry of Commerce of the PRC, National Development and Reform Commission and State Foreign Exchange Administration of the PRC, it is not expected that Lukong and its Designated Subsidiary will need to obtain approvals from other relevant governments or regulatory authorities in connection with the transactions contemplated by the Restructuring Agreement as at the date of this announcement.

Completion of the Restructuring

The Acquisition and the Restructuring are inter-conditional. Completion of the Restructuring Agreement shall take place on the fifth business day after the last outstanding condition precedent thereunder has been fulfilled (or waived), or such other day as may be agreed between the Company and the Investors in writing. Completion of the Fund Raisings, the Acquisition and the Schemes will take place simultaneously.

Termination of the Restructuring

If any of the conditions precedent set out in the Restructuring Agreement has not been satisfied (or otherwise waived) on or before 12:00 noon on the Long Stop Date, the Restructuring Agreement shall cease and terminate and none of the parties thereto shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

2.2 Share Subscription

According to the Restructuring Agreement, Lukong agreed to subscribe for 37,333,333,333 Subscription Shares at the aggregate subscription price of HK\$560 million (comprising of (i) the free assignment of the investment cost of HK\$50 million out of the Happy Fountain Loan by Happy Fountain to Lukong (as detailed below); (ii) the issuance of Supplemental Subscription Shares (as detailed below); and (iii) the Share Subscription by Lukong of HK\$480 million).

As at the date of this announcement, Happy Fountain has advanced the Happy Fountain Loan of HK\$95 million to the Company for settlement of restructuring fee and the Deposit, out of which HK\$50 million will be assigned to Lukong for free in view of Lukong's commitment for the provision of Lukong Facility under the Exclusivity Agreement.

Pursuant to the Restructuring Agreement, Lukong agreed to provide the Lukong Facility of up to HK\$35 million to the Company for settlement of restructuring fee, which shall be repaid by the Company by (i) the issuance of 2,000,000,000 Supplemental Subscription Shares under the capitalisation of a sum of HK\$30 million at HK\$0.015 per Share; and (ii) cash of the remaining principal of HK\$5 million.

Happy Fountain agreed to subscribe for 3,000,000,000 new Shares at HK\$0.015 per Subscription Share for an aggregate subscription price of HK\$45 million, which shall be deemed to have been settled by way of set off with the remaining principal amount of HK\$45 million of the Happy Fountain Loan.

The details of the Share Subscription are as follows:

Parties

Issuer	:	The Company
Subscribers	:	(i) Lukong (ii) Happy Fountain
Subscription Shares	:	40,333,333,333 new Shares in aggregate (of which 37,333,333,333 and 3,000,000,000 new Shares will be allotted and issued to Lukong (or its Designated Subsidiary) and Happy Fountain respectively), which represent: (i) approximately 2,621.6% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 80.9% of the total number of Shares in issue as enlarged by the allotment and issuance of the Subscription Shares, the Placing Shares and the Offer Shares
Subscription Price	:	HK\$0.015 per Subscription Share

The gross proceeds from the Share Subscription will be HK\$605,000,000. Completion of the Share Subscription will take place upon fulfillment or waiver (where applicable) of the conditions of the Restructuring Agreement.

2.3 *The Open Offer*

The Open Offer will be carried out to provide existing shareholders pre-emptive right to enlarge their shareholding in the Company on the following terms:

Basis of the Open Offer	:	Three Offer Shares for every existing Share held on the Open Offer Record Date
Total number of issued Shares as at the Open Offer Record Date	:	1,538,526,148
Number of Offer Shares	:	4,615,578,444 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Open Offer Record Date)

Nominal Value of the Offer : HK\$0.01 each
Share

Open Offer Price : HK\$0.015 per Offer Share

Gross proceeds : HK\$69,233,676.66

The 4,615,578,444 Offer Shares proposed to be allotted and issued represent (a) approximately 300.0% of the existing issued share capital of the Company; and (b) approximately 9.3% of the issued share capital of the Company as enlarged by the shares to be issued under the Open Offer, the Share Subscription and the Placing.

Underwriting Agreement

Principal terms of the Underwriting Agreement are set out as follows:

Date : 8 May 2020

Underwriter : The Underwriter

Total number of Offer Shares underwritten by the Underwriter : Untaken Shares will be placed by the Placing Agent for the Untaken Shares Arrangement to independent placees, and if not successfully placed out, will become Underwritten Shares and be taken up by the Underwriter in accordance with the terms set out in the Underwriting Agreement. The maximum underwriting commitment of the Underwriter shall be 4,615,578,444 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Open Offer Record Date). The Open Offer is fully underwritten by the Underwriter.

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, the Underwriter and its associates are Independent Third Parties. The Underwriter is independent of and not acting in concert with the Investors Concert Group.

Under the Underwriting Agreement, the Open Offer is fully underwritten by the Underwriter who (a) shall not subscribe, for its own account, for such number of the Offer Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to become a substantial shareholder of the Company upon the completion of the Open Offer; (b) shall use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates or any member of the Investors Concert Group and their respective associates or any person deemed to be connected by the Stock Exchange; and (ii) save for the Underwriter itself and its associates, shall not, alone or together with any party acting in concert (within the meaning of the Takeovers Code) with it, to become a substantial shareholder of the Company upon completion of the Restructuring.

Underwriting commission

The Company will pay the Underwriter (a) an underwriting commission of 3.0% of the aggregate Open Offer Price in respect of the maximum number of the underwritten Offer Shares; minus (b) the amount to be paid to the Placing Agent for the Untaken Shares Arrangement pursuant to the Placing Agreement to the Untaken Shares Arrangement. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate, the size of the Open Offer and the current and expected market condition. The Directors are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, and are fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions precedent of the Open Offer

The Open Offer is conditional upon:

- (i) the passing of all necessary resolution(s) by the Board and the Independent Shareholders approving the Open Offer, the Prospectus Documents and the transactions contemplated thereunder by no later than the Prospectus Posting Date;
- (ii) the delivery to the Stock Exchange for authorisation and registration with the Companies Registry of Hong Kong respectively one copy of each of the Prospectus Documents duly signed by Director (or by their agents duly authorised in writing) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;

- (iii) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date and, subject to compliance with the relevant overseas laws, regulations and requirements, the posting of the Prospectus stamped “For Information Only” to the Prohibited Shareholders, in each case, on the Prospectus Posting Date, provided, however, that the Prospectus shall not be despatched to the Prohibited Shareholders who have registered address(es), or whom the Company knows to be residents, in the United States;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, all the Open Offer Shares by no later than the Prospectus Posting Date and such permission not having been revoked prior to the Latest Time for Termination;
- (v) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (vi) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and that the Underwriting Agreement not being terminated in accordance with its terms;
- (vii) all relevant consents and approvals required for the Underwriting Agreement, the Open Offer and the Prospectus Documents having been obtained from all relevant governmental, courts, third parties and regulatory authorities (if required), including the Stock Exchange and the SFC;
- (viii) each condition to enable the Open Offer Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied not later than the business day prior to the first day of dealings in the Open Offer Shares as set out in the Prospectus and no notification having been received by the Company from Hong Kong Securities Clearing Company Limited by such date that such admission or facility for holding and settlement has been or is to be refused;
- (ix) the Schemes having been approved by the courts of Bermuda and Hong Kong (as the case may be) and such other courts and/or analogous sanction and/or recognition in any other jurisdiction, as the Company may determine to be necessary, of the Schemes having been obtained together with all consents, approvals, sanctions and filing of documents necessary for the purpose of making the Schemes effective having been obtained and done in accordance with the applicable laws;
- (x) compliance with and performance of all undertakings and obligations of the Underwriter under the Underwriting Agreement;

- (xi) there being no specified events as defined under the Underwriting Agreement occur prior to the Latest Time for Termination;
- (xii) the compliance with any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance in relation to the Open Offer;
- (xiii) the Stock Exchange granting its conditional or unconditional approval for the Resumption;
- (xiv) all of the conditions precedent to the Restructuring Agreement, the Acquisition Agreement and the Placing Agreement having been fulfilled (save for the condition for the Underwriting Agreement having becoming unconditional) or, as applicable, waived;
- (xv) the Executive granting the Whitewash Waiver to Lukong and the Designated Subsidiary in respect of the Share Subscription;
- (xvi) the Executive granting consent under Rule 25 of the Takeovers Code in respect of Special Deal; and
- (xvii) the entering into of the Placing Agreement to the Untaken Shares Arrangement, substantially in form attached in the Underwriting Agreement, or as the Underwriter and the Company shall determine.

The Company and the Underwriter shall use all reasonable endeavours to procure the fulfillment of the conditions of the Underwriting Agreement (to the extent that it applies to the Company and/or the Underwriter, as the case may be) by the Latest Time of Termination and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Offer Shares.

Except for condition (v) of the Underwriting Agreement which may be waived in whole or in part by the Underwriter and condition (x) of the Underwriting Agreement which may be waived in whole or in part by the Company, all the other conditions cannot be waived by either party. Save for condition (xvii), none of the conditions precedent has been satisfied as at the date of this announcement. If any of the conditions of the Underwriting Agreement are not satisfied (or waived in whole or in part) by the Latest Time of Termination, or where appropriate, the times stipulated under the Underwriting Agreement, or such later date or dates as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall terminate and the obligations of the parties shall immediately cease and be null and void and any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination, no party will have any claim against any other party for costs, damages, compensation or otherwise.

Termination of the Underwriting Agreement

If prior to the Latest Time for Termination:

- (i) in the opinion of the Underwriter and after consulting with the Company, the success of the Open Offer would be materially and adversely affected by:
 - (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Enlarged Group as a whole or is materially adverse in the context of the Open Offer; or
 - (2) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, military, financial, economic currency, market or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Investor is likely to materially and adversely affect the business or the financial or trading position or prospects of the Enlarged Group as a whole; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

As at the date of this announcement, the Company has not received any information from any substantial Shareholders their intention to take up the Offer Shares under the Open Offer.

Effectiveness and binding effect

The Underwriting Agreement shall become effective upon (i) the High Court of the Hong Kong gives permission or liberty for the Company and/or the Provisional Liquidators of the Company to enter into the Underwriting Agreement, or confirms (whether directly or indirectly) that such permission or liberty is not required; (ii) approval of the Open Offer by the Independent Shareholder at the SGM; and (iii) commencement of the Open Offer.

