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IRICO

彩虹集團新能源股份有限公司
IRICO GROUP NEW ENERGY COMPANY LIMITED*

(formerly known as 彩虹集團電子股份有限公司 (IRICO Group Electronics Company Limited))*
(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0438)

2015 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") and all the directors (the "**Directors**") of IRICO Group New Energy Company Limited* (the "**Company**") announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2015, together with the comparative figures for the year of 2014, as follows. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this announcement are consistent with the amounts set out in the audited consolidated financial statements of the Group for the same year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	**2015** **RMB'000**	2014 RMB'000 (Restated)
Continuing operations			
Turnover	4	**1,485,918**	2,058,719
Cost of sales		**(1,453,783)**	(2,030,067)
Gross profit		**32,135**	28,652
Gain on disposal of subsidiaries		**–**	119,396
Gain on disposal of associates		**–**	81,864
Other operating income	6	**56,475**	80,161
Selling and distribution costs		**(64,631)**	(48,636)
Administrative expenses		**(168,937)**	(173,812)
Other operating expenses		**(11,464)**	(37,139)
Finance costs	7	**(106,341)**	(139,534)
Impairment loss recognised in respect of the available-for-sale financial asset		**(276,831)**	–
Impairment loss recognised in respect of property, plant and equipment		**–**	(425,685)
Impairment loss recognised in respect of interests in associates		**(40,145)**	–
Share of loss of associates		**(174)**	(32,091)
Loss before tax		**(579,913)**	(546,824)
Income tax expense	8	**(297)**	(1,293)
Loss for the year from continuing operations	9	**(580,210)**	(548,117)
Discontinued operation			
Profit (loss) for the year from discontinued operation	14	**1,105,862**	(1,144,225)
Profit (loss) for the year		**525,652**	(1,692,342)

	NOTES	2015 RMB'000	2014 RMB'000 (Restated)
(Loss) profit for the year attributable to the owners of the Company:			
– from continuing operations		**(577,774)**	(694,388)
– from discontinued operation		**1,221,770**	(119,892)
		643,996	(814,280)
(Loss) profit for the year attributable to non-controlling interests:			
– from continuing operations		**(2,436)**	146,271
– from discontinued operation		**(115,908)**	(1,024,333)
		(118,344)	(878,062)
		525,652	(1,692,342)
(Loss) earnings per share – Basic and diluted			
– from continuing operations		**(0.26)**	(0.31)
– from discontinued operation		**0.55**	(0.05)
– from continuing and discontinued operations	11	**0.29**	(0.36)

	NOTES	**2015**	2014
		RMB'000	*RMB'000*
			(Restated)
Profit (loss) for the year		**525,652**	(1,692,342)
Other comprehensive income (expense):			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		**172**	185
Available-for-sale financial assets:			
– Changes in fair value		**(276,831)**	–
– Reclassified to profit or loss due to disposal		**10,157**	–
– Reclassified to profit or loss due to impairment losses		**266,674**	–
Share of exchange reserve of an associate		**–**	(239)
Other comprehensive income (expense) for the year		**172**	(54)
Total comprehensive income (expense) for the year		**525,824**	(1,692,396)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**644,168**	(814,334)
Non-controlling interests		**(118,344)**	(878,062)
		525,824	(1,692,396)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	NOTES	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment		**1,211,724**	6,488,813
Investment properties		**7,164**	10,194
Leasehold land and land use rights		**114,237**	206,200
Intangible assets		**24,981**	28
Interests in associates		**31,721**	72,040
Available-for-sale financial assets		**483,378**	–
Deposits paid for acquisition of property, plant and equipment		**–**	267
		1,873,205	6,777,542
Current assets			
Inventories		**130,618**	232,121
Trade and bills receivables	12	**618,088**	544,165
Other receivables, deposits and prepayments		**184,754**	945,783
Tax recoverable		**3,140**	3,140
Restricted bank balances		**95,105**	12,400
Bank balances and cash		**252,596**	255,862
		1,284,301	1,993,471
Non-current assets classified as held for sale		**–**	3,663
		1,284,301	1,997,134
Current liabilities			
Trade and bills payables	13	**642,944**	694,325
Other payables and accruals		**499,507**	716,488
Tax payables		**850**	1,001
Bank and other borrowings – due within one year		**1,466,365**	4,096,603
Termination benefits		**46,292**	56,187
		2,655,958	5,564,604
Net current liabilities		**(1,371,657)**	(3,567,470)
Total assets less current liabilities		**501,548**	3,210,072

