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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board of directors (the "Board" or the "Directors") of Panda Green Energy Group Limited (the "Company" or "Panda Green") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2019, together with the comparative figures for the corresponding period in 2018. The condensed consolidated interim financial information was prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

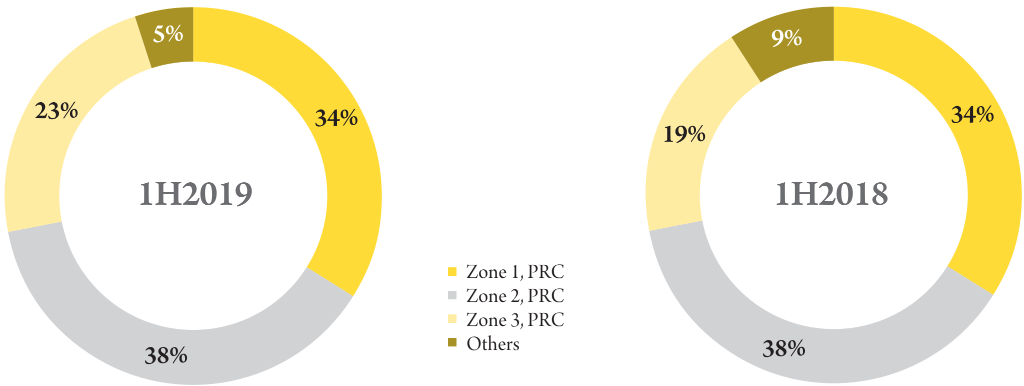
Diversification of Investment Locations and Portfolios

During the six months ended 30 June 2019 (the "Period"), the Group, as a leading global eco-development solutions provider, is principally engaged in the development, investment, operation and management of solar power plants and other renewable energy projects.

Solar Power Plant Projects

During the Period, the Group focused its resources on managing its existing solar power business. As at 30 June 2019, the Group and its associates/joint venture had 67 (30 June 2018: 67) solar power plants with aggregate installed capacity of approximately 2,199.20 megawatts ("MW") (30 June 2018: 2,061.60MW). As at 30 June 2019, all of the solar power plants were located in the People's Republic of China ("PRC"). The Group has well-diversified its solar power plants in 17 different regions during the Period (30 June 2018: 16). Chart 1 analyses the locations of these solar power plants among various resource regions. This shows the Group's efforts in mitigating concentration risks by diversification of location selection.

Chart 1 Location of Solar Power Plants



Almost all the solar power plants owned and controlled by the Group and its associates/joint venture are ground-mounted, with a small portion of them being roof-top type. The Group strategically develops and acquires solar power plants to achieve predetermined minimal rate of return and selects its solar power plants based on a combination of factors, including solar irradiation of the site, applicable feed-in tariffs, government subsidies, conditions for local grid connection, electricity transmission infrastructure and demand for electricity.

During the Period, the Group disposed all of its solar power plants in the United Kingdom ("UK") to an independent third party.

Other Renewable Energy Projects

During the Period, the Group had wind power plants in Shanxi, PRC with an aggregate installed capacity of 96MW. Phase one with installed capacity of 48MW has been on-grid connected with full capacity; while phase two with installed capacity of 48MW was under construction.

The Group owned development rights mainly in hydropower with an expected capacity of over 5 gigawatts ("GW"). The Company indirectly holds 75% of the equity interest in the project companies while the remaining 25% is indirectly held by the People's Government of Tibet Autonomous Region. The Group is awaiting for the planning of the PRC government's ecological red line before the construction of any hydropower plants.

In the short run, the Group will focus on the development of solar power business, while diversifying its renewable energy portfolios in order to supplement the multi-type energy supply in the long run.

Electricity Generation

During the Period, the total electricity generated by the power plants from the continuing operations of the Group and its associates/joint venture has increased from approximately 1,502,170 megawatt hours ("MWh") in 1H 2018 to approximately 1,691,922 MWh, or by approximately 13%. All these power plants are grid-connected and are generating electricity steadily.

Table 1 Power Plants from the Continuing Operations Summary

	For the six months ended 30 June							
	2019				2018			
	Number of power plants	**Aggregate installed capacity** *(MW)*	**Electricity generation** *(MWh)*	**Weighted average utilisation hours** *(Hours)*	Number of power plants	Aggregate installed capacity *(MW)*	Electricity generation *(MWh)*	Weighted average utilisation hours *(Hours)*
Subsidiaries								
Solar power plants	**55**	**1,845.4**	**1,351,053**	**732**	49	1,625.40	1,165,866	713
Wind power plant	**1**	**48.0**	**48,582**	**1,012**	1	48.0	62,656	1,305
	56	**1,893.4**	**1,399,635**		50	1,673.40	1,228,522	
Associates/joint venture								
Solar power plants	**12**	**353.8**	**292,287**	**826**	12	353.8	273,648	773
Total	**68**	**2,247.2**	**1,691,922**		62	2,027.20	1,502,170	

The details of the electricity generated from each region for the Period are set out below. For accounting purpose, the volume of electricity generated by the newly acquired solar power plants during the Period was only recorded starting from their respective completion dates of acquisition.

Average Utilisation Hours

The weighted average utilisation hour of solar power plants of the Group and its associates/ joint venture has slightly increased for the Period. The Group actively carried out power market transactions, including inter-provincial solar power transmission, to improve the electricity generation and the utilisation hours. The Group's wind power plant in Shanxi, PRC recorded average utilisation hours of 1,012 for the Period, which was 22% lower than the corresponding period in 2018.

Table 2 Power Plants Information by Resource Zone

	As at 30 June 2019			**For the six months ended 30 June 2019**		
Location	**Number of power plant**		**Aggregate installed capacity**	**Electricity generation**	**Revenue**	**Average tariff per KWh (net of VAT)**
	Solar	***Wind***	*(MW)*	*(MWh)*	*(RMB'million)*	*(RMB)*
Subsidiaries:						
(i) Zone 1						
Inner Mongolia, PRC	9	–	330.0	298,208	239	0.80
Ningxia, PRC	1	–	200.0	143,200	110	0.77
Gansu, PRC	1	–	100.0	72,587	54	0.74
Zone 1 sub-total	11	–	630.0	513,995	403	0.78
(ii) Zone 2						
Qinghai, PRC	4	–	200.0	157,011	124	0.79
Shanxi, PRC	4	–	170.0	145,691	106	0.73
Xinjiang, PRC	7	–	120.2	88,822	65	0.73
Inner Mongolia, PRC	1	–	60.0	54,750	46	0.83
Yunnan, PRC	3	–	57.1	48,949	37	0.76
Hebei, PRC	2	–	37.3	26,934	22	0.81
Sichuan, PRC	3	–	50.0	48,770	31	0.64
Zone 2 sub-total	24	–	694.6	570,927	431	0.75