No application for excess Offer Shares

No excess Offer Shares will be offered to the Qualifying Shareholders and the Untaken Shares will be underwritten by the Underwriter subject to the Untaken Shares Arrangement and subject to and upon the terms and conditions of the Underwriting Agreement. Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, and if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. As such, the Company considers that the absence of excess application for the Offer Shares is fair and reasonable.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to Qualifying Shareholders; and (ii) the Prospectus with the Overseas Letter, for information only, to the Prohibited Shareholders. To qualify for the Open Offer, the Shareholder must be registered as a member of the Company as at the close of business on the Open Offer Record Date and must not be a Prohibited Shareholder.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If the Directors (having made reasonable enquiries) consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders. Further information in this connection will be set out in the Prospectus Documents.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Prohibited Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Fractional entitlement to the Offer Shares

Fractions of Offer Shares will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number. Any Offer Shares created from the aggregation of fractions of Offer Shares will be taken up by the Underwriter.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Procedures in respect of the Untaken Shares and the Untaken Shares Arrangement

Pursuant to Rule 7.26A(1) of the Listing Rules, the Company in the Open Offer must make compensatory arrangement to dispose of the Offer Shares not validly applied for by the Qualifying Shareholders for the benefit of those Qualifying Shareholders. In order to comply with the Listing Rules, the Company has entered into the Placing Agreement to the Untaken Shares Arrangement with the Placing Agent for the Untaken Shares Arrangement.

Upon and subject to the terms and condition set out in the Placing Agreement to the Untaken Shares Arrangement, the Placing Agent for the Untaken Shares Arrangement agrees, as agent of the Company, during the Placing Period to procure subscriptions for the Untaken Shares at the placing price of HK\$0.015 per Share on a best effort basis on the terms and subject to the conditions under the Placing Agreement to the Untaken Shares Arrangement.

The Untaken Shares will be placed by the Placing Agent for the Untaken Shares Arrangement under the Untaken Shares Arrangement to independent placees, and if not successfully placed out, will become Underwritten Shares and be taken up by the Underwriter in accordance with the terms set out in the Underwriting Agreement.

Principal terms of the Placing Agreement to the Untaken Shares Arrangement are set out as follows:

Date : 8 May 2020

Parties

Issuer : The Company

Placing Agent : Placing Agent for the Untaken Shares Arrangement

Placing Price : HK\$0.015 per Untaken Share

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, the Placing Agent for the Untaken Shares Arrangement and its associates are Independent Third Parties. The Placing Agent for the Untaken Shares Arrangement is independent of and not acting in concert with the Investors Concert Group.

The placee(s)

Each placee(s) shall provide a form of acknowledgement to confirm, among others, that he/it (i) is independent of and not connected, nor acting in concert, with the Company or its connected persons, the Directors, chief executives, substantial Shareholders of the Company or its subsidiaries or any members of the Investors Concert Group and their respective associates or any person deemed to be connected by the Stock Exchange; (ii) shall not become a substantial Shareholder of the Company as a result of the Placing; (iii) has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Untaken Shares; (iv) does not have any past or present relationship (including but not limited to business, family or financing) with the subscribers of Offer Shares; and (v) has not entered into any agreements or arrangements between (i) any members of the Investors Concert Group, (ii) other placees under the Placing, and (iii) subscribers under the Open Offer, with respect to their interests in the Company.

Placing Commission

The Company shall pay to Placing Agent for the Untaken Shares Arrangement a commission of 3% of the amount equal to the placing price of HK\$0.015 per Untaken Share multiple by the number of Untaken Shares which Placing Agent for the Untaken Share Arrangement has successfully procured subscribers for at the end of the period commencing upon the date on which the shareholders of the Company shall have approved the Underwriting Agreement and the transactions contemplated thereunder and ending on the fifth business day following and excluding the day on which the latest time for acceptance of the Open Offer (or such later date as may agree between the Placing Agent for the Untaken Shares Arrangement and the Company).

Conditions precedent

Completion of the Placing Agreement to the Untaken Shares Arrangement is conditional upon the Underwriting Agreement having become unconditional.

Effectiveness and binding effect

The Placing Agreement to the Untaken Shares Arrangement will become effective upon the date on which the High Court of the Hong Kong gives permission or liberty for the Company and/or the Provisional Liquidators of the Company to enter into the Placing Agreement to the Untaken Shares Arrangement, or confirms (whether directly or indirectly) that such permission or liberty is not required.

2.4 *Placing Agreement*

A placing of 3,333,333,333 Placing Shares at the placing price of HK\$0.015 per Placing Share will be proposed to raise approximately HK\$50 million.

Placing Agreement

Date : 8 May 2020

Parties

Issuer : China Solar

Placing Agent : Placing Agent

Placing Price : HK\$0.015 per Placing Share

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, Placing Agent and its associates are Independent Third Parties. The Placing Agent is independent of and not acting in concert with the Investors Concert Group.

The Placing Shares and the Placees

Placing Agent has conditionally agreed to place, on a best effort basis, a maximum of 3,333,333,333 Placing Shares. Placing Agent has undertaken to the Company that the Placing Shares shall be placed to a number of independent Placees with a view to achieving the minimum number of shareholders requirement under Rule 8.08(2) of the Listing Rules and to maintain an open market for the Shares, and that the number of Placees finally selected to take up the Placing Shares will be at least 350 (if necessary to meet the aforesaid requirement), and it shall ensure that, to the best knowledge of the Placing Agent, the Placees and their ultimate beneficial owners and their associates (i) are independent of and not connected, nor acting in concert, with the Company or its connected persons, directors, chief executive or substantial shareholders of the Company or its subsidiaries and any members of the Investors Concert Group or any of their respective associates or any person deemed to be connected by the Stock Exchange; (ii) shall not be a subscriber of the Untaken Shares; and (iii) will not become a substantial Shareholder of the Company as a result of holding the Shares issued and allotted to them under the Placing immediately upon the completion of the Fund Raisings.

Each Placee(s) shall provide a form of acknowledgement to confirm, among others, that he/it (i) is independent of and not connected, nor acting in concert, with the Company or its connected persons, the Directors, chief executives, substantial Shareholders of the Company or its subsidiaries or any members of the Investors Concert Group and their respective associates or any person deemed to be connected by the Stock Exchange; (ii) shall not become a substantial Shareholder of the Company as a result of the Placing; (iii) has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest

for, any Untaken Shares; (iv) does not have any past or present relationship (including but not limited to business, family or financing) with the subscribers of Offer Shares; and (v) has not entered into any agreements or arrangements between (i) any members of the Investors Concert Group, (ii) other placees under the Placing, and (iii) subscribers under the Open Offer, with respect to their interests in the Company.

The 3,333,333,333 Placing Shares represent approximately (i) 216.6% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 6.7% of the issued share capital of the Company as enlarged by the shares to be issued under the Share Subscription, the Open Offer and the Placing.

Placing Commission

The Company shall pay to Placing Agent (i) a non-refundable upfront fee of HK\$350,000 upon signing of the Placing Agreement; and (ii) a commission of 3% of the amount equal to the Placing Price multiple by the number of Placing Shares which Placing Agent has successfully procured subscribers for at the end of the Placing Period.

Ranking of the Placing Shares

The Placing Shares shall rank, upon allotment, pari passu in all respects with the existing Shares in issue at the date of allotment of the Placing Shares.

Conditions precedent of the Placing Agreement

Completion of the Placing Agreement is conditional, inter alia, upon:

- (a) where necessary, the Independent Shareholders and the board of directors of the Company shall have approved the Placing and other transactions contemplated thereunder (including, without limitation to, allotment and issuance of the Placing Shares) at a general meeting of the Company or at the board meeting of the Company;
- (b) the Listing Committee shall have granted or agreed to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the approval for listing of, and permission to deal in, the Placing Shares;
- (c) all of the conditions precedent to the Restructuring Agreement, the Acquisition Agreement and the Underwriting Agreement having been fulfilled (save for the condition for the Placing Agreement having becoming unconditional) or, as applicable, waived;
- (d) the Executive granting the Whitewash Waiver to Lukong and its Designated Subsidiary in respect of the Share Subscription;
- (e) the Executive granting consent under Rule 25 of the Takeovers Code in respect of Special Deal;

- (f) the Stock Exchange granting its conditional or unconditional approval for the Resumption;
- (g) the Schemes having been approved by the courts of Hong Kong and Bermuda (as the case may be) and such other courts and/or analogous sanction and/or recognition in any other jurisdiction as the Company may determine to be necessary of the Schemes having been obtained together with all consents, approvals, sanctions and filing of documents necessary for the purpose of making the Schemes effective having been obtained and done in accordance with the applicable laws;
- (h) the compliance with any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance at any time prior to completion of the Placing;
- (i) (i) simultaneously completion of the Share Subscription, the Open Offer, the Acquisition and the Schemes; and (ii) the receipt by the Company of net proceeds from the Fund Raisings of not less than HK\$565 million; and
- (j) any other approval, consent and/or waiver as may be required by any relevant courts, governments, regulatory authorities or relevant third parties and applicable laws, rules and/or regulations for the Placing and other transactions contemplated thereunder shall have been obtained (if required).

All conditions above cannot be waived by the parties to the Placing Agreement. Completion of Placing shall take place within five business days after fulfilment of the conditions precedent under the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing in accordance with the completion mechanism as set out under the Placing Agreement. Completion of the Fund Raisings, the Acquisition and the Schemes will take place simultaneously.

Termination

Placing Agreement shall terminate in one (1) month after the commencement of the Placing period (or such later date as may be agreed between Placing Agent and the Company), unless terminated earlier in writing pursuant to the terms of Placing Agreement.

Effectiveness and binding effect

The Placing Agreement will become effective upon the date on which the High Court of the Hong Kong gives permission or liberty for the Company and/or the Provisional Liquidators of the Company to enter into the Placing Agreement, or confirms (whether directly or indirectly) that such permission or liberty is not required.

2.5 *Schemes*

The Company intends to implement a restructuring of all its indebtedness and liabilities owed to the Scheme Creditors by way of Schemes under the laws of Hong Kong and Bermuda respectively, as parallel, concurrent and inter-conditional schemes of arrangement contemporaneously. As a result of the Schemes, all outstanding amounts owed by the Company to the Scheme Creditors will fully and finally be settled.

The Scheme Administrators will incorporate Scheme Co prior to or after the Effective Date to hold shares in the Excluded Companies in accordance with, and subject to, the terms of the Schemes. The Excluded Companies shall include all the subsidiaries of the Company other than Excel Deal.