	NOTES	**2015** ***RMB'000***	2014 *RMB'000*
Share capital and reserves			
Share capital		**2,232,349**	2,232,349
Other reserves		**936,297**	1,565,585
Accumulated losses		**(3,126,483)**	(4,399,939)
Equity attributable to owners of the Company		**42,163**	(602,005)
Non-controlling interests		**86,090**	1,238,581
Total equity		**128,253**	636,576
Non-current liabilities			
Bank and other borrowings – due after one year		**226,620**	2,096,906
Deferred income		**102,246**	396,789
Termination benefits		**37,197**	72,569
Deferred tax liabilities		**7,232**	7,232
		373,295	2,573,496
		501,548	3,210,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. GENERAL

IRICO Group New Energy Company Limited (formerly known as IRICO Group Electronics Company Limited) (the "**Company**") was established in the People's Republic of China (the "**PRC**") on 10 September 2004 as a joint stock company with limited liability under the Company Law of the PRC. The Company's shares were listed on Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 December 2004. The addresses of its registered office and principal place of business are No. 1 Caihong Road, Xianyang, Shaanxi Province, the PRC.

The Company and its subsidiaries (collectively referred to as the "**Group**") are engaged in the manufacturing and trading of luminous materials, liquid crystal related products, solar photovoltaic glass and others.

The directors of the Company consider that IRICO Group Corporation ("**IRICO Group**") is the Company's parent company and the ultimate holding company is China Electronics Corporation ("**CEC**"), a state-owned enterprise established in the PRC.

The consolidated financial statements are presented in Renminbi ("**RMB**") which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The Group reported a loss from continuing operations of approximately RMB580,210,000 for the year ended 31 December 2015. The Group had net current liabilities of approximately RMB1,371,657,000 as at 31 December 2015. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from the end of the reporting period given that:

(i) IRICO Group Corporation, the parent company of the Company, has sufficient financial capability and will actively provide financial support to the Group to meet the Group's liabilities and commitments as and when it falls due;

(ii) the directors of the Company anticipate that the Group and the Company will maintain adequate cash flows for its operations and existing investments or financing needs; and

(iii) the senior management amins to maintain flexibility in funding by keeping committed credit lines available.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group and the Company be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts and to provide for further liabilities which might arise and to reclassify non-current assets as current assets. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of New, Revised Standards and Interpretations

The Group has applied the following new, revised HKFRSs and new Interpretations ("**Int**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statement.

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on the Group's consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]
Amendment to HKAS 1	Disclosure Initiative[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]

[1] Effective for annual periods beginning on or after 1 January 2016.
[2] Effective for annual periods beginning on or after 1 January 2018.
[3] Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of the new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

Annual Improvement to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012-2014 Cycle will have a material effect on the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities and due to unforeseeable future development of the Group. It is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Contract Revenue from Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

(i) Identify the contract with the customer;

(ii) Identify the performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

(i) at cost;

(ii) in accordance with HKFRS 9 (or HKAS 39); or

(iii) using the equity method as described in HKAS 28.

The amendments to HKAS 27 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

The directors of the Company do not anticipate that the application of HKAS 27 will have a material impact on the amounts reported and disclosures made in the financial statements,

4. TURNOVER

Turnover represents revenue arising from sales of solar photovoltaic glass products, luminous materials, liquid crystal related products and others.

5. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chief executive officer, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of goods. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

An operating segment regarding the TFT-LCD glass substrate and display devices production and sales business was discontinued in current year as a result of disposal of IRICO Display Devices Co., Ltd. ("**A Share Company**").