Location	As at 30 June 2019 Number of power plant Solar	Wind	Aggregate installed capacity (MW)	For the six months ended 30 June 2019 Electricity generation (MWh)	Revenue (RMB'million)	Average tariff per KWh (net of VAT) (RMB)
(iii) Zone 3						
Hubei, PRC	1	–	100.0	54,345	52	0.96
Shandong, PRC	1	–	40.0	30,632	27	0.87
Guangxi, PRC	1	–	60.0	23,448	20	0.85
Hunan, PRC	6	–	120.0	35,287	36	1.02
Guangdong, PRC	3	–	2.8	1,272	7	0.95
Zhejiang, PRC	1	–	3.0	1,274	1	0.88
Anhui, PRC	1	–	100.0	57,950	38	0.65
Zone 3 sub-total	14	–	425.8	204,208	181	0.89
(iv) Others						
Shanxi, PRC	–	1	48.0	48,582	25	0.52
Tibet, PRC	6	–	95.0	61,923	53	0.85
Others sub-total	6	1	143.0	110,505	78	0.71
Subsidiaries sub-total	**55**	**1**	**1,893.4**	**1,399,635**	**1,093**	**0.78**
Associates/joint venture:						
Inner Mongolia, PRC	4	–	160.0	147,620	124	0.84
Yunnan, PRC	2	–	60.0	41,147	30	0.73
Shanxi, PRC	1	–	50.0	36,290	30	0.83
Qinghai, PRC	2	–	50.0	44,536	39	0.88
Jiangsu, PRC*	3	–	33.8	22,694	39	1.74
Associates/joint venture sub-total	**12**	**–**	**353.8**	**292,287**	**262**	**0.90**
Total	**67**	**1**	**2,247.2**	**1,691,922**	**1,355**	**0.80**

* Among the solar power plants located in Jiangsu, PRC, two roof-top power plants owned by Fengxian Huize Photovoltaics Energy Limited have obtained electricity price of RMB2.41/kilowatt-hour ("KWh") (VAT included) or RMB2.06/KWh (net of VAT), which is in line with the guarantee made by the vendor upon acquisition of certain equity interest by the Group in 2013. The guaranteed electricity price for 2018 was met and no compensation was payable pursuant to the electricity income guarantee for the year ended 31 December 2018.

Financing

The power generation business is capital intensive in nature. The Group has been exploring various financing channels to enhance its financing capability and reduce its finance costs. During the Period, the Group has raised approximately RMB3,346 million by means of (i) equity financing of approximately RMB1,446 million (among which approximately RMB784 million had been directly set off with a loan) and (ii) debt financing of approximately RMB1,900 million. As at 30 June 2019, the effective interest rate for bank and other borrowings was approximately 5.30% (31 December 2018: 5.31%).

FINANCIAL REVIEW

During the Period, the Group recorded a net profit of approximately RMB114 million (2018: loss of approximately RMB87 million). The profit for the Period comprised the profit from continuing operations of approximately RMB110 million and discontinued operation of approximately RMB4 million.

Revenue and EBITDA

During the Period, the revenue and EBITDA from the continuing operations were approximately RMB1,093 million and RMB978 million respectively (30 June 2018: RMB973 million and RMB844 million respectively). The increase in revenue and EBITDA was attributed to: (i) expansion in installed capacity of projects for around 13% by ways of acquisition and self-development; and (ii) effective monitoring control in operation and maintenance so that most power plants have increased in their electricity generation. The average tariff per KWh (net of VAT) for the Period was approximately RMB0.78. Table 2 summarises the details of the breakdown of revenue generated by each provincial region.

Fair Value Gain/(Losses) on Financial Assets at Fair Value Through Profit or Loss, Net

The amount of net fair value gain recognised for the Period was approximately RMB14 million (30 June 2018: loss of RMB79 million). It was mainly due to a fair value gain of approximately RMB23 million which was recognised for a call option embedded in a disposal of a 17% equity interest in an associate. The Group may exercise such call option at an amount equivalent to the sum of (i) the consideration payable for the disposal and (ii) the yields calculated at an annualised internal rate of return of 12%. The exercises of the fair values were performed by an independent valuer.

In 2018, the fair value loss of approximately RMB69 million mainly resulted from an unexercised call option to acquire 96.68% equity interest in an associate. Although the Group served a formal exercise notice to the major shareholder of the project company before the end of the exercise period, the transfer of equity interest had not yet proceeded.

Fair Value Losses on Financial Liabilities at Fair Value Through Profit or Loss

During the Period, the amount represented a fair value loss for a put option in relation to a disposal of a 17% equity interest in an associate. The Group will be required to buy back the target equity for an amount equivalent to the consideration payable for such disposal plus the yields calculated at an annualised rate of return of 9%, should the purchaser exercise the put option after 12 months and within 48 months from the date in which the target equity is transferred to the purchaser.

Share-Based Payment

Share-based payment expense was relevant to the amortisation of the fair value of share options granted under the Company's share option scheme. The decrease in the share-based payment expense was attributable to the Group's revised estimate of the number of options that are expected to vest based on the non-market vesting and service condition, as certain directors and staff of the Group had resigned during the Period.

Income Tax

Income tax mainly comprised the corporate income tax from certain project companies where the preferential tax concession rate of 7.5% or 12.5% applies.

Discontinued operation

During the Period, the Group disposed of its solar power plants located in the UK to an independent third party for approximately GBP34 million. The gain was calculated after netting off the consideration, transaction costs incurred, net assets of the portfolio and the transfer of reserves under an interest rate swap contract.

Trade, Bills and Tariff Adjustment Receivables

Trade and bills receivables are usually settled within three to twelve months. For the tariff adjustment receivables in the PRC, during the Period, there was a further delay in settlement in the 5th, 6th and 7th batches. Subsequent to 30 June 2019, the Group received the settlement of tariff adjustment receivables, which amounted to approximately RMB573 million.

