

EXHIBIT 12

PRIVATE & CONFIDENTIAL

July 19, 2018

Sanjay K. Shrestha, President
Sky Capital Americas, Inc.
830 Morris Turnpike, 2nd Floor
Short Hills, NJ 07078
Tel: +1 (973) 788-5055
Email: Sanjay.shrestha@skysolarholdings.com

Dear Sanjay:

Hudson Sustainable Investment Management, LLC (“Hudson”) is pleased to submit this non-binding letter of intent (this “LOI”) to Sky Solar Holdings, Inc., Sky Capital Americas, Inc. and its affiliates (collectively, “Sky”). This proposal comprises a comprehensive solution for the conversion of the notes purchased by Sky (the “Sky Notes”) under the Amended and Restated Note Purchase Agreement (“NPA”) dated July 15, 2016.

As Sky is aware, the majority of its notes are now in repayment and have entered the Conversion Delay period, triggering a penalty interest rate of 14%. The current principal and accrued interest outstanding is approximately \$55MM, which equates to more than \$7.5MM of interest payments over the next twelve months. Under the terms of the NPA and the Amended and Restated Equity Conversion Agreement dated July 15, 2016 (“ECA”), these notes will remain outstanding until Sky delivers minority equity interests in a portfolio of projects with an equity value equal to the outstanding balance of the notes. In addition, under the NPA, the final portfolio composition of projects must be 50% United States and 50% Uruguay, by equity value, and all projects must have long-term offtake arrangements in place that are satisfactory to Hudson.

In addition, under the NPA Sky is obligated to grant Hudson certain second lien interests in the underlying collateral of the Sunpeak portfolio, which it has yet to do. Hudson has thus far not acted on this default, but reserves its rights and remedies as granted to it under the NPA.

Hudson believes that its relationship with Sky is very strong and understands that the constraints placed on Sky by the ECA are difficult. Therefore, provided that any modification to the ECA are consistent with the objectives of Hudson and its fiduciary duties, Hudson is willing to engage in a restructuring that addresses the strategic objectives of the parties in a collaborative manner.

1. Proposal Outline

Hudson is prepared to include a mix of operating assets as well as assets that are “ready to build” in the ECA portfolio, and will also include assets located outside of the US and Uruguay. Given the broader asset mix, and the desire to minimize risk, our proposal will include an offer to acquire the proportion of assets not purchased as part of the ECA. Therefore, the proposal outlined below will involve, wherever possible, the acquisition of 100% of operating or ready to build assets. The proportion of assets not acquired pursuant to the ECA will be acquired by Hudson and financed through one of its other vehicles. Exhibit 1 provides a list of the projects (the “Portfolio”) to be included in this proposal, the total price to be paid by Hudson for each project, and the target allocation of each project to satisfying the rollover requirement under an amended ECA.

Consideration for the purchase will be in two forms: (1) payment in kind through conversion of Sky Notes into equity; and (2) cash for the remaining (controlling and/or non-controlling) equity interest held by Sky. Exhibit 1 contains more detail on purchase consideration.

The list of projects comprises:

- (1) operating assets in the United States (Sunpeak), Uruguay, Czech Republic, Japan I, and select projects within Japan II (including Japan II owned land) and (the “Operating Assets”);
- (2) ready to build assets in Chile (Activa and Constanza) and Massachusetts (the “NTP Assets”).

Apart from the Uruguay portfolio, Hudson will acquire 100% of all assets in the Portfolio. Regarding the Uruguay portfolio, Hudson expects that Sky will provide assistance in facilitating the sale of the 15% interest currently held by Lafemir. As part of the acquisition, Sky will terminate all O&M and asset management contracts on the Portfolio, unless specifically requested by Hudson.

The execution of the acquisition will occur in the following sequence:

1.1 Phase I: Operating Assets

- a. Sky will grant Hudson exclusivity over the Operating Assets through October 31, 2018 (“Expiration Date or “Closing Date”). By September 4, 2018 (“Confirmation Date”), Hudson will need to confirm its acquisition price specified in Exhibit 1, or otherwise confirm that Sky is willing to sell the

Operating Assets for a lower price by the Confirmation Date. Hudson will then have until the Expiration Date to complete the acquisition.