The operating segment regarding the CPTs production and sales business was being deteriorated and included in others in current year.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Luminous materials production and sales

2. Liquid crystal related products production and sales

3. Solar photovoltaic glass production and sales

4. Others

Information regarding the above segments is reported below.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2015

	Luminous materials production and sales *RMB'000*	**Liquid crystal related products production and sales** *RMB'000*	**Solar photovoltaic glass production and sales** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Continuing operations					
REVENUE					
External sales	**192,330**	**723,862**	**568,554**	**1,172**	**1,485,918**
Segment (loss) profit	**(5,630)**	**(3,468)**	**(36,375)**	**(565)**	**(46,038)**
Unallocated income					**41,017**
Unallocated expenses					**(191,546)**
Impairment loss recognised in respect of the available-for-sale financial asset					**(276,831)**
Finance costs					**(106,341)**
Share of loss of associates					**(174)**
Loss before tax					**(579,913)**

For the year ended 31 December 2014

	Luminous materials production and sales *RMB'000*	Liquid crystal related products production and sales *RMB'000*	Solar photovoltaic glass production and sales *RMB'000*	Others *RMB'000*	Total *RMB'000* (Restated)
Continuing operations					
REVENUE					
External sales	277,418	1,349,269	424,924	7,108	2,058,719
Segment profit (loss)	(28,715)	142,575	(29,765)	(125,047)	(40,952)
Unallocated income					52,866
Unallocated expenses					(588,373)
Gain on disposal of subsidiaries					119,396
Gain on disposal of an associate					81,864
Finance costs					(139,534)
Share of loss of associates					(32,091)
Loss before tax					(546,824)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss/profit represents the loss from/profit earned by each segment without allocation of central administration costs, depreciation of investment properties, directors' salaries, share of loss of associates, rental income, dividend income from available-for-sale investment, interest income and finance costs, gain on disposals of an associate, subsidaires, available-for-sale investment and interest income. This is the measure reported to the chief executive officer with respect to the resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	2015 *RMB'000*	2014 *RMB'000* (Restated)
Luminous materials production and sales	**383,138**	402,742
Liquid crystal related products production and sales	**255,806**	278,823
Solar photovoltaic glass production and sales	**1,528,817**	1,549,563
Others	**123,805**	67,097
Total segment assets	**2,291,566**	2,298,225
Assets relating to discontinued operation	**–**	5,636,766
Unallocated assets	**865,940**	839,685
Consolidated total assets	**3,157,506**	8,774,676

Segment liabilities

	2015 *RMB'000*	2014 *RMB'000* (Restated)
Luminous materials production and sales	**115,355**	151,391
Liquid crystal related products production and sales	**74,299**	167,533
Solar photovoltaic glass production and sales	**884,662**	609,345
Others	**68,134**	54,032
Total segment liabilities	**1,142,450**	982,301
Liabilities relating to discontinued operation	**–**	1,452,156
Unallocated liabilities	**1,886,803**	5,703,643
Consolidated total liabilities	**3,029,253**	8,138,100

For the purposes of monitoring segment performance and allocating resources between segments:

— all assets are allocated to operating segments other than interests in associates, investment properties, available-for-sale financial assets, restricted bank balances, tax recoverable, bank balances and cash and certain unallocated head office assets. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual reportable segments; and

— all liabilities are allocated to operating segments other than tax payables, deferred tax liabilities, bank and other borrowings, obligations under finance leases, liabilities for cash-settled share-based payment and certain unallocated head office liabilities. Liabilities for which operating segments are jointly liable are allocated in proportion to segment assets.

Geographical information

The Group's operation is located in the PRC (country of domicile).

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations as below:

	2015	2014
	RMB'000	*RMB'000*
The PRC (excluding Hong Kong)	**1,451,434**	1,742,319
Hong Kong	**314**	134,225
Other countries	**34,170**	182,175
	1,485,918	2,058,719

An analysis of non-current assets excluding financial instruments by geographical location in which the assets are located has not been presented as the Group's non-current assets are all located in the PRC.

Information about major customers

The Group has identified one customer (2014: one) which individually represented over 10% of the Group's total external sales.

The sales to the major customer during the years are as follows:

	2015	2014
	RMB'000	*RMB'000*
Customer A[1]	**265,014**	394,117

[1] Revenue from production of liquid crystal related products.

6. OTHER OPERATING INCOME

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Gain on disposal of property, plant and equipment	**2,697**	16,335
Gain on disposal of non-current assets classified as held for sale	**5,998**	–
Interest income	**7,803**	9,068
Gain on sales of raw materials, scraps and packaging materials	**4,456**	16,638
Reversal of allowance for doubtful debts of trade and other receivables	**–**	4,812
Rental income *(Note a)*	**18,310**	9,041
Amortisation of deferred income on government grants received	**13,777**	14,817
Others	**3,434**	9,450
	56,475	80,161

Notes:

(a) The direct operating expenses from investment properties that generated rental income amounted to approximately RMB290,000 (2014: RMB662,000) for the year ended 31 December 2015.