Table 3 Breakdown of Trade, Bills and Tariff Adjustment Receivables at Subsidiaries Level

	30 June 2019		31 December 2018	
	Installed capacity ***(MW)***	***RMB'million***	Installed capacity *(MW)*	*RMB'million*
Trade and bills receivables		**507**		1,164
Tariff adjustment receivables				
PRC				
5th batch	**100.0**	**188**	100.0	138
6th batch	**678.0**	**1,349**	678.0	1,014
7th batch	**337.6**	**939**	337.2	763
8th batch or after	**777.7**	**1,287**	778.2	1,000
UK	**–**	**–**	82.4	14
Total	**1,893.3**	**4,270**	1,975.8	4,093

Bank and Other Borrowings

The Group is actively seeking opportunities of financing/refinancing to lower the cost of funds and to improve liquidity. During the Period, the Group has obtained approximately RMB1,900 million borrowings.

Key Performance Indicators

The Group measures the delivery of its strategies and manages its business through regular measurements of several key performance indicators, particularly on the following ratios: EBITDA margin, debt to EBITDA ratio, funds from operations to net debt ratio and interest coverage ratio.

EBITDA margin: EBITDA margin is a measurement of the Group's operating profitability and is calculated as EBITDA divided by the revenue. The Group's EBITDA margin has increased by 2%, from 87% for the six months ended 30 June 2018 to 89% for the Period. This was mainly due to effective costs control implemented during the Period, the synergies from the increased capacity of power plants and the adoption of the new accounting standard, HKFRS 16, whereas comparative figures were not restated for relevant expenses.

Debt to EBITDA ratio: Debt to EBITDA ratio is a measurement of the number of years that will take the Group to repay its debts assuming net debts and EBITDA are held constant. This ratio is calculated as the net debts divided by EBITDA. Net debts is calculated as total borrowings less cash deposits. Total borrowings include current and non-current bank and other borrowings, construction costs payables and convertible bonds as shown in the consolidated statement of financial position. The ratio has slightly decreased during the Period to approximately 17.67 (30 June 2018: 20.47).

Funds from operations to net debt ratio: Funds from operations to net debt ratio is a measurement of the Group's ability to pay its debts using its operating income alone. This ratio is calculated as the EBITDA net of cash interest paid divided by net debts. The ratio has increased from 2.4% for the six months ended 30 June 2018 to 2.8% for the Period.

Interest coverage ratio: Interest coverage ratio measures the Group's ability to pay interest on its interest-bearing debt. The ratio is calculated by dividing EBITDA by net interest paid (actual interest paid minus actual interest income received during the period). The ratio was 2.01 for the Period (30 June 2018: 1.87).

Liquidity, financial resources, gearing ratio and capital structure

As at 30 June 2019, the Group recorded non-current assets of approximately RMB23,286 million, current assets of approximately RMB6,404 million, current liabilities of approximately RMB8,196 million and non-current liabilities of approximately RMB14,208 million.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in interest rates on each solar power project, appropriate funding policies will be applied including the use of bank and other borrowings, issue of senior notes, medium-term notes and corporate bonds or placing of new shares. The management will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as "equity" as shown in the condensed consolidated statement of financial position plus net debts.

The capital structure (including its gearing ratio) as at 30 June 2019 was as follows:

	30 June 2019 *RMB' million*	31 December 2018 *RMB' million*
Bank and other borrowings	**19,615**	22,072
Construction costs payables	**527**	701
Total borrowings	**20,142**	22,773
Less: cash deposits	**(2,864)**	(3,220)
Net debts	**17,278**	19,553
Total equity	**7,286**	5,870
Total capital	**24,564**	25,423
Gearing ratio	**70.3%**	76.9%

The drop in gearing ratio was attributable to the placing of new shares in March 2019.

The Group will use its best endeavour to lower its gearing ratio in the foreseeable future by deleveraging its liabilities, including but not limited to co-investing in power plants with strategic business partners to reduce the capital expenditure.

Except for the bank and other borrowings with aggregate amounts of approximately RMB8,139 million which were carried at fixed interest rates, the remaining borrowings of the Group bore floating interest rates.

As at 30 June 2019, the cash deposits were denominated in the following currencies:

	Pledged deposits	**Restricted cash**	**Cash and cash equivalents**	**Total**
	RMB' million	*RMB' million*	*RMB' million*	*RMB' million*
RMB	2,618	24	197	2,839
HK$	–	–	21	21
GBP	–	–	4	4
	2,618	24	222	2,864
Representing:				
Non-current portion	1,847	–	–	1,847
Current portion	771	24	222	1,017
	2,618	24	222	2,864

As at 30 June 2019, the maturity, currency profile and weighted average life for the Group's bank and other borrowings are set out as follows:

	Within 1 year	**2nd year**	**3-5 years**	**6-10 years**	**Over 10 years**	**Total**	**Weighted average life**
	RMB' million	*RMB' million*	*RMB' million*	*RMB' million*	*RMB' million*	*RMB' million*	*(Years)*
RMB	3,648	3,808	4,405	3,723	815	16,399	6.33
US$	2,524	1,018	–	–	–	3,542	0.84
HK$	99	–	–	–	–	99	0.41
	6,271	4,826	4,405	3,723	815	20,040	5.33
Less: unamortised loan facilities fee	(109)	(57)	(120)	(111)	(28)	(425)	
Carrying amount	6,162	4,769	4,285	3,612	787	19,615	

The Group did not have any financial instruments for hedging purposes.

As at 30 June 2019, the Group had capital commitment in respect of property, plant and equipment contracted amounted to approximately RMB211 million.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Venture

In March 2019, the Group completed the disposal of its (i) 100% equity interests in a subsidiary which owned solar power plants in the UK and (ii) 17% equity interests in an associate which owns solar power plants in the PRC. Save as mentioned above, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint venture during the Period.

Performance and Future Prospects For Significant Investments Held

A project company will be considered material when its total assets and total revenue exceed 10% of the Group. No project company holding operating power plants is individually material to the Group during the Period.

Material Reliance on Key Customers

The key customers in the PRC for the sales of electricity were subsidiaries of the State Grid Corporation of China ("State Grid") and Inner Mongolia Power (Group) Co., Ltd ("Inner Mongolia Power"), which are PRC state-owned electric utility companies that transmit and distribute power in the PRC. As at 30 June 2019, the receivables from the subsidiaries of State Grid and Inner Mongolia Power were approximately 78.5% and 21.3% of the total trade, bills and tariff adjustment receivables, respectively.

Charge on Assets

As at 30 June 2019, 65% of bank and other borrowings of the Group were secured by the pledge over certain power generating modules and equipment, guarantee deposits, the fee collection right in relation to the sales of electricity in certain subsidiaries and/or pledge over the shares/equity interest of certain subsidiaries of the Group.