- b. Hudson expects to complete the vast majority of its due diligence by the Confirmation Date. Per the NPA, Sky will cover the cost of this due diligence. Hudson will select and engage its advisors and will work collaboratively and transparently with Sky to minimize due diligence costs.
- c. Hudson expects to enter into an acquisition agreement by the Confirmation Date, pursuant to which any closing conditions will be specified. Sky should expect that a condition to closing will be a resolution of the Farallon lawsuit. Consideration paid on the Closing Date will be in two forms: cash and payment in kind via the retirement of the relevant portion of the Sky Notes. The closing documentation will include a clear process and methodology for retiring Sky Notes through the purchase by the Hudson Solar Cayman, LP (the "Fund") of minority equity interests in the Operating Assets. Each Sky Note retired is also expected to reduce the corresponding amount of the Sky Solar Holdings, Ltd. parent guaranty.

1.2 Phase II: NTP Assets

- a. Sky will grant Hudson exclusivity over the NTP Assets through the Confirmation Date. On the Confirmation Date, subject to the process outlined below, the parties will be expected to extend exclusivity to the anticipated closing date for the acquisition of the NTP Assets.
- b. Hudson expects to conduct the vast majority of its due diligence on the NTP Assets through the Confirmation Date. Per the NPA, Sky will cover the cost of this due diligence. Hudson will select and engage its advisors and will work collaboratively and transparently with Sky to minimize due diligence costs.
- c. At the conclusion of due diligence, the transfer value of the NTP Assets will be confirmed and finalized by Hudson.
- d. On or before the Confirmation Date, Hudson and Sky are expected to enter into an agreement ("NTP Asset Purchase Agreement"), pursuant to which Hudson will acquire the NTP Assets once they achieve financial close, which is expected to be within thirty (30) days of the date by which the parties consider the projects "ready to build". Under the NTP Asset Purchase Agreement, Hudson is expected to pay an agreed amount of consideration for the purchase of all rights associated with the project enabling Hudson to achieve financial close on the projects. The parties expect that the cash consideration will include an upfront payment on the NTP Asset Purchase Date, and further cash consideration at the date on which the projects reach "COD". The anticipated consideration for the NTP Assets is set

forth in Exhibit 1. Hudson may require transitional services to be performed by Sky, which will be set forth in the NTP Asset Purchase Agreement.

- e. In connection with the NTP Asset Purchase Agreement, it is expected that Hudson and Sky will enter into an agreement that will outline a clear process and methodology for retiring Sky Notes through the purchase by the Fund of minority equity interests in the NTP Assets at COD. Each Sky Note retired is also expected to reduce the corresponding amount of the Sky Solar Holdings, Ltd. parent guaranty.

Per the NPA, costs associated with the conversion process will be covered by Sky.

2. Due Diligence Requirements.

Due diligence requirements will be consistent with those outlined in the NPA.

3. Non-Binding Nature.

Except as set forth in the exclusivity provisions of Sections 1.1(a) (exclusivity over the Operating Assets) and 1.2(a) (exclusivity over the NTP Assets), and except for Sections 4 (Confidentiality) and Section 5 (Governing Law), this Letter is not intended to be, and shall not be deemed to be, legally binding nor does it represent a complete summary of contractual or commercial aims of Hudson. In particular, in respect of the Fund, further conditions may be required, including the approval of the Fund's Investment Committee, as well as the Fund's LP Advisory Committee. The intentions set out in this Letter are subject to further advice and due diligence including, legal, tax, technical and other professional advice.

4. Confidentiality.

Pursuant to the terms of the Non-Disclosure Agreement dated May 4, 2018 entered into between the parties hereto (or their respective affiliates), Hudson requires that the submission of this LOI, the discussions preceding and following the submission of this LOI and any information regarding the transactions described herein remain confidential.

5. Governing Law.

This LOI shall be governed by and construed in accordance with internal laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

Thank you for your time and consideration.

Very truly yours,

Hudson Sustainable Investment
Management, LLC

By: 

Neil Z. Auerbach
Managing Partner

ACCEPTED AND AGREED:

Sky Capital Americas, Inc.