7. FINANCE COSTS

	2015 *RMB'000*	2014 *RMB'000* (Restated)
Continuing operations		
Interest on:		
Bank and other borrowings	**58,585**	129,986
Discounted trade receivables to banks	**289**	859
Termination benefits	**2,315**	4,216
Obligations under finance leases	**–**	1,767
Amount due to parent company	**45,152**	2,706
Total borrowing costs	**106,341**	139,534

8. INCOME TAX EXPENSE

	2015 *RMB'000*	2014 *RMB'000* (Restated)
Continuing operations		
PRC Enterprise Income Tax		
Current tax	**297**	1,772
Deferred tax	**–**	(479)
Income tax expense	**297**	1,293

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong for both year ended 31 December 2015 and 2014.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of certain subsidiaries of the Group in the PRC is 25%.

9. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging (crediting):

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Cost of inventories recognised as an expense	**1,447,291**	2,030,067
Depreciation for property, plant and equipment	**34,762**	129,269
Depreciation for investment properties	**640**	1,335
Amortisation of leasehold land and land use rights	**3,023**	570
Amortisation of intangible assets	**2,804**	71
Allowance for doubtful debts of trade and other receivables (included in administrative expenses)	**8,874**	1,398
Research and development costs recognised as an expense	**3,208**	4,134
Allowance for inventories (included in other operating expenses)	**3,362**	23,509
Operating lease rentals in respect of leasehold land and land use rights	**2,661**	2,782
Operating lease rentals in respect of property, plant and equipment	**14,964**	14,922
Net foreign exchange losses	**49**	59
Provision for warranty	**3,904**	2,916
Cash-settled share-based payments expense	**–**	123
Legal compensation *(Note)*	**14,849**	–
Auditor's remuneration	**2,520**	2,645
Share of tax of associates (included in share of loss of associates)	**16**	15

Note: The amount represents a compensation for breach of contract for acquisition of equity interest of an associated company. Shares with a worth of approximately RMB14,849,000 has been transferred to settle the amount.

10. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: nil).

11. EARNINGS (LOSS) PER SHARE

(a) For continuing and discontinued operations

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	2015	2014
Profit (loss) for the year attributable to the owners of the Company *(RMB'000)*	**643,996**	(814,280)
Weighted average number of ordinary shares in issue *('000 shares)*	**2,232,349**	2,232,349

For continuing operations

The calculation of basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

Profit (loss) figures are calculated as follows:

	2015 ***RMB'000***	2014 ***RMB'000***
Profit (loss) for the year attributable to the owners of the Company	**643,996**	(814,280)
Less: profit (loss) for the year from discontinued operation	**1,221,770**	(119,892)
Loss for the purpose of basic and diluted loss per share from continuing operations	**(577,774)**	(694,388)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For discontinued operation

Basic and diluted earnings per share for the discontinued operation is RMB0.55 per share (2014: loss of approximately RMB0.05 per share), based on the profit for the year attributable to the owners of the Company from the discontinued operation of RMB1,221,770,000 (2014: loss of approximately RMB119,892,000) and the denominators detailed above for both basic and diluted earnings (loss) per share.

Diluted earnings (loss) per share was the same as the basic earnings (loss) per share for both continuing and discontinued operations as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2015 and 2014.

12. TRADE AND BILLS RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables		
— third parties	**467,226**	419,907
— related parties	**10,755**	30,906
	477,981	450,813
Less: allowance for doubtful debts	**(17,289)**	(9,735)
Trade receivables — net	**460,692**	441,078
Trade bills receivables		
— third parties	**157,396**	103,087
Total trade and bills receivables	**618,088**	544,165

The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

The Group allows an average credit period of 90 days (2014: 90 days) to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates are as follows:

	2015	2014
	RMB'000	*RMB'000*
0 to 90 days	**349,625**	367,481
91 to 180 days	**121,801**	140,592
181 to 365 days	**92,902**	32,444
Over 365 days	**53,760**	3,648
	618,088	544,165

13. TRADE AND BILLS PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables		
— third parties	**275,096**	580,340
— related parties	**189,058**	53,939
	464,154	634,279
Trade bills payables		
— third parties	**178,790**	55,046
— related parties	**–**	5,000
	178,790	60,046
Total trade and bills payables	**642,944**	694,325

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period.