Employees and Remuneration Policies

As at 30 June 2019, the Group had 422 full-time employees (30 June 2018: 428). Employees were remunerated according to the nature of their positions, individual qualification, performance, working experience and market trends, with merit incorporated in the regular remuneration review to reward and motivate individual performance. The Group offers competitive compensation and benefit packages to different levels of staff, including additional medical insurance, discretionary bonus, various training programmes, sponsorship for further study, as well as share option scheme for the benefits of the directors and eligible employees of the members of the Group. Total employee benefits cost (excluding share-based payment expense of approximately RMB1 million) for the continuing operations for the Period amounted to approximately RMB57 million (30 June 2018: RMB50 million).

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, the transactions are mostly denominated in RMB. Minimal exposure to fluctuation in exchange rates is expected. For the operations in Hong Kong, most of the transactions are denominated in HK$ and US$. Since the exchange rate of US$ against HK$ is pegged to each other under the Linked Exchange Rate System, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. The Group did not resort to any currency hedging facility for the Period. However, the management will enhance the monitoring on the Group's foreign currency exposure, should the need arise.

Contingent Liabilities

As at 30 June 2019, the Group had no significant contingent liability.

Important Events Occurred Since the End of the Financial Period

On 5 July 2019, the Group entered into a conditional equity transfer agreement with a third company to dispose of 17% equity interest in an associate of the Group for a consideration of approximately RMB43 million. The transaction has been completed in August 2019.

On 2 August 2019, the Company has signed a non-legally binding memorandum of understanding with a potential subscriber in relation to possible subscription of shares. A formal share subscription agreement will be executed once the terms and conditions of the subscription have been fixed.

Subsequent to 30 June 2019, the Group has received the settlement of tariff adjustment receivables amounted to approximately RMB573 million.

Material Changes since the Publication of the Latest Annual Report

Save for matters disclosed above, there were no material changes in the business operation of the Group since the publication of the 2018 annual report dated 29 March 2019 to the date of this announcement.

OUTLOOK

In 2019, the global renewable-energy industry has shown a trend of growth. According to the statistics from the 2019 Renewables Global Status Report ("GSR") issued by Renewable Energy Policy Network for the 21st Century (REN21), global renewable power installation capacity grew to around 2,378 GW in 2018. For the fourth year in a row, additions of renewable power capacity outpaced the new installations of fossil fuel and nuclear power. In particular, 100 GW of photovoltaic capacity was installed, accounting for 55% of renewable capacity additions. Meanwhile, GSR further estimated that renewables would provide more than 26% of global electricity generation by the end of 2019. This points to an increasingly prominent trend of going low-carbon and green for the global energy system, as the cost competitiveness of the renewables industry continues to grow.

The photovoltaic industry in the PRC is recovering from stagnation since 2018. Recently, the National Energy Administration ("NEA") held a press conference in which it was pointed out that China would continue with the new energy security strategy featuring "Four Revolutions and One Collaboration" in the year 2019. It will strive to achieve 15% of energy consumption in 2020 in the form of non-fossil fuels and 20% in 2030, and take it as a basic strategic objective to promote high-quality development for renewables. Furthermore, NEA will actively promote grid parity projects for wind power and photovoltaic power without subsidies, fully implement a competition-based allocation system for wind and photovoltaic power station projects, and establish a new mechanism for sound renewable energy consumption, in order to push forward a high-quality development for renewables. Besides, issues that have long restrained the development of new energies, such as electricity consumption and delayed provision of national subsidies, will be gradually addressed with the launch of over 10 favourable policies such as the "Notice on Establishing a Guarantee Mechanism for Sound Renewable Energy Consumption" by the National Development and Reform Commission and the NEA, coupled with the delivery of "low cost grid parity projects" under the declining investment costs for photovoltaic power stations.

In the first half of 2019, in order to cope with the changing climate of the solar industry in China, the Group has taken a series of actions to enhance its fundamentals. Aside from continuous increase in shareholding by the existing SOE substantial shareholder, the Company also took the initiative to introduce another state-owned company, Qingdao City Construction Investment (Group) Co., Ltd. as its strategic shareholder. The three state-owned enterprises now hold nearly 63% shares of the Company in aggregate. In addition, reconstitution of the Board and the management took place successively as the Company strived to enhance internal control, standardise corporate governance and adjust its strategic layout to cater to the latest market conditions. The Group also managed to monetize part of its power plant assets, in a bid to optimise its capital and debt structure and liquidity position.

For the second half of 2019, the Group faced with existing challenges and opportunities, will continue to pursue its strategy for the first half of the year, focus on improving quality and development efficiency, and leverage its technical strength in production operation and maintenance to further enhance safe and civilised way of production. The Group will also pursue lower costs, greater financial health and stabilise market expectations as it works to enhance its profitability and efficiency on a comprehensive scale. Moreover, leveraging upon the strengths of its shareholders' background and resources from the finance team, the Company will explore innovative investment and financing models, expand investment channels and push the Group on track to high-quality, high-efficiency and steady development.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

INTERIM RESULTS

The Board announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2019 together with the comparative figures for the corresponding period in the previous year as follows:

		Unaudited Six months ended 30 June	
		2019	2018
	Note	***RMB'million***	*RMB'million* (Restated)
CONTINUING OPERATIONS			
Sales of electricity		**324**	288
Tariff adjustment		**769**	685
Revenue	*3*	**1,093**	973
Other income		**12**	6
Employee benefits expenses (excluding share-based payment expense)		**(57)**	(50)
Land use tax		**(4)**	(2)
Legal and professional fees		**(7)**	(17)
Maintenance costs		**(17)**	(26)
Other expenses		**(42)**	(40)
EBITDA#		**978**	844
Acquisition costs arising from business combinations		**–**	(2)
Depreciation for property, plant and equipment		**(299)**	(264)
Depreciation for right-of-use assets		**(8)**	–
Gain on termination of leases		**1**	–
Bargain purchase arising from business combinations		**–**	33
Fair value gain/(losses) on financial assets at fair value through profit or loss, net	*4*	**14**	(79)
Fair value losses on financial liabilities at fair value through profit or loss, net	*5*	**(2)**	–
Finance income		**38**	43
Finance costs	*6*	**(622)**	(628)
Share-based payment expense		**(1)**	(61)
Share of profits of investments accounted for using equity method		**30**	34
Gain on disposal of investments accounted for using equity method		**10**	–
Profit/(loss) before income tax		**139**	(80)
Income tax expenses	*7*	**(29)**	(19)
Profit/(loss) for the period from continuing operations		**110**	(99)

