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**熊猫绿能**  
**Panda Green**

**PANDA GREEN ENERGY GROUP LIMITED**

**熊貓綠色能源集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 686)**

**FORMATION OF AN INDEPENDENT INVESTIGATION COMMITTEE;  
FURTHER UPDATE ON PUBLICATION OF 2019 AUDITED ANNUAL RESULTS; AND  
DELAY IN DESPATCH OF 2019 ANNUAL REPORT**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Panda Green Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

On 10 May 2020, the Company received a letter (the “**Letter**”) from its auditors (the “**Auditors**”) regarding the Group’s prepayment of deposits (the “**Deposits**”) to two companies (the “**Energy Companies**”) for investments in certain renewable energy projects (the “**Projects**”). Since the progress of the development of the Projects or ability of the Deposits to be refunded by the Energy Companies are uncertain, the Group has commenced legal procedures against the Energy Companies to recover the amounts due from the Energy Companies, including issuing legal letters to them in March 2020. The Company has also recognised an impairment charge on the Deposits and other receivables during the year ended 31 December 2019 and therefore the net carrying amounts of the Deposits has become zero as at 31 December 2019.

The Company is still in the process of providing sufficient information, explanation and supporting documentation in respect of the impairments made against the Deposits and certain other receivables and some further information obtained in the course of the recovery of the Deposit to complete the audit procedures of the Company’s consolidated financial statements as at and for the year ended 31 December 2019.

In response to the matters regarding the Deposits made to the Energy Companies, the Company will form an independent investigation committee (the “**Independent Investigation Committee**”), comprising independent non-executive directors of the Company. The purposes of forming the Independent Investigation Committee include, among other things, the following:

1. carrying out an independent investigation on all matters relating to the Deposits as recommended and/or requested by the Auditors (the “**Investigation**”); and
2. providing the Board of directors of the Company with the findings of the investigation of the Deposits, recommendations and relevant actions to be taken.

The Independent Investigation Committee may engage external independent professional advisers to assist in the Investigation.

Based on, amongst others, the above reasons, the Auditors are unable to issue an audit opinion of the Group for the year ended 31 December 2019 as at the date of this announcement and the Company will not be able to publish the audited annual results of the Group for the year ended 31 December 2019 (the “**2019 Audited Annual Results**”) and the 2019 annual report of the Company on or before 15 May 2020. The Company acknowledges that any delay in publishing the 2019 Audited Annual Results will constitute a non-compliance with Rule 13.49(1) of the Listing Rules. The Company will publish further announcement(s) to inform shareholders and potential investors of the Company of any material developments in connection with the 2019 Audited Annual Results, the establishment of the Independent Investigation Committee and the Investigation as and when appropriate.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

For and on behalf of  
**Panda Green Energy Group Limited**  
**Zhang Ping**  
*Chairman of the Board*

Hong Kong, 12 May 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman and Chief Executive Officer), Mr. Huang Hui (Chief Financial Officer), Mr. Lu Zhenwei, and Mr. Xu Jianjun; the non-executive directors of the Company are Mr. Wang Heng, Mr. Li Hao, Ms. Xie Yi and Mr. Yu Qiuming; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Chen Hongsheng.*