	2015	2014
	RMB'000	*RMB'000*
0 to 90 days	**417,565**	439,933
91 to 180 days	**78,368**	43,884
181 to 365 days	**120,837**	144,102
Over 365 days	**26,174**	66,406
	642,944	694,325

The average credit period on purchases of goods is 90 days (2014: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

14. DISCONTINUED OPERATION

On 6 February 2015, the Group entered into a sale agreement to dispose of a subsidiary, A Share Company, and its subsidiaries, which carried out all of the Group's TFT-LCD glass substrate and display devices production and sales. The disposal was completed on 29 May 2015. Its results are presented in this consolidated financial statements as a discontinued operation.

The profit (loss) for the year from the discontinued operation is analysed as follows:

	2015	2014
	RMB'000	*RMB'000*
Loss of TFT-LCD glass substrate and display devices production and sales for the year	**(202,219)**	(1,144,225)
Gain on disposal of TFT-LCD glass substrate and display devices production and sales	**1,308,081**	–
	1,105,862	(1,144,225)

The results of the TFT-LCD glass substrate and display devices production and sales for the period from 1 January 2015 to 29 May 2015, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	2015	2014
	RMB'000	*RMB'000*
Turnover	**75,691**	159,558
Cost of sales	**(89,635)**	(232,949)
Other operating income	**3,062**	29,800
Selling and distribution costs	**(23,989)**	(32,058)
Administrative expenses	**(57,832)**	(195,242)
Other operating expenses	**(24,450)**	(50,970)
Impairment loss recognised in respect of property, plant and equipment	**–**	(684,960)
Finance costs	**(85,066)**	(137,404)
Loss before tax	**(202,219)**	(1,144,225)
Income tax expenses	**–**	–
Loss for the period from discontinued operation	**(202,219)**	(1,144,225)

Profit (loss) for the year from discontinued operation include the following:		
Allowance for inventories (included in other operating expenses)	**24,364**	9,313
Depreciation for property, plant and equipment	**66,051**	47,314
Depreciation for investment properties	**59**	158
Amortisation of leasehold land and land use rights	**853**	2,046
Amortisation of intangible assets	**–**	117
Provision for warranty	**4,671**	5,941
Interest income	**(83)**	(3,857)
Allowance for doubtful debts of trade and other receivables (included in administrative expenses)	**31**	2,574
Gain on disposal on property, plant and equipment	**(714)**	(634)
Employee benefit expenses	**18,848**	154,996

EXTRACT FROM INDEPENDENT AUDIT REPORT PREPARED BY THE INDEPENDENT AUDITOR

The Group would like to provide an extract from the independent audit report prepared SHINEWING (HK) CPA Limited (the independent auditor) on the Group's annual financial statements for the year ended 31 December 2015 as set out below:

Emphasis of matter

Without qualifying our opinion, we draw attention to the consolidated financial statements which indicates that the Group had net current liabilities of approximately RMB1,371,657,000 as at 31 December 2015 and incurred loss from continuing operations of approximately RMB580,210,000 for the year ended 31 December 2015. These conditions as set out in the consolidated financial statements indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

RESULTS AND DIVIDEND

In 2015, the sales of the Group were RMB1,485,918,000 with a year-on-year decrease of RMB572,801,000; the gross profit was RMB32,135,000 with a year-on-year growth of RMB3,483,000; the gross profit rate was 2.16% with a year-on-year growth of 0.77% (2014: 1.39%); the interests attributable to equity holders were RMB644,168,000 while the losses in the same period of the previous year were RMB814,344,000 and the main reason is that 13.5% of the equity interest in IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司) ("**A Share Company**") were sold with the proceeds of RMB1,308,081,000.

The Company's dividend policy will remain unchanged. In light of the absence of accumulated surplus in 2015, the Board has decided not to distribute any final dividend for the year ended 31 December 2015, which is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting.

BUSINESS REVIEW AND FUTURE PROSPECTS

During the reporting period, the Group actively enhanced the development of the solar photovoltaic and new materials business and increased their respective market shares.