	Note	Unaudited Six months ended 30 June **2019** ***RMB'million***	 2018 *RMB'million* (Restated)
Profit/(loss) for the period from continuing operations		**110**	(99)
DISCONTINUED OPERATION			
Profit from discontinued operation		**4**	12
PROFIT/(LOSS) FOR THE PERIOD		**114**	(87)
PROFIT/(LOSS) ATTRIBUTABLE TO			
Equity holders of the Company			
Continuing operations		**100**	(99)
Discontinued operation		**4**	12
		104	(87)
Non-controlling interests			
Continuing operations		**10**	–
Discontinued operation		**–**	–
		10	–
		114	(87)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*9*		
Basic and diluted (RMB cents)			
Continuing operations		**0.78**	(1.04)
Discontinued operation		**0.03**	0.13
		0.81	(0.91)

EBITDA represents earnings before finance income, finance costs, tax, fair value adjustments, non-cash items, non-recurring items, bargain purchase and acquisition costs arising from business combinations, bargain purchase arising from acquisition of investments accounted for using equity method, share-based payment expenses and share of profits of investments accounted for using equity method. EBITDA is not a measure of performance under Hong Kong Financial Reporting Standards, but is widely used by management for monitoring business performance of a company from operational perspective. It may not be comparable to similar measures presented by the other companies.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Unaudited	
	Six months ended 30 June	
	2019	2018
	RMB'million	*RMB'million*
		(Restated)
PROFIT/(LOSS) FOR THE PERIOD	**114**	(87)
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss		
Cash flow hedge, net of tax	**11**	6
Currencies translation differences	**36**	(63)
Currencies translation differences of discontinued operation	**(1)**	–
Items that will not be reclassified to profit or loss		
Fair value of financial assets at fair value through other comprehensive income	**(189)**	–
Other comprehensive loss for the period, net of tax	**(143)**	(57)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(29)**	(144)
Total comprehensive (loss)/income for the period attributable to:		
Equity holders of the Company	**(50)**	(144)
Non-controlling interests	**21**	–
	(29)	(144)
(LOSS)/PROFIT ATTRIBUTABLE TO		
Equity holders of the Company		
Continuing operations	**(65)**	(158)
Discontinued operation	**15**	14
	(50)	(144)
Non-controlling interests		
Continuing operations	**21**	–
Discontinued operation	**–**	–
	21	–
	(29)	(144)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	**Unaudited 30 June 2019 *RMB'million***	Audited 31 December 2018 *RMB'million*
ASSETS			
Non-current assets			
Property, plant and equipment		**16,111**	17,115
Right-of-use assets		**131**	–
Intangible assets		**2,245**	2,245
Investments accounted for using equity method		**884**	888
Financial assets at fair value through other comprehensive income		**46**	–
Financial assets at fair value through profit or loss		**76**	60
Other receivables, deposits and prepayments		**1,920**	1,983
Pledged deposits		**1,847**	1,838
Deferred tax assets		**26**	28
Total non-current assets		**23,286**	24,157
Current assets			
Financial assets at fair value through profit or loss		**187**	189
Trade, bills and tariff adjustment receivables	*10*	**4,270**	4,093
Other receivables, deposits and prepayments		**930**	954
Pledged deposits		**771**	967
Restricted cash		**24**	8
Cash and cash equivalents		**222**	407
Total current assets		**6,404**	6,618
Total assets		**29,690**	30,775
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	*11*	**1,285**	803
Reserves		**5,405**	4,492
		6,690	5,295
Non-controlling interests		**596**	575
Total equity		**7,286**	5,870

	Note	Unaudited 30 June 2019 *RMB'million*	Audited 31 December 2018 *RMB'million*
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	*12*	**13,453**	16,649
Lease liabilities		**89**	–
Contingent consideration payables		**–**	10
Deferred government grant		**6**	8
Other payables		**23**	–
Deferred tax liabilities		**622**	684
Other derivative financial instrument		**15**	8
Total non-current liabilities		**14,208**	17,359
Current liabilities			
Other payables and accruals		**2,003**	2,095
Lease liabilities		**18**	–
Bank and other borrowings	*12*	**6,162**	5,423
Contingent consideration payables		**13**	26
Other derivative financial instruments		**–**	2
Total current liabilities		**8,196**	7,546
Total liabilities		**22,404**	24,905
Total equity and liabilities		**29,690**	30,775

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company is an exempted limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business in Hong Kong is Unit 1012, 10/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Group is principally engaged in the development, investment, operation and management of solar power plants and other renewable energy projects.

This condensed consolidated interim financial information ("Financial Information") is presented in Renminbi ("RMB"), unless otherwise stated. This Financial Information has been approved for issue by the Board on 30 August 2019.

Key Events During the Six Months Ended 30 June 2019

Acquisition of minority interests over a wind power company

On 18 January 2019, the Group acquired a minority interest over a company engaging in wind power generation with aggregate on-grid capacity of 198MW in Sichuan, PRC, with a right to further inject capital up to 34.54%.

Disposal of 100% equity interest in a subsidiary in the United Kingdom (Note 13)

On 19 March 2019, the Group completed the disposal of its 100% equity interest of a subsidiary with operations in the United Kingdom ("UK operation") for a cash consideration of approximately GBP34 million (equivalent to approximately RMB297 million).

Issue of share through placements (Note 11)

On 21 March 2019, the Company issued 5,721,193,467 shares through placement at the subscription price of HK$0.30 per share. The gross proceeds from the share subscription was approximately HK$1,716 million (equivalent to approximately RMB1,446 million). Among the proceeds from the subscription, an amount of approximately HK$915 million (equivalent to approximately RMB784 million) was used to offset against a loan from one of the subscribers. Taking the offset of the loan and transaction costs incurred from the share subscription, the net cash inflow from the share subscription was approximately HK$798 million (equivalent to approximately RMB660 million).

Disposal of 17% equity interest in an associate

On 22 March 2019, the Group entered into an equity transfer agreement with an affiliate company of a shareholder of the Company (the "Purchaser") to sell 17% equity interest in Fengxian Huize Photovoltaic Energy Limited ("Fengxian Huize") (the "Target Equity"), an investment in associate of the Group, for a cash consideration of RMB43,350,000 (the "Disposal"). The transaction was completed on 15 April 2019. The Group may exercise such call option at an amount equivalent to the sum of (i) the consideration payable for the Disposal and (ii) the yields calculated at an annualised internal rate of return of 12%. In addition, the Group will be required to buy back the target equity for an amount equivalent to the consideration payable for such disposal plus the yields calculated at an annualised rate of return of 9%, should the purchaser exercise the put option after 12 months and within 48 months from the date in which the target equity is transferred to the purchaser.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30 June 2019 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

This Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets/liabilities at fair value through profit or loss, contingent consideration payable and other derivative financial instruments, which were carried at fair values.

