References are made to (i) the announcement of the Company dated 5 September 2019 in relation to the discloseable transactions in respect of the disposals of equity interests in two subsidiaries of the Company pursuant to the Lvzhao Disposal Agreement and the Lvyi Disposal Agreement (the “Changzhou Announcement”); and (ii) the announcement of the Company dated 6 September 2019 in relation to the discloseable transaction in respect of the disposal of equity interest in a subsidiary of the Company pursuant to the Aite Disposal Agreement (the “Shanxi Announcement”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Changzhou Announcement and/or the Shanxi Announcement.

I. SUPPLEMENTAL INFORMATION IN RELATION TO THE CHANGZHOU ANNOUNCEMENT

In respect of the Changzhou Announcement, the Company would like to provide the shareholders and potential investors of the Company with the following additional information in relation to the Zhaolian Lvzhao Disposal and the Zhaolian Lvyi Disposal:
(1) **Basis of estimating the financial effects of the Zhaolian Lvzhao Disposal and the Zhaolian Lvyi Disposal**

The estimated loss from Zhaolian Lvzhao Disposal of approximately RMB60 million and the estimated loss from Zhaolian Lvyi Disposal of approximately RMB100 million were calculated based on the unaudited net asset value of Zhaolian Lvzhao as at 31 July 2019 of approximately RMB61 million and unaudited net asset value of Zhaolian Lvyi as at 31 July 2019 of approximately RMB298 million respectively in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

(2) **Settlement of the Lvyi Shareholder’s Loan**

The Lvyi Shareholder’s Loan will not be settled out of the Consideration, and will be settled by Zhaolian Lvyi to the Vendor within 15 business days upon fulfilment of the requisite conditions as disclosed in the Changzhou Announcement.

(3) **Basis of determining the Considerations**

The Considerations for the Zhaolian Lvzhao Disposal and the Zhaolian Lvyi Disposal were determined with reference to the net asset value as shown in their latest statutory audited accounts and the management accounts as at 30 June 2019 prepared under the accounting principles generally accepted in the PRC ("PRC GAAP").

Zhaolian Lvzhao carried out a capital reduction during the period from January 2019 to June 2019 and, therefore, the net asset value of Zhaolian Lvzhao under the PRC GAAP decreased to approximately RMB1 million as at 30 June 2019 (31 December 2018: approximately RMB176 million).

The net asset value of Zhaolian Lvyi under the PRC GAAP was approximately RMB192 million as at 30 June 2019 (31 December 2018: approximately RMB196 million).

The Directors are of the view that the Zhaolian Lvzhao Disposal and the Zhaolian Lvyi Disposal are fair and reasonable and in the interest of the Company and its shareholders as a whole after considering the following factors:

1. as the Purchaser 1 and the Purchaser 2 are PRC-based companies, the Considerations were determined with reference to the net asset values under the PRC GAAP.
(2) The relatively high net asset values of Zhaolian Lvzhao and Zhaolian Lvyi at the Group’s level were mainly as a result of the accumulated non-cash HKFRSs adjustments being taken up which have no real cash impact to the Group, particularly to the books prepared under the PRC GAAP.

A non-cash call option value of approximately RMB53 million in respect of the right to acquire 95% equity interest in Changzhou Ranchen granted to Zhaolian Lvzhao recognised in accordance with HKFRSs at the time of Zhaolian Lvzhao acquiring Changzhou Ranchen’s equity interests at the end of 2017 and accumulated share of profits of investments of Zhaolian Lvzhao of approximately RMB7 million were not recognised in the net asset value of Zhaolian Lvzhao in accordance with the PRC GAAP.

The fair value adjustment of Zhaolian Lvyi recognised under HKFRSs at the time of acquiring underlying investment at the Group’s level of approximately RMB71 million, which was accounted for using equity method and accumulated share of profits of investments of Zhaolian Lvzhao of approximately RMB32 million were not recognised in the net asset value of Zhaolian Lvyi in accordance with PRC GAAP.

(4) Additional information of the Purchaser 1 and the Purchaser 2 in the Zhaolian Lvzhao Disposal and the Zhaolian Lvyi Disposal

To the best of the Directors’ knowledge, information and belief, apart from the Purchaser 1 and the Purchaser 2 being the subsidiaries of the same ultimate beneficial owner, there are no businesses or other relationships between the Purchaser 1 and the Purchaser 2 as at the date of the Changzhou Announcement.

To the best of the Directors’ knowledge, information and belief, as at the date of the Changzhou Announcement, there is no business or other relationships between the Purchaser 1 and the Purchaser 2 (on the one part) and each of the purchasers (on the other part) in the Company’s previous disposals in 2019 that was disclosed in the discloseable transaction announcement dated 20 March 2019, the connected transaction announcement dated 22 March 2019 and the connected transaction announcement dated 5 July 2019.

(5) Additional information of Changzhou Ranchen

As disclosed in the Changzhou Announcement, Zhaolian Lvzhao and Zhaolian Lvyi are holding in aggregate 36.45% effective equity interest in Changzhou Ranchen.

Zhaolian Lvzhao and Zhaolian Lvyi do not operate other business or hold other revenue generating assets other than their direct or indirect interests in Changzhou Ranchen.
Changzhou Ranchen is a limited liability company incorporated in the PRC. It mainly engages in the investment, development, building and operation of solar power plants.