During the reporting period, the Group completed the disposal of 13.5% equity interest in A Share Company and ceased to have de facto control on A Share Company, and the financial results of which would not be consolidated into the accounts of the Group. The Group will focus on the development of new energy, new materials and other relevant businesses.

Business Review

(1) Solar photovoltaic business

The Group has established an industrial chain which is comprised of the quartz sand as the upstream, the solar photovaltaic glass, and the photovaltaic power station as the downstream.

- **Solar photovoltaic glass**

  During the reporting period, the solar photovoltaic glass business of the Group experienced rapid growth. The Xianyang Photovoltaic Glass Plant implemented a series of measures including increasing the discharging quantity of furnace, improving productivity, improving rate of good product, innovating sales patterns, strengthening the management and control of sales process, etc., resulting in significant increase in volumes of production and sales. The volumes of production and sales respectively increased by 38% and 62% as compared with the same period last year. During the reporting period, the Hefei Photovoltaic Glass Project of the Group was successfully ignited and put into operation. The daily discharging quantity of its furnace reached 750t, being the largest photovoltaic glass furnace that operates under oxygen-fuel combustion conditions in China. The production capacity of solar photovoltaic glass of the Group ranks top 3 in China.

- **Solar photovoltaic power station**

  During the reporting period, the Hefei 12MW Photovoltaic Power Station of the Group was accepted upon successful connection to the grid, and put into operation. New photovoltaic power station businesses are currently in progress.

- **Quartz sand processing**

  During the reporting period, the Group successfully acquired a quartz sand mine by acquiring 51% equity interest of Hanzhong Jiarunze Mining Development Co., Ltd. Meanwhile, the Group constructed a sand processing plant to lower the production cost of photovoltaic glass and extend its industrial chain.

(2) New materials

During the reporting period, the energy-saving lamp phosphors business of the Group continued to decrease following the continuous shrinkage of the industry. Businesses including lithium battery anode materials, electronic silver paste, etc. continued on a positive upward path. The project for expansion and renovation of lithium battery anode materials was successfully completed. In the same time, efforts were made to extend to upstream materials for panel displays including photoresists, indium tin oxides (“**ITO**”) targets, etc.

(3) Trading and other businesses

During the reporting period, the Group ensured steady operation of the trading and other businesses.

Future Prospects

Looking into 2016, the Group will further enhance the development of the new energy business such as the solar photovoltaic glass and solar photovoltaic power station, and in the mean time, vigorously develop new materials business to drive the development of the Group.

The Group will constructively build photovoltaic power station resources of high quality and make every effort to complete a 1GW-2GW photovoltaic power station project within the 13th Five-Year Plan for National Economic and Social Development. Solar photovoltaic power stations will enable the Group to become the leader of the industry of solar photovoltaic power station.

In terms of solar photovoltaic glass, on the basis of improving the production level and competitiveness of the photovoltaic glass plants in Xianyang and Hefei by adopting a series of developments and researches as well as effective management measures, the Group will invest in due course in new solar photovoltaic glass projects to guarantee the strong competitive edge of such business.

In terms of new materials, the Group will continue to advance the scale operation of lithium battery anode materials and keep exploring the materials in relation to the liquid crystal displays ("**LCDs**") including photoresists, ITO targets, etc., ensuring the supply of products meeting the needs of the LCD sector belonging to CEC, a controlling shareholder of the Group.

In 2016, the Group will further the adjustment and optimization of its assets structure, liquidize its remnant assets, strip off the inefficient assets, improve the liability structure and be more focused on the main business.

FINANCIAL REVIEW

(1) Overall performance

- *Turnover and gross profit margin*

  In 2015, the Group recorded a sales of RMB1,485,918,000, representing a decrease of RMB572,801,000, or 27.82% from the same period of 2014. In particular, sales of luminous materials amounted to RMB192,330,000, representing a decrease of RMB85,088,000 or 30.67% from the same period of 2014; sales of liquid crystal related products amounted to RMB723,862, 000, representing an decrease of RMB625,407,000 or 46.35% from the same period of 2014; sales of solar photovoltaic glass amounted to RMB568,554,000, representing an increase of RMB143,630,000 or 33.80% from the same period of 2014; others amounted to RMB1,172,000, representing a decrease of RMB5,936,000 or 83.52% from the same period of 2014. The overall gross profit margin of the Group increased from a gross profit margin of 1.39% in 2014 to a gross loss of 2.16% in 2015, which was mainly attributable to the increase in the sales volume of photovoltaic glass products during the reporting period.