Unless otherwise agreed by the Company, the Investors, the Scheme Creditors and the relevant courts (if required), on or as soon as reasonably practicable after the Effective Date, the Company will transfer or procure the transfer of the shares of the Excluded Companies to Scheme Co in accordance with, and subject to, the terms of the Schemes.

On the Effective Date, all claims against and liabilities of the Company to the Scheme Creditors will be fully released and discharged by the arrangements contemplated under the Schemes. The Schemes shall become effective and legally binding on the Company and all of the Scheme Creditors, including those voting against the Schemes and those not voting, upon the Effective Date.

During the period between the Effective Date and the Completion (or the Long Stop Date, whichever is earlier), the Scheme Creditors will be entitled to receive dividends or interim dividends from the Scheme Co pursuant to the Schemes. The distributions of dividends or interim dividends by the Scheme Co will reduce the Schemes Creditors' Admitted Claims against the Company pending Completion (or the Long Stop Date, whichever is earlier). The source of funds for the distribution of such dividends and/or interim dividends will be from the realisation of the relevant items transferred to the Scheme Co and any proceeds in the form of dividend payable to the Scheme Co after the liquidations of the Excluded Companies (subject to all respective liabilities of each of the Excluded Companies being discharged).

On Completion, cash payments in the amount of HK\$89 million from the Fund Raisings will be distributed to the Scheme Creditors in accordance with, and subject to the terms of the Schemes, as consideration for the releases and discharges under the Schemes (to the extent that they have not been discharged by the distribution of any dividends by the Scheme Co prior to Completion). The Scheme Co (including the Excluded Companies) will be wound up by the Scheme Administrator thereafter.

If Completion does not take place on or before the Long Stop Date, on the Long Stop Date, the Schemes will terminate immediately. The Scheme Administrators shall inform the Scheme Creditors in writing immediately on the termination of the Schemes. Upon termination of the Schemes, Scheme Co shall continue to hold the entire issued capital of the Excluded Companies for the Company. In such circumstances, it is likely that the Company and the rest of the restructured Group will be liquidated and their assets will be disposed of by liquidators in the liquidation process. The assets of the Company will be available for distribution to the Creditors in the ordinary course of liquidation under the laws of Hong Kong and Bermuda, as the case may be.

Parallel schemes of arrangement in Hong Kong and Bermuda

As at the date of this announcement, to the best knowledge of the Provisional Liquidators based on the available books and records of the Company, there are 42 Creditors and the Indebtedness of the Company was approximately HK\$89 million, comprising (i) directors' remunerations of approximately HK\$0.6 million; (ii) professional fees of approximately HK\$2.7 million; (iii) rent payable of approximately HK\$4.4 million; (iv) convertible notes of approximately HK\$40.7 million; (v) corporate bonds of approximately HK\$10 million; (vi) promissory notes of approximately HK\$25.3 million; (vii) unsecured loans of approximately HK\$3.8 million; (viii) tax payable of approximately HK\$0.5 million; and (ix) other liabilities of approximately HK\$0.8 million. Indebtedness information above is indicative only, which is subject to the determination and confirmation by the Scheme Administrators under the Schemes after the Effective Date.

The restructuring of the indebtedness of the Company to the Scheme Creditors will be implemented by way of Schemes in Hong Kong and Bermuda, as parallel, concurrent and inter-conditional schemes of arrangement contemporaneously. Subject to the approval by the required majority of the Scheme Creditors (representing a simple majority in number and not less than 75% in value of the claims of the Scheme Creditors who, either in person or by proxy, attend and vote at the Scheme Meetings convened with the leave of the relevant courts) and the sanctions by the Hong Kong Court and the Bermuda Court, the Schemes shall become effective upon delivery and registration of a copy of the Court Orders sanctioning the Schemes to the Companies Registry in Hong Kong and the Registrar of Companies in Bermuda, respectively and the satisfaction of all of the conditions therein.

Under the terms of the Schemes, the Scheme Co, to be controlled by the Scheme Administrators, will be established to hold the shares of the Excluded Companies for settlement of Admitted Claims under the Schemes in accordance with, and subject to, the terms of the Schemes. On or as soon as reasonably practicable after the Effective Date, the entire equity interests of the Excluded Companies held by the Company will be transferred to the Scheme Co at a nominal consideration of HK\$1. In accordance with, and subject to, the terms of the Schemes, the Scheme Administrators shall take such steps as are appropriate, having regard to the potential costs of and benefits from such steps, to recover any amounts which may be realised from the Excluded Companies and their assets.

The Schemes, which are subject to sanction of the Hong Kong Court and the Bermuda Court, respectively, shall become effective and legally binding on the Company and all the Scheme Creditors, including those voting against the Schemes and those not voting, if the requisite majority (representing a simple majority in number and not less than 75% in value of the claims of Scheme Creditors who, either in person or by proxy, attend and vote at the Scheme Meetings convened and held in accordance with the directions of the relevant courts) votes in favour of the respective Schemes which the relevant courts thereafter sanction, a copy of each of the relevant Court Orders sanctioning the Schemes is filed with the Companies Registry in Hong Kong and the Registrar of Companies in Bermuda, respectively and all of the conditions therein have been satisfied.

On and from the Effective Date, none of the Scheme Creditors shall be entitled to demand or exercise any right of set-off against the Company in respect of its Claim, nor be able to seek to recover from the Company by legal process or otherwise, or to take any step or proceedings against the Company or its property or assets, for the purpose of enforcing its Claim or recovering any part of its Claim by way of execution or otherwise, or to commence or prosecute or join in any proceedings to wind up the Company based upon its Claim. The Excluded Companies will cease to be subsidiaries of the Company upon the transfer of all the issued shares of the Excluded Companies to the Scheme Co on or after the Effective Date.

Conditions precedent to the Schemes

The Schemes are conditional upon, inter alia, the fulfilment of the following conditions on or before the Long Stop Date:

- (i) approval of the Restructuring, the Whitewash Waiver and the Special Deal and the transactions contemplated thereunder by the Independent Shareholders by ordinary resolutions at the SGM;
- (ii) the Executive granting consent under Rule 25 of the Takeovers Code in respect of Special Deal;
- (iii) the approval of the Schemes by the requisite majority of the Scheme Creditors (representing a simple majority in number and not less than 75% in value of the claims of the Scheme Creditors who, either in person or by proxy, attend the Scheme Meetings convened with the leave of the relevant courts) at the Scheme Meeting(s);
- (iv) the sanction by the Hong Kong Court and the Bermuda Court of the Schemes and registration of a copy of each of the relevant Court Orders sanctioning the Schemes with the registrars of companies in Hong Kong and Bermuda, respectively;
- (v) registration of a copy of each of the relevant Court Orders sanctioning the Schemes with registrars of companies in Hong Kong and Bermuda respectively; and

- (vi) approvals, consents and authorisations (including but not limited to approval from Stock Exchange) in relation to and/or in connection with the proposed transactions under the Restructuring Agreement, including the Resumption Proposal.

3. Subscription Price, Open Offer Price and Placing Price

The Subscription Price, the Open Offer Price and the Placing Price, being the same at HK\$0.015, represents:

- (i) a discount of approximately 91.67% to the closing price of HK\$0.180 per share as quoted on the Stock Exchange on the Last Trading Day, being the last trading day immediately before the suspension of trading in the Shares;
- (ii) a discount of approximately 92.72% to the average closing price of HK\$0.206 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 92.89% to the average closing price of HK\$0.211 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The Subscription Price, the Open Offer Price and the Placing Price of HK\$0.015 were determined after arm's length negotiations between the Company and the Investors having regard to the fact that the Provisional Liquidators have been appointed and the long suspension of trading in the Shares on the Stock Exchange, the prevailing stock market conditions and the prospects of the business operations of the Enlarged Group.

Having considered the factors above, the Directors and the Provisional Liquidators consider that the terms of each of the Restructuring Agreement, the Placing Agreement, and the Open Offer are on normal commercial terms and each of the Restructuring Agreement, the Placing Agreements and the Open Offer is in the interests of the Company and the Shareholders as a whole.

Pursuant to Rule 7.27B, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more, unless the Stock Exchange is satisfied that there are exceptional circumstances. In view of the insolvent financial position and the provisional liquidation status of the Group as well as the Shares being in prolonged suspension, the closing price of the Shares on the Last Trading Day does not reasonably reflect the existing condition of the Company and the financial position of the Company could be considered as an exceptional circumstances under Rule 7.27B. Accordingly, the Provisional Liquidators and the Directors consider it fair and reasonable for (i) the Offer Price, the Subscription Price and the Placing Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the Share Subscription, the Placing and the Open Offer together would result in a relatively significant theoretical dilution effect of approximately 88.8%.

4. Issue under specific mandate

The Offer Shares, the Subscription Shares, the Placing Shares will be issued pursuant to a specific mandate to be obtained upon approval by the Independent Shareholders at the SGM.

APPLICATION FOR LISTING

On 24 February 2017 (as renewed on 15 September 2017 and 15 May 2018), the Sponsor submitted to the Stock Exchange a listing application on behalf of the Company.

On 16 November 2018, the Stock Exchange informed the Company that its new listing application has lapsed on 14 November 2018.

On 8 May 2020, the Company has renewed its new listing application.

REASONS FOR AND BENEFIT OF THE RESTRUCTURING AND USE OF PROCEEDS

Trading in the Shares on the Stock Exchange has been suspended with effect from 1:00 p.m. on 16 August 2013. On 14 February 2017, the Company submitted the Resumption Proposal to the Stock Exchange with a view to seeking the Stock Exchange's approval for the resumption of trading in the shares of the Company.

The Schemes could facilitate the Group's discharging all liabilities of and claims against the Company. The Share Subscription, the Open Offer and the Placing will introduce new investors to the Company, strengthen the financial position of the Group and relieve the indebtedness level of the Company and provide financial resources to the Group to complete the Acquisition which will facilitate the Company's fulfilling the requirements under Rule 13.24 of the Listing Rules. It will also provide the Group with new funds to enhance its business operations and flexibility to make investments in new acquisitions or business ventures when suitable opportunities arise in the future.