As the UK operation is considered as a separate line of business and was discontinued during the period, it is accounted for as a discontinued operation. The comparative financial information for the six months ended 30 June 2018 has been re-presented as a discontinued operation to conform with current period presentation in accordance with HKFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

2.1 Going Concern

During the six months ended 30 June 2019, the Group reported a profit of approximately RMB114 million. As at 30 June 2019, the Group's current liabilities exceeded its current assets by approximately RMB1,792 million. As at 30 June 2019, the Group had total bank and other borrowings of approximately RMB20,040 million, of which approximately RMB6,271 million are scheduled to be repayable within the coming twelve months from 30 June 2019. As at the same date, its cash and cash equivalents amounted to approximately RMB222 million only.

In December 2018, the Group entered into two conditional sale and purchase agreements with an independent third party to acquire 51% and 100% equity interests of two of its subsidiaries at RMB269 million and RMB274 million, respectively, comprising consideration payables and assumption of Engineering, Procurement and Construction ("EPC") payables and other payables.

As at 30 June 2019, the Group had paid approximately RMB1,020 million as deposits pursuant to the agreements with various vendors for further negotiation of potential acquisitions of solar and wind power plants with an aggregate installed capacity of not less than 775MW. Should these potential acquisitions be completed, the Group would have to contribute additional capital to finance the settlement of its EPC payables and other payables of these solar and wind power plants.

The Group had certain contractual and other arrangements to settle its financial obligations and various capital expenditures. As at 30 June 2019, the Group had capital commitment of approximately RMB211 million, mainly in relation to the construction of solar and wind power plants, with an aggregate installed capacity of 293MW.

In June 2013, the Group acquired certain concession rights to develop and operate various solar power plant projects. The Group intends to exercise these concession rights and acquire the relevant solar power plant projects from the respective vendors before these rights expire. The Group would require additional financing for these future acquisitions and the required amount is yet to be determined, as it is subject to the negotiation of the final consideration with the relevant vendors, as well as the negotiation of the amount of liabilities of the acquirees to be assumed by the Group upon completion of the acquisitions.

The above matters indicated that the Group will need to secure a substantial amount of funds in the foreseeable future to finance these financial obligations and capital expenditures under various contractual and other arrangements. All the above conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The Directors have reviewed the Group's cash flow projections, which cover a period of twelve months from 30 June 2019. The Directors are of the opinion that, taking into account the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2019.

(i) Subsequent to 30 June 2019, the Group successfully obtained short-term borrowings of approximately RMB420 million.

(ii) In July 2019, the Group entered into a conditional sale and purchase agreement to further dispose 17% equity interest in an investment accounted for using equity method for a consideration of approximately RMB43 million and the transaction has been completed in August 2019.

(iii) The Group has plans to further divest certain of its power plants projects.

(iv) China Merchants New Energy Group Limited ("CMNEG"), a shareholder of the Company and one of the companies under China Merchants Group Limited, had issued a letter to the Group and agreed to provide support to the Group for a period up to 28 March 2020 and take measures to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to continue to carry on its business. The Directors believe that CMNEG could renew such letter before its expiry when necessary.

(v) The Group is also in the process of negotiating long-term borrowings from banks or other financial institutions to finance the settlement of its existing financial obligations and capital expenditures. In addition, should the proposed acquisitions be completed, the Group will try to negotiate long-term borrowings from banks or other financial institutions to finance the settlement of EPC payables and other payables of these newly acquired subsidiaries. Based on the past experience of the Group, the Directors are confident that they will be able to obtain such long-term borrowings from banks and other financial institutions.

(vi) The Group is in the process of registering a proposed issuance of offshore notes of not more than US$500 million with National Development and Reform Commission of the PRC, with reference to the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Enterprises. The Directors are confident that the registration will be obtained and the new notes could be issued.

(vii) The solar and wind power plants currently held and planned to be acquired by the Group have already achieved on-grid connection. They are expected to generate operating cash inflows to the Group. The Directors are confident that all existing solar and wind power plants currently held by the Group, if not registered in the previous Renewable Energy Tariff Subsidy Catalogue ("Catalogue") are eligible for the registration onto the forthcoming batches of the Catalogue.

(viii) On 2 August 2019, the Company has signed a non-legally binding memorandum of understanding with a potential subscriber in relation to possible subscription of shares. A formal share subscription agreement will be executed once the terms and conditions of the subscription have been fixed.

In the opinion of the Directors, in light of the above plans and measures, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2019. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

Notwithstanding the above, significant uncertainty exists as to whether management of the Group can achieve the plans and measures described in (iii) to (viii) above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to secure various sources of short-term or long-term financing as and when required, to obtain the financial support from CMNEG as needed, to divest certain of its power plants projects as planned, to issue offshore US$ bonds, to execute a formal share subscription agreement, and to generate adequate operating cash inflows from its existing solar power plants and other power plants to be acquired or constructed in the expected timeframe.

Should the Group be unable to continue as a going concern, adjustment would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Financial Information.

2.2 Significant Accounting Policies

Other than changes in accounting policies resulting from application of new and amended HKFRSs effective as of 1 January 2019, the accounting policies and method of computation applied are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018.

Details of any changes in accounting are set out below:

(a) New and amended standards, improvements and interpretation adopted by the Group

The following new and amended HKFRSs standards, improvements and interpretation have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2019:

HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
HKFRS 9 Amendment	Prepayment Features with Negative Compensation
HKAS 19 Amendment	Plan Amendments, Curtailment or Settlement
HKAS 28 Amendment	Long-Term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

The adoption of these new and amended standards, improvements and interpretation did not have any impact on the amounts recognised in prior periods and will also not affect the current or future periods.

Effective for accounting periods beginning on or after 1 January 2020

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 1 and HKAS 8 Amendments	Definition of Material
HKFRS 3 Amendments	Definition of a Business
Conceptual Framework for Financial Reporting 2018	Framework for Financial Reporting

(b) New and amended standards, improvements and revised framework that have been issued but were not yet effective

Effective for accounting periods beginning on or after 1 January 2021

HKFRS 17	Insurance Contracts

Effective for accounting periods beginning on or after a date to be determined

HKFRS 10 and HKAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

There are no other standards that are not yet effective and that would be expected to have a material impact to the Group in the current or future reporting periods and on foreseeable transactions.