- *Administrative expenses*

  The Group's administrative expenses for 2015 decreased by RMB4,875,000, or 2.80%, to RMB168,937,000 from RMB173,812,000 in the corresponding period of 2014. The decrease in administrative expenses was mainly due to the actual progress made in enhancing expense management and control by the Company.

- *Finance costs*

  The Group's finance costs included in profit and loss for 2015 was RMB106,341,000 (net of interest expense capitalized amounting to RMB12,409,000), representing an decrease of RMB33,193,000, or 23.79%, from RMB139,534,000 in the corresponding period of 2014. The decrease in finance costs was mainly attributable to the decrease of borrowings during the year as compared to that for 2014.

(2) Current assets and financial resources

As at 31 December 2015, the Group's cash and bank balances amounted to RMB252,596,000, representing a decrease of 1.28% from RMB255,862,000 as at 31 December 2014. As at 31 December 2015, the Group's total borrowings were RMB1,692,985,000, of which borrowings due within one year amounted to RMB1,466,365,000 and borrowings due beyond one year amounted to RMB226,620,000. As at 31 December 2014, the total borrowings were RMB6,193,509,000, of which borrowings due within one year amounted to RMB4,096,603,000 and borrowings due beyond one year amounted to RMB2,096,906,000.

As at 31 December 2015, the Group's bank loans amounting to approximately RMB52,000,000 (31 December 2014: RMB2,224,554,000) were secured by certain properties, plants and equipment, land use rights and inventories of the Group with an aggregate net carrying amount of approximately RMB14,720,000 (31 December 2014: RMB2,732,001,000). As at 31 December 2015, the bank loans guaranteed by the Company's ultimate holding company amounted to approximately RMB441,620,000 (31 December 2014: RMB557,765,000).

For the year ended 31 December 2015, the turnover days for trade receivables of the Group were 151 days, representing an increase of 55 days as compared to 96 days for the year ended 31 December 2014, which was mainly attributable to the decreased number of days by enhancement of control over solar photovoltaic glass, lower cost of liquid crystal related products and shrinking of luminous materials markets. For the year ended 31 December 2015, the inventory turnover days of the Group were 32 days, representing a decrease of 9 days from 41 days for the year ended 31 December 2014, which was mainly attributable to the management and control over the inventory by the Company to consume its stock, and reasonably carrying out materials procurement and production, thus the scale of inventory was effectively controlled.

(3) Capital structure

As at 31 December 2015, the Group's borrowings were mainly denominated in Renminbi and US dollars, while its cash and bank balances were mainly denominated in Renminbi, Hong Kong dollars and US dollars. The Group intends to maintain a suitable ratio of share capital to liabilities, to ensure an effective capital structure. As at 31 December 2015, the liabilities (including bank borrowings and finance lease commitments) of the Group totalled RMB1,692,985,000 (31 December 2014: RMB6,193,509,000); cash and bank balances were RMB252,596,000 (31 December 2014: RMB255,862,000); and the gearing ratio (i.e. total liabilities divided by total assets) was 96% (31 December 2014: 93%).

(4) Foreign exchange risk

The Group's income and most of its expenses are denominated in Renminbi and US dollar. For the 12 months ended 31 December 2015, the operating cost of the Group increased by RMB49,000 (31 December 2014: RMB59,000) as a result of exchange rate fluctuations.

(5) Commitments

As at 31 December 2015, capital expenditure commitments of the Group amounted to RMB4,138,000 (31 December 2014: RMB1,003,936,000), which were mainly financed by the Group's working capital.

(6) Contingent liabilities

As at 31 December 2015, the Group had no material contingent liability.

(7) Pledged assets

As at 31 December 2015, the bank loans amounted to approximately RMB52,000,000 (31 December 2014: RMB2,224,554,000), which were secured by certain properties, plants, equipment, land use rights and inventories of the Group with a net carrying amount of approximately RMB14,720,000 (31 December 2014: RMB2,732,001,000).

PURCHASE, REDEMPTION AND SALE OF SHARES OF THE COMPANY

Neither has the Company nor any of its subsidiaries purchased, redeemed or sold any shares of the Company during this reporting period.