The aggregate maximum proceeds from the Share Subscription, the Open Offer and the Placing of approximately HK\$724.2 million are intended to be applied as follows:

- (i) about HK\$530.0 million for settlement of the cash portion of the Consideration for the Acquisition;
- (ii) up to HK\$89.0 million as full and final settlement of the Indebtedness with the Creditors under the Schemes;

- (iii) about HK\$89.1 million for the settlement of all the costs and expenses incurred by the Company in relation to the implementation of the Resumption Proposal including, but not limited to, the fees of the Provisional Liquidators, financial advisers, lawyers, auditors and other accounting firms (if required), valuers, printers and translators and any other costs, expenses and disbursements incurred by all parties engaging by or working for the Provisional Liquidators and the Company; and
- (iv) remaining balance of around HK\$16.1 million (subject to the professional fees for the implementation of the Resumption Proposal) as general working capital of the Enlarged Group (which includes the continuation of the operation of the Solar Plants) and possible expansion of the business portfolio of the Enlarged Group, if and when opportunities arise.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following chart depicts, assuming there being no issue (other than the Subscription Shares, the Placing Shares and the Offer Shares) or repurchase of Shares from the date of this announcement up to Completion, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion and the completion of the Share Subscription, the Placing and the Open Offer (assuming no Shareholders subscribed for their entitlements under the Open Offer); and (iii) immediately after Completion and the completion of the Share Subscription, the Placing and the Open Offer (assuming all Shareholders subscribed for their entitlements under the Open Offer).

	As at the date of this announcement		Immediately after Completion and the completion of the Share Subscription, the Placing and the Open Offer (assuming no Shareholders subscribed for their entitlements under the Open Offer)		Immediately after Completion and the completion of the Share Subscription, the Placing and the Open Offer (assuming all Shareholders subscribed for their entitlements under the Open Offer)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
<i>The Investors Concert Group</i>	–	0.00%	40,333,333,333	80.9%	40,333,333,333	80.9%
– Lukong	–	0.00%	37,333,333,333	74.9%	37,333,333,333	74.9%
– Happy Fountain ^(Note 1)	–	0.00%	3,000,000,000	6.0%	3,000,000,000	6.0%
<i>New Shareholders</i>						
Open Offer placees	–	0.00%	4,615,578,444	9.3%	–	0.0%
Placing placees	–	0.00%	3,333,333,333	6.7%	3,333,333,333	6.7%
<i>Existing Shareholders</i>						
Ankang Limited ^(Note 2)	289,623,188	18.8%	289,623,188	0.6%	1,158,492,752	2.3%
Larm Cheung Hon Peter	158,070,361	10.3%	158,070,361	0.3%	632,281,444	1.3%
Cheung Po Yan Phillip	96,006,266	6.2%	96,006,266	0.2%	384,025,064	0.8%
Other Shareholders	994,826,333	64.7%	994,826,333	2.0%	3,979,305,332	8.0%
<i>Public Shareholders</i>	<u>1,090,832,599</u>	<u>70.9%</u>	<u>12,487,437,925</u>	<u>25.1%</u>	<u>12,487,437,925</u>	<u>25.1%</u>
Total	<u>1,538,526,148</u>	<u>100.00%</u>	<u>49,820,771,258</u>	<u>100.0%</u>	<u>49,820,771,258</u>	<u>100.0%</u>

Notes:

- (1) Happy Fountain is wholly-owned by Mr. Cheung Shun Yee. Happy Fountain will be a public Shareholder upon Completion pursuant to the Listing Rules.
- (2) Ankang Limited is wholly owned by Mr. Wong Sin Hua Felix.

FINANCIAL EFFECTS OF THE RESTRUCTURING

Since the Excluded Companies will cease to be subsidiaries of the Company upon the transfer of all their issued shares to the Scheme Co on or after the Effective Date, all the assets and liabilities of the Excluded Companies will no longer be consolidated into the consolidated financial statements of the Group. Upon the Schemes becoming effective, all the claims against, and liabilities of, the Company (excluding the normal operating liabilities incurred during the ordinary course of business operations of the Enlarged Group) will be discharged and compromised in full.

INFORMATION OF THE GROUP

The Company was incorporated in Bermuda with limited liability on 27 July 1989 and registered in Hong Kong as a non-Hong Kong company under Part XI of the former Companies Ordinance (Cap. 32) on 30 November 1989 under the name of HWA KAY THAI Holdings Limited. Its name was subsequently changed to HiNet Holdings Limited, REXCAPITAL International Holdings Limited and finally, to China Solar Energy Holdings Limited on 5 April 2000, 14 May 2002 and on 30 March 2006, respectively. The Shares are listed on the Main Board of the Stock Exchange (Stock Code: 155). At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 16 August 2013, pursuant to which the last closing price of the Shares, immediately before such suspension, was HK\$0.18 per Share.

Prior to the Trading Suspension, the Group had been principally engaged in (i) photovoltaic business which consists of the development, manufacturing, marketing and sale of photovoltaic solar cells, modules and panels for generating solar electric power, and establishment of solar electric power generation plant; and (ii) farming and sale of organic hog and livestock.

On 21 August 2015, the Hong Kong Court ordered that Mr. Stephen Liu Yiu Keung of Ernst & Young Transactions Limited and Mr. Andrew Koo Chi Ho of Ernst & Young (China) Advisory Limited be appointed as the Provisional Liquidators. Pursuant to the order of the Hong Kong Court, the Provisional Liquidators shall, inter alia, take into their possession and protect, recover or obtain the various assets and/or monies belonging to or due to, the Company and its subsidiaries until such time as further order is made.

INFORMATION OF THE VENDOR AND CHINA SINGYES

China Singyes is a company incorporated in Bermuda the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 750).

China Singyes's group is principally engaged in the design, fabrication and installation of conventional curtain walls and building integrated photovoltaic BIPV systems, and the development and operation of solar projects.

The Vendor is a joint venture established in the PRC and a wholly-owned subsidiary of China Singyes. The Vendor is primarily engaged in research and development of electricity and new energy.

INFORMATION OF THE INVESTORS

Lukong is a company established in the PRC with limited liability and is principally engaged in the business of investment and operations of water supply, sewage treatment, water related constructions and hydroelectric power. It is a wholly-owned subsidiary of 山東水利發展集團有限公司 (Shandong Water Development Group Co., Ltd.*), which in turn is a wholly-owned subsidiary of Shuifa. As at date of this announcement, Shuifa indirectly owns approximately 66.92% equity interests in China Singyes. Therefore Lukong and China Singyes are fellow subsidiaries of Shuifa.

Shuifa is principally engaged in the operation of water projects and environment management, modern agriculture, cultural tourism and renewable energy business segments in the PRC and is a state-owned enterprise whose ultimate controlling shareholder is State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC (山東省國有資產監督管理委員會). The renewable energy businesses of Shuifa include among others, the operation of solar farms in the PRC since 2016.

Happy Fountain is a company incorporated in the British Virgin Islands with limited liability, which is legally and beneficially owned by Mr. Cheung, who is also the sole director of Happy Fountain. The principal activity of Happy Fountain is intended to be investment holding but has no business as at the date of this announcement. Happy Fountain is a passive investor and will not involve in the daily operation of the Company.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

As at the date of this announcement, none of the members of the Investors Concert Group owns or has control or direction over any existing Shares, rights over Shares, convertible securities, warrants, options or derivatives in respect of the Shares. Other than entering into the Restructuring Agreement, none of the members of the Investors Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company within the six months prior to the date of the Restructuring Agreement and up to the date of this announcement.

As at the date of this announcement, save as disclosed in this announcement,

- (a) none of the members of the Investors Concert Group has received any irrevocable commitment in relation to voting of the resolutions in respect of transactions, including the Restructuring, the Whitewash Waiver, the Special Deal or any transactions contemplated under the Restructuring Agreement at the SGM;

- (b) there is no outstanding derivative in respect of the securities of the Company which has been entered into by any members of the Investors Concert Group;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the members of the Investors Concert Group or the Company and which might be material to the Restructuring, the Whitewash Waiver, the Special Deal or any transactions contemplated thereunder;
- (d) there is no agreement or arrangement to which any members of the Investors Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Restructuring, the Whitewash Waiver, the Special Deal or any transactions contemplated under the Restructuring Agreement, including any break fees being payable;
- (e) none of the members of the Investors Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) apart from the consideration of the Share Subscription under the Restructuring Agreement, there are no other consideration, compensation or benefit in whatever form paid or to be paid by any members of the Investors Concert Group to the Company or any party acting in concert with it in connection with the Share Subscription; and
- (g) there is no understanding, arrangement, agreement or special deal between any members of the Investors Concert Group on the one hand, and any Shareholder or the Company, and any party acting in concert with the Company on the other hand.

Save for the Special Deal, the Directors confirm that there is no understanding, arrangement, agreement or special deal between any Shareholder and the Company, its subsidiaries or associated companies as at the date of this announcement.

As at the date of this announcement, the Company was not aware that the Restructuring, the Whitewash Waiver and the Special Deal give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver and the Special Deal consent if the Restructuring, the Whitewash Waiver and the Special Deal do not comply with other applicable rules and regulations.

As at the date of this announcement, the issued share capital of the Company comprises 1,538,526,148 Shares and, other than a convertible notes with principal amount of HK\$40,742,000 due on 15 April 2016, the Company does not have any options, warrants or convertible securities in issue.

INFORMATION OF THE TARGET COMPANIES

Xinjiang Singyes and Wuwei Dongrun are both principally engaged in developing solar energy and technical consultation, designing of solar power plant systems and investing in solar power plant projects.

The Target Companies (i.e. Xinjiang Singyes and Wuwei Dongrun) are two photovoltaic power plants operators in the PRC. As at the date of this announcement, Xinjiang Singyes owned two photovoltaic power plants, namely, XJ Plant Phase I and XJ Plant Phase II, and Wuwei Dongrun owned a photovoltaic power plant, namely WW Plant. The Solar Plants have an aggregate capacity of 100 MW and are designed and constructed for the purpose of generating and supplying merchantable power into electricity grids.

XJ Plant Phase I

XJ Plant Phase I is one of the two photovoltaic power plants owned and operated by Xinjiang Singyes. It is located in Bazhou second division thirty-three regiment, Korla City, Xinjiang (新疆庫爾勒市巴州地區第二師三十三團), next to XJ Plant Phase II and has an installed capacity of 30 MW. XJ Plant Phase I commenced power generation for sale in January 2014. The average power generation per month of XJ Plant Phase I during the three years was approximately 2,904 MWh, 3,016 MWh and 3,067 MWh for the three years ended 31 December 2017, 2018 and 2019 respectively.