By: _____

Name:

Title:

Date: July 19, 2018

EXHIBIT 1

(\$ in mm)	MW	Est. NTP Date	Equity interest to be acquired	Rollover interest	Consideration for rollover interest (A)	Remaining interest	Cash consideration for Sky interest (B)	Total purchase consideration (A)+(B)
PHASE I: Hudson acquires operating portfolios including select Japan II assets								
Operating assets								
Sunpeak	21.9	Operating	100%	49%	\$7.1	51%	\$7.4	\$14.4
Uruguay	83.1	Operating	85%	49%	\$22.1	36%	\$16.2	\$38.4
Czech	5.5	Operating	100%	49%	\$3.1	51%	\$3.3	\$6.4
Ex-Japan Operating subtotal	110.5				\$32.3		\$26.9	\$59.2
Japan								
Japan I ⁽¹⁾	14.4	Operating	100%	25%	\$4.1	75%	\$12.4	\$16.5
JPN II SSJ: projects w/ no 3rd party lease ⁽¹⁾⁽²⁾	24.6	Operating	100%	25%	\$3.3	75%	\$10.0	\$13.3
JPN II SSJ: select projects w/ 3rd party lease ⁽¹⁾⁽²⁾	12.9	Operating	100%	25%	\$9.9	75%	\$30.2	\$40.1
JPN II SSJ: owned land ⁽³⁾		Land	100%			100%	\$9.1	\$9.1
Japan subtotal	51.9				\$17.3		\$61.7	\$79.0
Total operating project equity consideration					\$49.6		\$88.5	\$138.1
PHASE II: Hudson acquires NTP assets and applies rollover at COD								
Development assets payment at NTP⁽⁴⁾								
Chile - Activa	14.1	9/30/2018	100%	35%	\$1.1	65%	\$2.0	\$3.1
Chile - Constanza	24.0	12/31/2018	100%	35%	\$1.8	65%	\$3.4	\$5.3
Massachusetts	20.0	9/30/2018	100%	35%	\$2.8	65%	\$5.2	\$8.0
Total project equity payment at NTP	58.1				\$5.7		\$10.6	\$16.4
TOTAL CONSIDERATION					\$55.2		\$99.2	\$154.5

(1) Valued at EV/Watt = JPY 350. Dollar values based on exchange rate of 112.85 JPY/USD as of 7/18/2018.

(2) See Exhibit 2 for listing of specific projects. Select projects with 3rd party lease are those without financing, therefore do not require lender consent.

(3) SSJ owned land associated with the 24.6MW of projects with no 3rd party lease.

(4) Development asset equity consideration derived via a \$.22/Watt for Chile and \$.40/Watt for Massachusetts.

EXHIBIT 2

JPN II SSJ: projects w/ no 3rd party lease	Lease description	Project size (dc)
Hokkaido-027	Owned Land	1,106
Hokkaido-018	Owned Land	2,163
Kyushu-049	Owned Land	2,214
Hokkaido-049	Owned Land	1,160
Kyushu-060	Owned Land	2,213
Hokkaido-031	Owned Land	2,142
Hokkaido-062	Owned Land	1,219
Tohoku-037	Owned Land	2,217
Hokkaido-082	Owned Land	1,102
Hokkaido-028	Owned Land	1,310
Hokkaido-102	Owned Land	532
Hokkaido-105	Owned Land	562
Hokkaido-010	Owned Land	1,414
Hokkaido-080	Owned Land	2,120
Hokkaido-015	Owned Land	1,980
Hokkaido-033	Owned Land	1,106
Total		24,561

JPN II SSJ: select projects w/ 3rd party lease	Lease description	Project size (dc)
Hokkaido - 003	Lease (Municipality)	553
Tokyo - 019	Lease (Municipalities/private sector)	2,385
Northeast - 033	Lease (Municipality)	829
Tokyo-007	Lease (Private)	2,056
Tokyo-034	Lease (Private)	1,077
Tohoku-008	Lease (Private)	2,130
Tokyo-032	Lease (Municipalities/private sector)	2,056
Tokyo-035	Lease (Private)	1,835
Total		12,921