The unaudited consolidated net assets of Changzhou Ranchen as at 31 December 2018 was approximately RMB 294 million under the HKFRSs.

The unaudited consolidated net profit or loss of Changzhou Ranchen for the two years ended 31 December 2017 and 2018 under the HKFRSs are set out as follows:

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<th>For the year ended 31 December 2017</th>
<th>For the year ended 31 December 2018</th>
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<tbody>
<tr>
<td>Net profit before taxation and extraordinary items</td>
<td>182</td>
<td>154</td>
</tr>
<tr>
<td>Net profit after taxation and extraordinary items</td>
<td>178</td>
<td>138</td>
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Changzhou Ranchen is owned by Changzhou Haozhen Venture Investment Centre Limited Partnership* (常州灏貞創業投資中心（有限合夥）) ("Changzhou Haozhen") as to 95% and by Zhaolian Lvzhao as to 5%. Changzhou Haozhen is a limited liability partnership of which Zhaolian Lvyi is a limited partner with an interest of approximately 33.1%. The other two limited partners and one general partner of the Changzhou Haozhen are Ping An Securities Company Limited*（平安證券股份有限公司）, Wanxiang Trust Co., Ltd.*（萬向信託股份公司）and China Zheyin Synergy Capital Management Co., Ltd.*（浙銀協同資本管理有限公司），with an interest of approximately 33.1%, 33.1% and 0.7%, respectively. They are independent third parties of the Company.

The Company has not disposed of any equity interest in Changzhou Ranchen before the Zhaolian Lvzhao Disposal and the Zhaolian Lvyi Disposal. As such, the Company is of the view that no previous disposal is required to be aggregated under the Listing Rules.
(6) **Additional information of the Purchasers in the Changzhou Announcement**

The Company would like to supplement that the ultimate beneficial owner of each of Purchaser 1 and Purchaser 2 is New Energy Exchange Limited (新能源交易所有公司) ("NEX"), which is interested in approximately 3.02% of the total issued shares of the Company, by virtue of its beneficial interest and its interest in controlled corporation. Furthermore, such ultimate beneficial owner is a party acting in concert pursuant to an agreement dated 22 November 2012 under section 317 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As confirmed by NEX, it has preferred stock and common stock, representing 50% voting power in the general meeting of NEX respectively. As of the date of this announcement, 100% of its issued and outstanding preferred stock was owned by Balance Top Limited, which is beneficially wholly owned by Mr. Chen Fei. For its common stock, NEX is owned as to 13.62% by CMTF Private Equity One, which is indirectly owned as to 44.09% by China Merchants Group Limited*(a state-owned enterprise in the PRC); and as to 9.07% by Snow Hill Developments Limited, which is beneficially wholly owned by China Merchants Group Limited*(a state-owned enterprise in the PRC); and as to 11.05% by Magicgrand Group Limited, which is beneficially wholly owned by Mr. Li Alan. Save as disclosed above, there are no other shareholders holding 10% or more of the equity interest in NEX. The Purchasers and each of their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Save for the supplemental information stated in this announcement, all information in the Changzhou Announcement and the Shanxi Announcement remains unchanged.

II. **SUPPLEMENTAL INFORMATION IN RELATION TO THE SHANXI ANNOUNCEMENT**

In respect of the Shanxi Announcement, the Company would like to provide the shareholders and potential investors of the Company with the following additional information in relation to the Shanxi Aite Disposal:

(1) **Settlement of the Consideration**

As disclosed in the Shanxi Announcement, the Consideration will be settled by the Purchaser after the Completion Date.

Such arrangement was made in view of the fact that the ultimate beneficial owner of the Purchaser is a state-owned enterprise in the PRC. Therefore, the risk that the Company would not receive the Consideration in full after Completion is remote.
(2) Additional information of the Purchaser in the Shanxi Aite Disposal

The Company would like to supplement that the Purchaser in the Shanxi Aite Disposal is indirectly owned as to 55% by China National Nuclear Corporation (中國核工業集團有限公司), a state-owned enterprise in the PRC, and as to 45% by Xinhua Water Resources Holding Group Corporation Ltd. (新華水利控股集團有限公司), a state-owned enterprise in the PRC. Therefore, the ultimate beneficial owner of the Purchaser in the Shanxi Aite Disposal is China National Nuclear Corporation (中國核工業集團有限公司), a state-owned enterprise in the PRC.

To the best of the Directors’ knowledge, information and belief, there is no business or other relationships among each of the purchasers in the Company’s various disposals announced in 2019 (including the Purchaser under the Aite Disposal Agreement).

For and on behalf of

Panda Green Energy Group Limited
Lu Zhenwei
Chairman of the Board

Hong Kong, 11 October 2019

As at the date of this announcement, the executive directors of the Company are Mr. Lu Zhenwei (Chairman), Ms. Zhong Hui (Chief Executive Officer), Mr. Chen Qinglong and Mr. Xu Jianjun; the non-executive directors of the Company are Mr. Yu Qiuming, Mr. Li Hao, Ms. Xie Yi and Mr. Wang Heng; 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.

* For identification purpose only