XJ Plant Phase I is a photovoltaic systems type power plant. It is built with solar panels in ground-mounted solar farms, converting sunlight directly into electric power. The solar farms have a solar collection area of approximately 1,160 mu leased from an independent third party with lease period ending 31 December 2038. XJ Plant Phase I contains, among others, photovoltaic power generation systems, inverters and transformers. The plant utilizes a computerized system to control the various components of the power generation system. As at the date of this announcement, Xinjiang Singyes had seven employees from an independent service provider servicing both XJ Plant Phase I and XJ Plant Phase II.

XJ Plant Phase II

XJ Plant Phase II is the other photovoltaic power plant owned and operated by Xinjiang Singyes. XJ Plant Phase II is located next to XJ Plant Phase I in Bazhou second division thirty-three regiment, Korla City, Xinjiang (新疆庫爾勒市巴州地區第二師三十三團) and has an installed capacity of 20 MW. XJ Plant Phase II commenced power generation for sale in May 2016. The average power generation per month of XJ Plant Phase II during the three years ended 31 December 2019 was approximately 2,206 MWh.

XJ Plant Phase II is a photovoltaic systems type power plant. It is built with solar panels in ground-mounted solar farms, converting sunlight directly into electric power. The solar farms have a solar collection area of 695 mu leased from an independent third party with lease period ending 31 December 2036. XJ Plant Phase II contains, among others, photovoltaic power generation systems, inverters and transformers. XJ Plant Phase II has a designed capacity of 20MW. It also has a 110 kilovolt substation for stepping up power for long distance transmission. The plant utilizes a computerized system to control the various components of the power generation system. As at the date of this announcement, there were seven employees from an independent service provider, who were stationed at XJ Plant Phase I and XJ Plant Phase II.

WW Plant

WW Plant is owned and operated by Wuwei Dongrun. It is located in Wuwei Golden Sun New Energy Hi-tech Area No.II, Wuwei City, Gansu (甘肅省武威市武威金太陽新能源高新技術集中區二區) and has a total installed capacity of 50 MW. WW Plant commenced power generation for sale in October 2014. The average power generation per month of WW Plant was approximately 5,790 MWh, 6,032 MWh and 5,997 MWh for the three years ended 31 December 2017, 2018 and 2019 respectively.

WW Plant is a photovoltaic systems type power plant, which is built with solar panels in ground-mounted solar farms, converting sunlight directly into electric power. The solar farms have a solar collection area of approximately 1,789 mu. WW Plant contains, among others, photovoltaic power generation system, inverters and transformers. A computerized system is utilized to control the various components of the power generation system. As at the date of this announcement, WW Plant had eight employees from an independent service provider stationed inside.

No photovoltaic power plants under construction

As at the date of this announcement, the Target Companies did not have any photovoltaic power plant under construction.

Financial Information of the Target Companies

Set out below is the audited financial information of the Target Companies for the years ended 31 December 2017, 2018 and 2019:

Xinjiang Singyes

	For the year ended 31 December		
	2017	2018	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)
Profit before taxation	26,728	11,655	26,648
Profit after taxation	24,712	10,781	24,635

	As at 31 December		
	2017	2018	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)
Net asset value	531,430	542,211	566,846

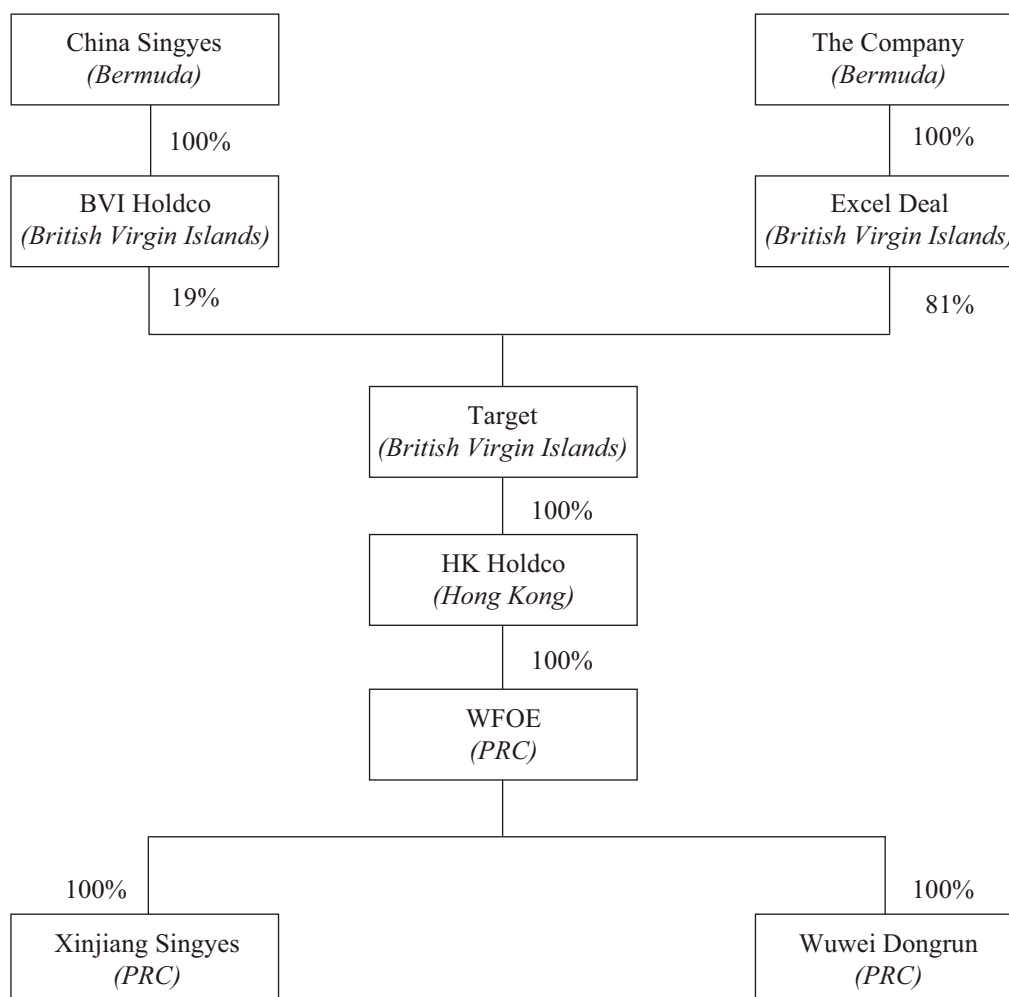
Wuwei Dongrun

	For the year ended 31 December		
	2017	2018	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)
Profit before taxation	28,014	30,394	31,627
Profit after taxation	25,905	28,114	29,251

	As at 31 December		
	2017	2018	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Audited)
Net asset value	68,046	96,160	125,411

STRUCTURE OF THE ENLARGED GROUP

The following chart illustrates the simplified structure of the Enlarged Group upon Completion:



FUND RAISING EXERCISE IN THE PAST 12 MONTHS

The Company had not conducted any fund raising exercise in the past 12 months immediately preceding the date of this announcement.

PROPOSED ADOPTION OF NEW BYE-LAWS

The Bye-laws were adopted in August 2001 and subsequently amended in September 2004, August 2005 and September 2007, and have not been amended since. The Board considers that it is appropriate to adopt the New Bye-laws of the Company in substitution for and to the exclusion of the Bye-laws to bring them in line with the amendments of the Listing Rules and Companies Act.

The New Bye-laws will be in compliance with the relevant laws of Bermuda and the requirements under the Listing Rules, and will also comply with the requirements under Appendix 3 and Appendix 13 to the Listing Rules. A summary of the principal provisions of the New Bye-laws will be set out in the Circular and the proposed special resolution to adopt the New Bye-laws will be included in the Circular.

PROPOSED APPOINTMENT OF DIRECTORS

The Board proposes to appoint Mr. Shen Lindong and Mr. Hu Xinning as executive Directors, Mr. Zhu Xianlei and Mr. Yu Hongming as non-executive Directors, and Ms. Liu Shuang, Mr. Cheung, Ngar Tat, Eddie and Mr. Yang Dongwei as independent non-executive Directors with effect from the date of Resumption. Biographies of the Proposed Directors will be set out in the Circular.

LISTING RULES IMPLICATIONS

The Acquisition constitutes:

- (i) a very substantial acquisition of the Company under Rule 14.06(5) of the Listing Rules as the applicable percentage ratios are over 100%; and
- (ii) a reverse takeover of the Company under Rule 14.06(B) of the Listing Rules and is subject to the approval of the Independent Shareholders at the SGM.

In addition, as the Acquisition constitutes a reverse takeover of the Company, the Company is being treated as if it was a new listing applicant under Rule 14.54 of the Listing Rules. The Acquisition is therefore also subject to the approval of the Listing Committee of a new listing application.

As the Open Offer will increase the number of issued Shares by more than 50%, pursuant to Rule 7.24A of the Listing Rules, the Open Offer must be made conditional on Independent Shareholders' approval.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Whitewash Waiver

Upon the completion of the Restructuring, the Investors Concert Group will hold 40,333,333,333 Shares, representing approximately 80.9% of the issued capital of the Company as enlarged by the Fund Raisings (out of which 37,333,333,333 and 3,000,000,000 new Shares will be held by Lukong (or its Designated Subsidiary) and Happy Fountain, representing approximately 74.9% and 6.0% of the issued capital of the Company as enlarged by the Fund Raisings respectively). As such, Lukong and the Designated Subsidiary would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by the Investors Concert Group) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

Lukong and the Designated Subsidiary will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of at least 75% and 50% of the votes cast by the Independent Shareholders at the SGM by way of poll on the resolutions approving the Whitewash Waiver and the Share Subscription respectively, in which those who are involved in or interested in the Schemes, the Share Subscription, the Placing, the Open Offer and/or the Acquisition shall abstain from voting on the relevant resolutions. As at the date of this announcement, there are two Scheme Creditors who are Shareholders and accordingly they and their associates and parties acting in concert with any of them shall abstain from voting on the relevant resolutions approving these matters. The Investors Concert Group does not own or control any Shares, convertible securities, warrants, options or derivatives in respect of any Shares as at the date of this announcement.

If the Whitewash Waiver is granted by the Executive and the resolutions approving the Whitewash Waiver and the Share Subscription are approved by at least 75% and 50%, respectively of the votes cast by the Independent Shareholders at the SGM by poll, Lukong and its Designated Subsidiary will not be required to make a mandatory offer which would otherwise be required as a result of completion of the Share Subscription. The Executive may or may not grant the Whitewash Waiver.

If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Restructuring will lapse.