The Group does not intend to early adopt these standards before their respective effective dates.

(c) Impacts and changes in accounting policies of application on HKFRS 16 "Leases"

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparative for 2018 reporting period as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

On adoption of HKFRS 16, the Group recognised the lease liabilities in relation to leases which had previously been classified as "operating leases" under the principals of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.92%.

	RMB'million
Operating lease commitments as disclosed as at 31 December 2018	224
Less: Liabilities discounted at incremental borrowing rate	81
Lease liabilities recongised as at 1 January 2019	143

Leases are initially recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is made available for use. Lease payments are allocated between the liability and finance cost. The finance cost is charged to the consolidated income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The associated right-of-use assets were measured at the amount equal to the initial measurement of lease liabilities, adjusted by any lease payments made at or before the commencement date, less any lease incentive received and any initial direct costs. The right-of-use assets were recognised in the consolidated statement of financial position. Depreciation was charged on a straight-line basis over the shorter of the asset's useful life and the lease term.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

2.3 Critical Accounting Estimates and Assumptions

The preparation of this Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

2.4 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and interest rate risk), credit risk and liquidity risk.

The Financial Information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018. There have been no changes in the risk management policies since year end. Compared to 31 December 2018, there was no material change in the contractual undiscounted cash out flows for financial liabilities as at 30 June 2019.

3 SEGMENT INFORMATION

The Chief Operation Decision-Maker ("CODM") has been identified as the Board. CODM reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments.

The Group's businesses involve clean energy technologies, including solar, wind power and hydropower. During the six months ended 30 June 2019, the Group has one reportable segment which is solar energy segment (2018: one). No material revenue, EBITDA, segment profit nor total assets had been attributed by the hydropower and wind power segment as it is still under development stage and therefore CODM does not regard these segments as reportable segments. Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the CODM. Accordingly, reconciliation of segment profit to the Group's profit is not separately presented. During the six months ended 30 June 2019, solar power plants in the United Kingdom ("UK") were disposed and classified as a discontinued operation.

During the six months ended 30 June 2019, all of the Group's revenue from external customers from continuing operations were in the PRC.

The Group's non-current assets other than financial instruments and deferred tax assets by geographical area are as follows:

	Unaudited 30 June 2019 ***RMB'million***	Audited 31 December 2018 *RMB'million*
The PRC	**19,407**	19,768
The UK	**–**	528
Others	**12**	9
	19,419	20,305

For the six months ended 30 June 2019, there were four customers (2018: four) which individually contributed over 10% of the Group's total revenue from continuing operations. The revenue contributed from each of these customers was as follows:

	Unaudited For the six months ended 30 June	
	2019	2018
	RMB'million	*RMB'million*
Customer A	**239**	179
Customer B	**131**	138
Customer C	**124**	141
Customer D	**110**	112

4 FAIR VALUE GAIN/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	Unaudited For the six months ended 30 June	
	2019	2018
	RMB'million	*RMB'million*
		(Restated)
Call option issued relating to the acquisition of investments accounted for using equity method	**(7)**	(43)
Call option issued relating to the partial disposal of an investment accounted for using equity method	**23**	–
Unlisted investments	**(2)**	(36)
	14	(79)

5 FAIR VALUE LOSSES ON FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	Unaudited For the six months ended 30 June	
	2019	2018
	RMB'million	*RMB'million*
Put option issued relating to disposal of investments accounted for using equity method	**(15)**	–
Contingent consideration payables	**13**	–
	(2)	–

6 FINANCE COSTS

	Unaudited For the six months ended 30 June	
	2019	2018
	RMB'million	*RMB'million*
		(Restated)
In relation to bank and other borrowings		
Interest expenses	**558**	487
Loan facilities fee	**60**	89
	618	576
In relation to convertible bonds		
Interest accretion	**–**	70
Subsequent re-measurement gain on derivative portion	**–**	(7)
	–	63
In relation to lease liabilities		
Interest expenses	**4**	–
Total finance costs before interest capitalisation	**622**	639
Less: Interest capitalised	**–**	(11)
Total finance costs	**622**	628

7 INCOME TAX EXPENSE

The Group's operations in the PRC are subject to the corporate income tax law of the PRC (the "PRC Corporate Income Tax"). The standard PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions.

The income tax expense in the condensed consolidated statement of profit or loss represented:

	Unaudited For the six months ended 30 June	
	2019	2018
	RMB'million	*RMB'million*
Current income tax	**29**	19
Deferred income tax	**–**	–
	29	19

8 DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2019 (30 June 2018: Nil).

9 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share was calculated by dividing profit/(loss) from continuing operations and discontinued operation attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings/(loss) per share was calculated based on profit/(loss) from continuing operations and discontinued operation attributable to the equity holders of the Company and by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the six months ended 30 June 2019, the Group has two (2018: three) categories of dilutive and anti-dilutive potential ordinary shares: share options and warrants (2018: convertible bonds, share options and warrants with anti-dilutive impact).

For the share options and warrants, a calculation has been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options/warrants. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options/warrants. Certain share options and warrants were not assumed to be exercised as they would have an anti-dilutive impact to the loss attributable to the equity holders of the Company for the six months ended 30 June 2019 (2018: convertible bonds, share options and warrants).

The basic and diluted earnings/(loss) per share for the six months ended 30 June 2019 and 2018 were the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the periods were anti-dilutive.

	Unaudited For the six months ended 30 June	
	2019	2018 (Restated)
Earnings/(loss) (RMB'million)		
Earnings/(loss) attributable to the equity holders of the Company		
Continuing operations	**100**	(99)
Discontinued operation	**4**	12
	104	(87)
Weighted average number of ordinary shares in issue (million shares)	**12,754**	9,530
Basic and dilutive earnings/(loss) per share (RMB cents)		
Continuing operations	**0.78**	(1.04)
Discontinued operation	**0.03**	0.13
	0.81	(0.91)

10 TRADE, BILLS AND TARIFF ADJUSTMENT RECEIVABLES

	Unaudited 30 June 2019	Audited 31 December 2018
	RMB'million	*RMB'million*
Trade receivables	**89**	72
Tariff adjustment receivables	**3,763**	2,929
Trade and tariff adjustment receivables	**3,852**	3,001
Bills receivables	**418**	1,092
Trade, bills and tariff adjustment receivables	**4,270**	4,093

As at 30 June 2019, trade receivables of approximately RMB89 million (31 December 2018: RMB72 million) represented receivables from sales of electricity and are usually settled within three to twelve months.

