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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 ALERT

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 of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the latest information for the year ended 31 December 2017 (the “**Year**”), the Group may record a net profit of approximately RMB153 million, representing a decrease of approximately 60% as compared to the corresponding period in 2016.

The significant drop in net profit was mainly due to (i) the fair value loss on financial instruments of approximately RMB290 million; and (ii) the increase in finance costs by approximately 28%, as compared to the corresponding period in 2016. The fair value loss on financial instruments was mainly attributable to the fair value loss recognized on the issue of shares and warrants of approximately RMB229 million, which represents the difference in fair value of the shares and warrants as at the date on which the commitment to issue shares and warrants arose and the date of issue of such shares and warrants. The Group did not record any fair value loss on derivative financial instruments in 2016. In addition, the Group raised approximately RMB12,000 million debt financing during the Year for its business development, early redemption of convertible bonds, repayment of existing indebtedness and working capital purposes, which resulted in the increase in finance cost by approximately 28% as compared to 2016.

During the Year, the Group focused its resources on managing and expanding its renewable energy business. The aggregate installed capacity of power plants of the Group and its associates increased by 795.9 megawatt to approximately 2,000 megawatt. The revenue and EBITDA of the Group for the Year increased by approximately 53% and 41% respectively as compared to the corresponding period in 2016.

The figures contained in this announcement are only based on the information currently available to the Company, which are subject to adjustment and have not been finalized and reviewed by the audit committee of the Company. The Company is still in the course of finalizing the annual results, including but not limited to the determination of the valuation of various purchase price allocations and call options and the annual impairment assessment for intangible assets with an independent valuer. The annual results announcement of the Group for the Year is expected to be published by the end of March 2018 and the actual annual results of the Group may be different from what are disclosed herein.

Shareholders and potential investors 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
Chairman of the Board

Hong Kong, 27 March 2018

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