The Schemes and the Special Deal

It is proposed that the Schemes will be implemented as detailed in this announcement. Based on the records currently available to the Provisional Liquidators, there are two Scheme Creditors, namely Ankang Limited and Mr. Larm Cheung Hon Peter, who are in aggregate claiming approximately HK\$44.63 million against the Company, and are in aggregate interested in 447,693,549 Shares, representing approximately 29.10% of the issued share capital of the Company, as at the date of this announcement.

As the proposed settlement of the indebtedness due to the Scheme Creditors who are Shareholders under the Schemes is not extended to all the other Shareholders, the implementation of the Schemes constitutes a special deal under Rule 25 of the Takeovers Code and therefore requires (i) consent by the Executive; (ii) the Independent Financial Adviser to publicly state in its opinion that the terms of the Schemes are fair and reasonable; and (iii) approval by the Independent Shareholders at the SGM, in which the said Scheme Creditors and their associates and parties acting in concert with any of them who are Shareholders will be required to abstain from voting on the relevant resolutions approving the Schemes and the Special Deal. The Company will apply to the Executive for the consent to the Special Deal under Rule 25 of the Takeovers Code.

GENERAL

(a) SGM

The SGM will be held for the purpose of considering and, if thought fit, approving the resolutions in respect of, among others, the Acquisition, the Share Subscription, the Open Offer, the Placing, the Schemes, the Whitewash Waiver, the Special Deal, the appointment of the Proposed Directors and the proposed adoption of the New Bye-laws.

Ordinary resolutions will be proposed at the SGM to approve the Acquisition, Share Subscription, the Placing, the Open Offer, the Whitewash Waiver, the Special Deal and the Schemes by the Independent Shareholders and the appointment of the Proposed Directors by the Shareholders, and special resolution will be proposed to approve the adoption of New Bye-laws by the Shareholders. To the best of the Provisional Liquidators' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions approving the appointment of the Proposed Directors and the adoption of New Bye-laws.

Since part of the net proceeds from the Open Offer and the Placing is intended to be used for settling the Scheme Debts under the Schemes, the Scheme Creditors are deemed to have material interests in the Placing and Open Offer. Two Scheme Creditors were in aggregate interested in 447,693,549 Shares, representing approximately 29.10% of the issued share capital of the Company as at the date of this announcement. As the Share Subscription, the Placing, the Open Offer, the Acquisition and the Schemes form part of the transactions under the Restructuring and are inter-conditional, the Scheme Creditors (namely Ankang Limited and Mr. Larm Cheung Hon Peter) and their associates and parties acting in concert with any of them who are Shareholders will be required to abstain from voting in the SGM in respect of the transactions contemplated under the Restructuring which includes the Schemes, the Share Subscription, the Placing, the Open Offer, the Acquisition, the Whitewash Waiver and the Special Deal.

None of the Directors was considered to have any material interest in the Acquisition, the Schemes, the Share Subscription, the Open Offer, the Placing, the proposed adoption of the New Bye-laws and the appointment of the Proposed Directors under the Bye-laws or the Listing Rules.

As at the date of this announcement, since the Company has no Controlling Shareholder, the Directors (other than the independent non-executive Directors), the chief executive of the Company and their associates will abstain from voting in favour of the resolution to approve the Open Offer at the SGM pursuant to the Listing Rules.

As at the date of this announcement, no Directors (namely Mr. Xie Xin Ye and Mr. Zhou Wei), the chief executive of the Company or their respective associates holds any Shares.

(b) Independent board committee and Independent Financial Adviser

As at the date of this announcement, the Company does not have any non-executive Directors or independent non-executive Directors. The Board proposes to appoint new independent non-executive Directors effective from the Resumption to fulfil the relevant requirements under the Listing Rules. Accordingly, no independent board committee under the Listings Rules or the Takeovers Code will be established but an Independent Financial Adviser has been appointed by the Company to advise the Independent Shareholders on the Acquisition, the Schemes, the Share Subscription, the Whitewash Waiver, the Special Deal, the Open Offer and the Placing.

(c) Despatch of Circular

A circular containing, inter alia, (i) further information relating to the Acquisition, the Schemes, the Share Subscription, the Open Offer, the Placing, the Whitewash Waiver and the Special Deal; (ii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in respect of transactions that require Independent Shareholders' approval and as to voting on the relevant resolutions; (iii) information about the Target Companies; (iv) audited financial information of the Target Companies; (v) latest audited financial information of the Group up to the year ended 31 March 2019 and the unaudited interim financial information of the Group for the six months ended 30 September 2019; (vi) the unaudited pro-forma financial information of the Enlarged Group; (vii) summary of the New Bye-laws and (viii) the notice of SGM will be despatched to the Shareholders as soon as possible.

Under Rules 14.60(7) of the Listing Rules, the Company is required to despatch the Circular within 15 business days after the publication of this announcement.

Under Rule 8.2 of the Takeovers Code, the Company is required to despatch to Shareholders the Circular in respect of, amongst others, the Whitewash Waiver within 21 days from the date of publication of this announcement, that is, on or before 12 June 2020.

The Company has renewed its new listing application on 8 May 2020. The Company's new listing application is subject to approval by the Stock Exchange, it is expected that more time may be needed for the Stock Exchange to approve the Company's new listing application and for the preparation of the Circular.

As such, the Company will apply to the Stock Exchange pursuant to Rule 14.60(7) of the Listing Rules and Executive pursuant to Rule 8.2 of the Takeovers Code for their respective consent to extend the time limit for the despatch of the Circular and the Company will make further announcement on the expected date of despatch of the Circular.

(d) Despatch of Prospectus Document

The Company will send the Prospectus Document containing, inter alia, details of the Open Offer to the Qualifying Shareholders after the approval of the relevant resolutions at the SGM. The Company will send the Prospectus with the Overseas Letter to the Prohibited Shareholders, if any, for their information only but the Company will not send any application forms to the Prohibited Shareholders.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 16 August 2013 and will remain suspended until further notice.

Shareholders and potential investors should note that the Acquisition, the Open Offer, the Share Subscription, the Placing, the Whitewash Waiver, the Special Deal and the Schemes are subject to various conditions which may or may not be fulfilled, in particular, whether the Stock Exchange will allow the Acquisition and accompanying transactions to proceed. There is therefore no assurance that any of these transactions will proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in Shares. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.

DEFINITIONS

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

“Acquisition”	the acquisition of the Equity Interest by Excel Deal from the Vendor
“Acquisition Agreement”	the acquisition agreement dated 11 January 2020 (as supplemented by the Lukong Supplemental Acquisition Agreement) entered into between, inter alia, the Vendor, Excel Deal, China Singyes and the Investors in relation to the Acquisition, replacing the Original Acquisition Agreement in its entirety
“acting in concert”	has the meaning ascribed to it under the Takeovers Code

“Admitted Claims”	Scheme Debts which have been admitted by the Scheme Administrators in accordance with the Schemes
“After Completion Payment”	the Consideration adjusted in accordance with the terms and conditions of the Acquisition Agreement less HK\$530,000,000, to be paid by cashier’s order, being an amount of HK\$304,848,000 (subject to adjustment)
“Amended and Restated Acquisition Agreements”	the First Amended and Restated Acquisition Agreement and the Second Amended and Restated Acquisition Agreement
“Asset Pledges”	the Wuwei Asset Pledge and the Xinjiang Asset Pledge
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bermuda Court”	the Supreme Court of Bermuda
“Board”	the board of directors from time to time of the Company
“business day(s)”	a day (other than a Saturday, a Sunday or public holidays) on which banks are generally open for business in Hong Kong
“BVI Holdco”	a new company to be incorporated with limited liability in the British Virgin Islands by China Singyes as part of the Sale Group Restructuring, which shall be (i) a direct or indirect wholly-owned subsidiary of China Singyes; and (ii) the holding company of the Target owning directly the entire issued share capital in the Target immediately before Completion
“Bye-laws”	the bye-laws of the Company in effect from time to time
“CCASS”	the Central Clearing and Settlement System established and carried on by HKSCC
“China” or “PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“China Singyes” or “Vendor’s guarantor”	China Shuifa Singyes Energy Holdings Limited (formerly known as China Singyes Solar Technologies Holdings Limited) (stock code: 750), whose shares are listed on the Main Board of the Stock Exchange, the holding Company of the Vendor. China Singyes is an indirect non-wholly-owned subsidiary of Shuifa, whose ultimate controlling shareholder is the State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC (山東省國有資產監督管理委員會)

“Circular”	the circular relating to, among others, the Acquisition, the Share Subscription, the Placing, the Open Offer, the Schemes, the Whitewash Waiver, the Special Deal, the proposed adoption of New Bye-laws and the appointment of the Proposed Directors to be despatched by the Company to the Shareholders
“Claim(s)” or “claim(s)”	means all and any actions, causes of action, claims, counterclaims, suits, debts, sums of money, accounts, contracts, agreements, promises, contributions, indemnifications, damages, judgments, rights under any judgment, executions, demands or rights and in each case whatsoever or howsoever arising, whether present, future, prospective or contingent, known or unknown, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money or the performance of an act or obligation, whether arising at common law, in equity or by statute in Hong Kong, Bermuda, PRC or in any other jurisdiction or in any other manner whatsoever
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “China Solar”	China Solar Energy Holdings Limited (Provisional Liquidators Appointed), a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 155)
“Completion”	completion of the Acquisition
“Completion Date”	the date on which Completion occurs being the fifth business Day after the fulfilment (or waiver, as the case may be) of the conditions precedent to the Acquisition, or such other date as the Vendor and the Excel Deal may agree in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly

“Consideration”	HK\$834,848,000 (or an amount in HK\$ equivalent to RMB745,400,000), being the total purchase price for the Equity Interest, subject to adjustment
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in the context of the Company
“Court Order”	the order issued by the courts of Hong Kong and Bermuda sanctioning the Schemes
“Creditors”	the creditors of the Company
“Deed of Loan Assignment”	the deed of loan assignment dated 8 May 2020 entered into between the Vendor and Excel Deal in respect of the assignment of the WW Sale Loan by the Vendor to Excel Deal with nil consideration on the Completion Date
“Designated Subsidiary”	Shui Fa Energy Limited (水發能源有限公司), an indirect wholly-owned subsidiary of Lukong incorporated in the British Virgin Islands for participation in the restructuring of the Company
“Directors”	directors of the Company from time to time
“Effective Date”	the later of (i) the date on which an office copy of the Court Order sanctioning the schemes of arrangement granted by the relevant court of Hong Kong is registered by the Hong Kong Registrar of Companies; and (ii) the date on which a copy of the Court Order sanctioning the scheme granted by the relevant court of Bermuda is delivered to the Bermuda registrar of companies for registration
“Enlarged Group”	the group comprising the Group and the Target Companies upon Completion
“Equity Interest”	(i) 81% of the equity interest of the Xinjiang Singyes; and (ii) 81% of the equity interest of the Wuwei Dongrun
“Excel Deal”	Excel Deal Investments Limited (佳意投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Excluded Companies”	all the subsidiaries of the Company (other than Excel Deal) as at the Effective Date
“Exclusivity Agreement”	the exclusivity agreement dated 11 January 2020 entered into between the Investors and the Company