Tariff adjustment receivables mainly represented the central government subsidies on renewable energy projects to be received from the State Grid Corporation of China and Inner Mongolia Power Company Limited based on the respective electricity sale and purchase agreements for each of the Group's solar plants and prevailing nationwide government policies.

As at 30 June 2019, the ageing analysis by invoice date of the trade and tariff adjustment receivables were as follows:

	Unaudited 30 June 2019	Audited 31 December 2018
	RMB'million	*RMB'million*
Current	**3,381**	2,535
1 – 30 days	**29**	63
31 – 60 days	**9**	39
61 – 90 days	**8**	36
91 – 180 days	**77**	91
181 – 365 days	**159**	103
Over 365 days	**189**	134
	3,852	3,001

11 SHARE CAPITAL

	Number of shares *(million)*	*RMB'million*
Ordinary shares of HK$0.10 each		
Authorised		
At 1 January 2019 and 30 June 2019	20,000	1,637
Issued and fully paid		
At 1 January 2019	9,530	803
Issue of shares through placement	5,721	482
At 30 June 2019	15,251	1,285

All shares issued during the six months ended 30 June 2019 rank pari passu in all respects with the existing shares of the Company.

On 21 March 2019, the Company issued an aggregate of 5,721,193,467 subscription shares at HK$0.3 for each subscription share through placement. The net proceeds from the share subscription amounted to approximately HK$798 million (equivalent to approximately RMB660 million) after setting-off against a loan of approximately HK$915 million (equivalent to approximately RMB784 million) from one of the subscribers.

12 BANK AND OTHER BORROWINGS

	Unaudited **30 June** **2019** ***RMB'million***	Audited 31 December 2018 *RMB'million*
Non-current	**13,453**	16,649
Current	**6,162**	5,423
	19,615	22,072

Movements in bank and other borrowings is analysed as follows:

	RMB'million
As at 1 January 2019	**22,072**
Amortisation of loan facilities fees	**38**
Disposal of subsidiaries	**(598)**
Proceeds from bank borrowings	**1,437**
Repayments of bank borrowings	**(1,683)**
Proceeds from loans from leasing companies	**255**
Repayments of loans from leasing companies	**(316)**
Proceeds from other loans	**211**
Repayments of other loans	**(308)**
Repayments of medium-term notes	**(34)**
Transfer from other payables	**25**
Setting off for share subscription	**(784)**
Setting off with bills receivable	**(718)**
Unamortised interest cost on pledged deposits	**24**
Exchange difference	**(6)**
As at 30 June 2019	**19,615**

Notes:

The effective interest rate for bank and other borrowings as at 30 June 2019 was 5.30% (31 December 2018: 5.31%).

13 DISCONTINUED OPERATION

On 19 March 2019, the Group entered into a sale and purchase agreement with an independent third party for disposing UK operation, which holds solar power plants with aggregate installed capacity of 82.4MW, for a cash consideration of approximately GP34 million (equivalent to approximately RMB297 million). The transaction was completed on 19 March 2019 and the UK operation is reported in the six months ended 30 June 2019 as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(a) Financial performance

	Unaudited For the six months ended 30 June	
	2019	2018
	RMB'million	*RMB'million*
Sales of electricity	**–**	16
Tariff adjustment	**–**	27
Revenue	**–**	43
Legal and professional fees	**–**	(2)
Maintenance costs	**–**	(3)
Other expenses	**–**	(1)
EBITDA	**–**	37
Depreciation	**–**	(21)
Finance costs	**–**	(4)
Profit before income tax	**–**	12
Income tax expenses	**–**	–
Profit after tax from discontinued operation	**–**	12
Gain on disposal	**4**	–
Profit for the period from discontinued operation	**4**	12
Attributable to:		
Equity holders of the Company	**4**	12
Non-controlling interests	**–**	–
	4	12

(b) Cash flow information

	Unaudited For the six months ended 30 June 2019 *RMB'million*	2018 *RMB'million*
Net cash generated from operating activities	**–**	10
Net cash generated from investing activities	**–**	–
Net cash used in financing activities	**–**	(12)
	–	(2)

(c) Net gain on disposal

For the six months ended 30 June 2019

	RMB'million
Net consideration	
Cash	**297**
Contingent consideration	**1**
Less: Direct expenses – Legal and professional fees	**(17)**
	281
Carrying amount of net assets disposed:	
Property, plant and equipment	**(877)**
Right-of-use assets	**(31)**
Deferred tax assets	**(2)**
Pledged bank deposits	**(4)**
Trade receivables	**(15)**
Other receivables, prepayments and deposits	**(2)**
Amounts due from group companies	**(3)**
Cash and cash equivalents	**(47)**
Deferred tax liabilities	**62**
Lease liabilities	**31**
Financial liability – interest rate swap	**11**
Bank and other borrowings	**598**
Other payables and accruals	**11**
Amounts due to group companies	**1**
	(267)
Gain on disposal before reclassification of reserve	**14**
Reclassification of other reserve	**(11)**
Reclassification of translation reserve	**1**
Net gain on disposal	**4**

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the Period, the Company has applied the principles and complied with all the applicable code provisions of the corporate governance code as set out in Appendix 14 to the Listing Rules.

NON-COMPLIANCE WITH RULE 3.10A OF THE LISTING RULES

Following the resignation of Mr. Ma Kwong Wing as an independent non-executive Director of the Company on 13 December 2018, the number of independent non-executive Directors of the Company fell below one-third of the members of the Board as required under Rule 3.10A of the Listing Rules. On 21 January 2019, Mr. Chen Hongsheng was appointed as an independent non-executive Director of the Company to fill the vacancy left by Mr. Ma Kwong Wing. Thereafter, the number of independent non-executive Directors of the Company fulfilled the requirement under Rule 3.10A of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry of all the Directors, the Company confirmed that all the Directors have complied with the requirements set out in the Model Code and the Company's relevant policies throughout the Period.

AUDIT COMMITTEE

This interim results of the Group for the Period have been reviewed by the Company's audit committee comprising three members, including two independent non-executive Directors, namely Mr. Kwan Kai Cheong and Mr. Yen Yuen Ho, Tony, and one non-executive Director, namely Mr. Wang Heng.

INTERIM DIVIDEND

No interim dividend for the Period has been declared by the Board, and the register of members of the Company will not be closed for that purpose.

APPRECIATION

The Board would like to take this opportunity to thank every stakeholder of the Company for their contributions to the Group during the Period under review.

For and on behalf of
Panda Green Energy Group Limited
Lu Zhenwei
Chairman of the Board

Hong Kong, 30 August 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.