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熊猫绿能
Panda Green

PANDA GREEN ENERGY GROUP LIMITED

熊猫绿色能源集团有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

PROFIT WARNING

This announcement is made by Panda Green Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review by the Company’s management (the “**Management**”) of the latest available unaudited financial information of the Group for the year ended 31 December 2018 (the “**Year**”), the Group may record a net loss of more than RMB200 million, as compared to the net profit of approximately RMB153 million in the corresponding period in 2017. The reason for turning profit to the expected loss is primarily attributable to a significant drop in non-cash gain on bargain purchase arising from business combination. Only 4 acquisitions of solar power projects by the Group took place in 2018 while 13 acquisitions of solar power projects and other renewable energy project took place by the Group in 2017 which generated approximately RMB971 million gain on bargain purchase. The gain on bargain purchase for the Year is expected to be significantly less than the amount recorded for the year ended 31 December 2017.

During the Year, the Group remained its focus on managing its existing renewable energy business. The business operating performance has improved for the Year. As at 31 December 2018, the aggregate installed capacity of power plants of the Group and its associates/joint venture was more than 2.3 gigawatt, representing an increase of around 11.6% as compared to 31 December 2017. The revenue and EBITDA of the Group for the Year are expected to increase by more than 30%. The finance costs to EBITDA ratio is expected to be around 80% for the Year, as compared to 106% for the corresponding period in 2017.

The information contained in this announcement is only based on the preliminary review on information currently available to the Management, which is subject to adjustments and has not been finalized and reviewed and audited by the auditor of the Company. The Company is still in the course of finalizing the annual results. The annual results announcement of the Group for the Year is expected to be published by the end of March 2019 and the actual results of the Group may be different from what disclosed herein.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 January 2019

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