“Exclusivity, Deposit and Investment Loan Agreement”	the exclusivity, deposit and investment loan agreement dated 17 December 2015 entered into between Happy Fountain and the Company (supplemented by three deeds of amendment dated 30 June 2016, 14 December 2016 and 27 March 2019, respectively, between Happy Fountain and the Company)
“Exclusivity Period”	the period commencing from 11 January 2020 and ending on 11 January 2022 (i.e. being the second anniversary of the date of signing of the Exclusivity Agreement), during which the Company granted the Investors the exclusive right to negotiate, finalise and implement transactions contemplated under the Resumption Proposal for the purpose of the Resumption
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate
“First Amended and Restated Acquisition Agreement”	the amended and restated acquisition agreement dated 11 May 2018 entered into between, inter alia, the Vendor, Excel Deal, China Singyes and Happy Fountain in relation to the Acquisition
“First Supplemental Restructuring Agreement”	the supplemental restructuring agreement dated 30 November 2016 entered into between the Company, Excel Deal, the Provisional Liquidators, Happy Fountain and Mr. Cheung in relation to the Restructuring
“Fourth Supplemental Restructuring Agreement”	the fourth supplemental restructuring agreement dated 27 March 2019 entered into between the Company, Excel Deal, the Provisional Liquidators, Happy Fountain and Mr. Cheung in relation to the Restructuring
“Fund Raisings”	collectively, the Share Subscription, the Placing and the Open Offer
“Gansu”	the Gansu Province of the PRC (中華人民共和國甘肅省)
“Group”	the Company and its subsidiaries from time to time
“Happy Fountain”	Happy Fountain Limited, a company incorporated in the British Virgin Islands with limited liability, which is legally and beneficially wholly-owned by Mr. Cheung
“Happy Fountain Loan”	a loan in the amount of HK\$95 million advanced by Happy Fountain to the Company for the restructuring of the Company

“Happy Fountain’s guarantor” or “Mr. Cheung”	Mr. Cheung Shun Yee (張順宜), the sole legal and beneficial owner of the entire issued share capital of Happy Fountain
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Holdco”	a new company to be incorporated with limited liability in Hong Kong by China Singyes as part of the Sale Group Restructuring, which shall be (i) the sole direct wholly-owned subsidiary of the Target; and (ii) the holding company of the WFOE owning directly 100% equity interest of and paid up capital in the WFOE
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Court”	the High Court of Hong Kong
“Indebtedness”	as the context requires, the aggregate amount of all the outstanding indebtedness and liabilities (including, for the avoidance of doubt, interest accruing in respect of any with indebtedness and/or liabilities) owed by the Company to the Creditors
“Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purposes of the SFO, the independent financial adviser to the Independent Shareholders in relation to the Acquisition, the Schemes, the Open Offer, the Share Subscription, the Whitewash Waiver, the Special Deal and the Placing
“Independent Shareholders”	Shareholders other than (i) the Investors Concert Group; (ii) Ankaung Limited and Mr. Larm Cheung Hon Peter (both being Scheme Creditors who are also Shareholders); and (iii) any Shareholders who are involved in or interested in the Restructuring, the Whitewash Waiver and the Special Deal
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Investors”	Happy Fountain and Lukong
“Investors Concert Group”	Lukong, Happy Fountain and parties acting in concert with any of them
“Last Trading Day”	16 August 2013, the last trading day before the Trading Suspension

“Latest Time for Termination”	the latest time for termination of the Underwriting Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2020, or such other date as the parties to the Restructuring Agreement and the Acquisition Agreement (as the case may be) may agree in writing
“Lukong”	魯控水務集團有限公司 (Lukong Water Group Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of Shuifa
“Lukong Facility”	the loan facility up to HK\$35 million to be provided by Lukong to the Company under the Exclusivity Agreement
“Lukong Supplemental Acquisition Agreement”	the supplemental acquisition agreement dated 8 May 2020 entered into between, inter alia, the Vendor, Excel Deal, China Singyes and the Investors in relation to the Acquisition
“Lukong Supplemental Restructuring Agreement”	the supplemental restructuring agreement dated 8 May 2020 entered into between the Company, the Provisional Liquidators, the Investors and Mr. Cheung in relation to the Restructuring
“MWh”	megawatt per hour, a measurement of energy, equals to 1,000 kilowatt per hour
“New Bye-laws”	the new Bye-laws of the Company proposed to be adopted at the SGM
“Northwest China”	the regions comprising the provinces of Shaanxi, Qinghai, Ningxia, Gansu and Xinjiang
“Offer Shares”	the 4,615,578,444 new Shares, proposed to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of Open Offer to the Qualifying Shareholders on the basis of three Offer Shares for every Share held on the Open Offer Record Date at the Open Offer Price
“Open Offer Price”	HK\$0.015 per Offer Share

“Open Offer Record Date”	the date by reference to which entitlements under the Open Offer are to be determined
“Original Acquisition Agreement”	the original acquisition agreement dated 2 September 2016 (as supplemented by Supplemental Acquisition Agreement and amended and restated by the Amended and Restated Acquisition Agreements and replaced by the Acquisition Agreement in its entirety) entered into between, inter alia, the Vendor, Excel Deal, China Singyes and Happy Fountain in relation to the Acquisition
“Original Restructuring Agreement”	the original restructuring agreement dated 2 September 2016 (as supplemented by Supplemental Restructuring Agreements and replaced by the Restructuring Agreement in its entirety), entered into between the Company, the Provisional Liquidators, Happy Fountain and Mr. Cheung
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Open Offer Record Date) with registered address(es) outside Hong Kong
“Petition”	the winding-up petition presented by Crown Master International Trading Co. Ltd., and now continued by Ankaung Limited to wind up China Solar in the Companies Winding-up Proceedings No. 108 of 2015 (HCCW108/2015)
“Placee(s)”	any person(s) or entity(ies) whom the Placing Agents and/or any of its agent(s) has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares at the price of HK\$0.015 per Placing Share by the Placing Agent to the Placee(s) under the Placing Agreement
“Placing Agent” or “Placing Agent for the Untaken Shares Arrangement” or “Underwriter”	Guosen Securities (HK) Capital Company Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities within the meaning of the SFO

“Placing Agreement”	conditional placing agreement dated 8 May 2020 entered into between the Company and the Placing Agent for the placing of 3,333,333,333 Placing Shares in relation to the Placing
“Placing Agreement to the Untaken Shares Arrangement”	conditional placing agreement dated 8 May 2020 entered into between the Company, the Underwriter and the Placing Agent for the Untaken Shares Arrangement for the private placing of the Untaken Shares
“Placing Period”	the period commencing upon the date on which the Shareholders shall have approved the Placing (or such later date as may be agreed between the Placing Agent and the Company), and terminating at one (1) month thereafter (or such later date as may be agreed between the Placing Agent and the Company), unless terminated earlier in writing pursuant to the terms of the Placing Agreement
“Placing Price”	HK\$0.015 per Placing Share
“Placing Shares”	3,333,333,333 new Shares to be placed to the Placees under the Placing
“PRC Bank Debts”	the principal amount owing to the PRC Banks by the Vendor of RMB491,500,000 in total
“PRC Banks”	in respect of the Asset Pledges, 國家開發銀行股份有限公司 (China Development Bank*) and 中國進出口銀行 (The Export-Import Bank of China*)
“PRC Legal Advisers”	Dentons (大成律師事務所), the Company’s legal advisers as to PRC law
“Prime Rate”	the annual rate prescribed as its prime rate by The Hongkong and Shanghai Banking Corporation Limited
“Prohibited Shareholder(s)”	the Shareholder(s), whose addresses as shown on the register of members of the Company on the Open Offer Record Date are in places outside Hong Kong where, the Directors (having made reasonable enquiries) are of the opinion that it is necessary or expedient to exclude such Shareholder(s) from the Open Offer on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in such places

“Proposed Directors”	the persons who are proposed to be appointed as Directors effective from the date of Resumption, details of whom will be set out in the Circular
“Prospectus”	the prospectus under the Open Offer in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the application form to be used by the Qualifying Shareholders to apply for the Offer Shares
“Prospectus Posting Date”	the date on which the Prospectus Documents will be despatched
“Provisional Liquidators”	the provisional liquidators of the Company appointed by the High Court of Hong Kong as joint and several provisional liquidators of the Company, namely Mr. Stephen Liu Yiu Keung and Mr. Andrew Koo Chi Ho acting as agents and without personal liability
“PV”	photovoltaic, the effect thereof is a process by which sunlight is converted into electricity
“Qualifying Shareholder(s)”	Shareholder(s) to whom the Company considers it necessary or expedient under the laws of the relevant regulatory body or stock exchange to offer the Offer Shares based on the enquiry made pursuant to the Underwriting Agreement
“Registrar”	Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, being the Company’s Hong Kong branch share registrar
“Restructuring”	the proposed transactions involving the Company for the purpose of restructuring its business and debt and the resumption of trading of the Shares on the Stock Exchange, including, among other things, the Acquisition, the Share Subscription, the Placing, the Open Offer and the Schemes
“Restructuring Agreement”	the restructuring agreement dated 11 January 2020 (as supplemented by the Lukong Supplemental Restructuring Agreement), entered into between the Company, the Provisional Liquidators, the Investors and Mr. Cheung, replacing the Original Restructuring Agreement in its entirety

“Resumption”	the resumption of trading in the Shares on the Main Board of the Stock Exchange
“Resumption Proposal”	the resumption proposal dated 14 February 2017 submitted by the Company to the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Group”	the group of companies and entities comprising the Target, the HK Holdco, the WFOE, Xinjiang Singyes and Wuwei Dongrun or any applicable structure mutually agreed by the Vendor, Excel Deal, China Singyes and the Investors
“Sale Group Restructuring”	the formation by China Singyes (as the ultimate beneficial owner of the Sale Group) of the Sale Group or any applicable structure mutually agreed by the Vendor, Excel Deal, China Singyes and the Investors involving, among other steps, the transfer of the entire equity interest from the Vendor into the WFOE
“Schemes”	the schemes of arrangement to be proposed by the Company to its creditors under (i) section 670 of the Companies Ordinance Chapter 622 of the Laws of Hong Kong; and (ii) section 99 of the Companies Act 1981 of Bermuda, each as amended from time to time
“Scheme Administrator(s)”	such person(s) who are appointed as the scheme administrators (or their successors) pursuant to the terms of the Schemes, which for the avoidance of doubt, may be the Provisional Liquidators
“Scheme Co”	a special purpose vehicle to be incorporated and controlled by the Scheme Administrators (or their nominees) pursuant to, and subject to, the terms of the Schemes for the purposes of holding the shares of the Excluded Companies
“Scheme Creditors”	all creditors of the Company whose claims are admitted under the Schemes, as such claims are determined by the respective Scheme Administrators and subject to adjudication by the respective scheme adjudicators

“Scheme Debts”	(1) all Claims of Scheme Creditors against the Company; and (2) the balances, if any, of secured debts due or treated under the Schemes as due from the Company and remaining unsatisfied after realisation or valuation of the underlying security pursuant to the Schemes and falling to be treated thereunder as an unsecured claim, and which in both cases (1) and (2) is a claim which would be provable under Section 263 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and/or section 234 of the Companies Act if an order for the winding up of the Company were made on the Effective Date
“Scheme Documents”	the documents to be sent to the Creditors with the approval of the relevant courts of Hong Kong and Bermuda which includes, inter alia, an explanatory statement of the Schemes
“Scheme Meetings”	the meetings of the Scheme Creditors to be convened at the direction of the relevant courts of Hong Kong and Bermuda (as the case may be) in respect of the Schemes for the purposes of considering and, if thought fit, approving the Schemes respectively and any adjournment thereof
“Second Amended and Restated Acquisition Agreement”	the second amended and restated acquisition agreement dated 27 March 2019 entered into among the Vendor, China Singyes, Excel Deal and Happy Fountain in relation to the Acquisition
“Second Supplemental Restructuring Agreement”	the second supplemental restructuring agreement dated 14 February 2017 entered into between the Company, Excel Deal, the Provisional Liquidators, Happy Fountain and Mr. Cheung in relation to the Restructuring
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, amongst other, (i) the Acquisition; (ii) the Share Subscription; (iii) the Placing; (iv) the Open Offer, (v) the Whitewash Waiver; (vi) the Special Deal; (vii) the proposed adoption of the New Bye-laws; (viii) the appointment of the Proposed Directors; and (ix) the Schemes

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Share Subscription”	subscription of the Subscription Shares by the Investors (comprising of the subscription of (1) 3,000,000,000 Subscription Shares by Happy Fountain and (2) 37,333,333,333 Subscription Shares by Lukong or its Designated Subsidiary (including 2,000,000,000 Supplemental Subscription Shares))
“Shuifa”	Shuifa Group Co., Ltd. (水發集團有限公司), a company established in the PRC and a level-one provincial wholly-state-owned enterprise (省屬一級國有獨資企業) whose ultimate controlling shareholder is State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC (山東省國有資產監督管理委員會)
“Solar Plants”	collectively XJ Plant Phase I, XJ Plant Phase II and WW Plant
“Special Deal”	the proposed settlement of the indebtedness due to the Scheme Creditors, who are Shareholders, under the Schemes, which will constitute a special deal under Note 5 to Rule 25 of the Takeovers Code
“Sponsor”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purposes of the SFO, the sponsor to the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.015 per Subscription Share
“Subscription Shares”	40,333,333,333 new Shares to be allotted and issued at the Subscription Price under the Share Subscription
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Acquisition Agreement”	the supplemental acquisition agreement dated 14 February 2017 entered into among the Vendor, Excel Deal, China Singyes and Happy Fountain in relation to the Acquisition (as amended and restated by the Amended and Restated Acquisition Agreements)

“Supplemental Restructuring Agreements”	First Supplemental Restructuring Agreement, Second Supplemental Restructuring Agreement, Third Supplemental Restructuring Agreement and Fourth Supplemental Restructuring Agreement
“Supplemental Subscription Shares”	the 2,000,000,000 new Shares to be allotted and issued to Lukong by the Company under the capitalisation of a sum of HK\$30.0 million, as part of the settlement of a loan of HK\$35.0 million made by Lukong to the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target”	a new company to be incorporated with limited liability by China Singyes as part of the Sale Group Restructuring, which shall be the holding company of the HK Holdco and holding indirectly 100% equity interest of and paid up capital in each of the WFOE, Xinjiang Singyes and Wuwei Dongrun
“Target Companies”	together, Xinjiang Singyes and Wuwei Dongrun
“Third Supplemental Restructuring Agreement”	the third supplemental restructuring agreement dated 11 May 2018 entered into between the Company, Excel Deal, the Provisional Liquidators, Happy Fountain and Mr. Cheung in relation to the Restructuring
“Trading Suspension”	the suspension of trading in the Shares at the request of the Company since 1:00 p.m. on 16 August 2013
“Underwriting Agreement”	the underwriting agreement dated 8 May 2020 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Share(s)”	all Untaken Shares which have not been placed by the Placing Agent for the Untaken Shares Arrangement or if they have been placed, the placees have not paid therefor at 4:00 p.m. on the end date specified in the Placing Agreement to the Untaken Shares Arrangement
“Untaken Shares”	shares not taken up by the Qualifying Shareholders pursuant to the Underwriting Agreement
“Untaken Shares Arrangement”	the placement of Untaken Shares by the Placing Agent for the Untaken Shares Arrangement pursuant to the terms of the Placing Agreement to the Untaken Shares Arrangement

“Vendor”	湖南興業綠色能源股份有限公司 (Hunan Singyes Solar Green Energy Limited Company*) (formerly known as 湖南興業綠色能源科技有限公司 (Hunan Singyes Solar Green Energy Co. Ltd.*)), a joint venture established in the PRC and a subsidiary of China Singyes
“Vendor Group”	the Vendor, its subsidiaries, any of its holding companies and any and all relevant subsidiaries of its holding companies (as the case may be)
“watt” or “W”	the measurement of total electrical power, where “kilowatts” or “KW” means one thousand watts, “megawatts” or “MW” means one million watts, “gigawatts” or “GW” means one billion watts and “terawatts” or “TW” means one trillion watts
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to be granted by the Executive in respect of the obligations of Lukong and its Designated Subsidiary to make a mandatory general offer to the Shareholders in respect of all Shares and the securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it as a result of its subscription of the 37,333,333,333 Subscription Shares under the Share Subscription
“WFOE”	a new wholly foreign owned enterprise to be formed in the PRC by China Singyes as part of the Sale Group Restructuring which will be (i) the sole direct wholly-owned subsidiary of the HK Holdco; and (ii) the immediate holding company of Xinjiang Singyes and Wuwei Dongrun
“Wuwei Asset Pledge”	the encumbrances of assets and/or equity of Wuwei Dongrun
“Wuwei Dongrun”	武威東潤太陽能開發有限公司 (Wuwei Dongrun Solar Energy Development Company Limited), a company established in the PRC and a wholly-owned subsidiary of the Vendor
“WW Plant”	the PV solar power plant owned by the Wuwei Dongrun with an installed capacity of 50 MW
“WW Sale Loan”	the audited amount of all liabilities owed by Wuwei Dongrun to the Vendor and its associates less the XJ Receivables as at the Completion Date. As at 31 December 2019, there was a loan in the amount of approximately RMB337 million (unaudited) owed by Wuwei Dongrun to the Vendor

“Xinjiang”	the Xinjiang Uyghur Autonomous Region of the PRC (中華人民共和國新疆維吾爾自治區)
“Xinjiang Asset Pledge”	the encumbrances of assets and/or equity of Xinjiang Singyes
“Xinjiang Singyes”	新疆興業新能源有限公司 (Xinjiang Singyes Renewable Energy Technology Co. Limited), a company established in the PRC and a wholly-owned subsidiary of the Vendor
“XJ Plant Phase I”	the PV solar power plant owned by the Xinjiang Singyes with an installed capacity of 30 MW
“XJ Plant Phase II”	the PV solar power plant owned by the Xinjiang Singyes with an installed capacity of 20 MW
“XJ Receivables”	the account receivables of Xinjiang Singyes from the Vendor and its associates as at the Completion Date. As at 31 December 2019, such receivables amounted to approximately RMB116 million (unaudited)
“%”	per cent

For and on behalf of
China Solar Energy Holdings Limited
(Provisional Liquidators Appointed)
Stephen Liu Yiu Keung and Andrew Koo Chi Ho
Joint and Several Provisional Liquidators

Hong Kong, 22 May 2020

As at the date of this announcement, the Board comprises Mr. Xie Xin Ye and Mr. Zhou Wei as executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Vendor, the Target Companies and the Investors) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the respective directors of the Vendor and the Investors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The information in relation to the Vendor and the Target Companies contained in this announcement has been supplied by the Vendor. As at the date of this announcement, the board of directors of the Vendor comprises Mr. Xie Wen, Mr. Zhou Qing , Mr. Zhang Chao, Mr. Zhao Feng and Mr. Huang Bo. The directors of the Vendor jointly and severally accept full responsibility for the accuracy of the information in relation to the Vendor and the Target Companies contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the respective directors of the Company and the Investors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The information in relation to Lukong contained in this announcement has been supplied by Lukong. As at the date of this announcement, the board of director of Lukong comprises Mr. Shen Lindong and the board of directors of Shuifa comprises Mr. Wang Zhenqin, Mr. Liu Xiaojun, Mr, Chang Chun Sheng, Ms. Zhen Ailan, Mr. Zhang Huanping and Mr. Yan Fangjie. The sole director of Lukong and the directors of Shuifa jointly and severally accept full responsibility for the accuracy of the information in relation to Lukong contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the respective directors of the Company, the Vendor and Happy Fountain) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The information in relation to Happy Fountain contained in this announcement has been supplied by Happy Fountain. As at the date of this announcement, the board of director of Happy Fountain comprises Mr. Cheung Shun Yee. The sole director of Happy Fountain accepts full responsibility for the accuracy of the information in relation to Happy Fountain contained in this announcement and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the respective directors of the Company, the Vendor and Lukong) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.