MATERIAL LITIGATION

As at 31 December 2015, the Directors were not aware of any new litigation or claim of material importance pending or proposed against any member of the Group save as the claims brought by Fanshawe College against the Company and the A Share Company, claims by Curtis Saunders against the Company and the A Share Company as set out in the Company's circular to its shareholders dated 21 April 2015.

During the reporting period, the pending litigations which have been disclosed before had no progress. The Directors consider that such cases have no material impact on the financial statements of the Group for the year ended 31 December 2015. For details of such cases, please refer to the circular to the shareholders of the Company dated 21 April 2015.

DESIGNATED DEPOSIT AND OVERDUE TIME DEPOSIT

As at 31 December 2015, the Group had no designated deposits in any financial institutions in China. All of the Group's bank deposits are placed with commercial banks in China, and are in compliance with the relevant laws and regulations. There were also no instances where the Group had failed to collect any of the time deposits upon maturity.

CODES OF CORPORATE GOVERNANCE PRACTICES

The Board has reviewed the Company's corporate governance documents adopted by the Company and is of the view that such documents are in compliance with the principles and code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Listing Rules.

The Directors are not aware of any information that would reasonably reflect the non-compliance of the Company or any of its Directors with the Code at any time in the year ended 31 December 2015. The Board considers that the Company has fully complied with the principles and code provisions set out in the Code during the reporting period.

AUDIT COMMITTEE

In compliance with the provisions set out in the Code, the Company established an audit committee.

The Board adopted all contents set out in code provision C.3.3 of the Code as the terms of reference of the Audit Committee. The Audit Committee has considered and reviewed the accounting standards and methods adopted by the Company and other matters relating to auditing, internal control and financial reporting, including the audited consolidated financial statements for the year ended 31 December 2015.

MATERIAL ACQUISITION AND DISPOSAL

On 6 February 2015, the Company entered into an agreement with Xianyang Zhongdian IRICO Group Holdings Ltd. ("**Xianyang IRICO**"), pursuant to which, the Company conditionally agreed to sell, and Xianyang IRICO conditionally agreed to acquire the 99,460,000 shares of A Share Company (accounting for approximately 13.5% of the total issued share capital of A Share Company) at a cash consideration of RMB897,129,200 (i.e. RMB9.02 per share). The above mentioned disposal was approved by the independent shareholders of the Company on 13 May 2015 and subsequently filed with and approved by the State-owned Assets Supervision and Administration Commission of the State Council. The disposal has been completed within the reporting period, and the Company ceased to have de facto control on A Share Company, the financial results of which would not be consolidated into the accounts of the Company. For details, please refer to the circular of the Company dated 21 April 2015.

During the reporting period, save as disclosed in this announcement, the Company did not have any other material acquisition or disposal of subsidiaries and associated companies.

EVENTS AFTER THE REPORTING PERIOD

(1) Change of Company name

On 24 September 2015, the Board proposed to change the Chinese name of the Company from "**彩虹集團電子股份有限公司**" to "**彩虹集團新能源股份有限公司**" and the English name of the Company from "**IRICO GROUP ELECTRONICS COMPANYLIMITED***" to "**IRICO GROUP NEW ENERGY COMPANY LIMITED***". The special resolution in respect of the change of the name of the Company was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 13 November 2015.

In respect of the change of the name of the Company as mentioned above, the Company has completed all registration procedures at Shaanxi Provincial Administration for Industry and Commerce and the Companies Registry of Hong Kong. The Company has received the new business license dated 28 January 2016 issued by Shaanxi Provincial Administration for Industry and Commerce and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company dated 10 March 2016 issued by the Companies Registry of Hong Kong.

The change of the name of the Company will not affect any right of the securities holders of the Company nor affect the ordinary business operation and/or financial position of the Company. For the details on the change of the name of the Company, please refer to the circular of the Company dated 16 October 2015 and the announcements of the Company dated 4 February 2016 and 18 March 2016.

(2) Change of business scope

On 24 September 2015, in order to satisfy the business development demand of the Company, the Board proposed to make proper amendments to the business scope of the Company. The special resolution in respect of the change of the business scope of the Company was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 13 November 2015. In respect of the change of the business scope of the Company as mentioned above, the Company has completed all registration procedures at Shaanxi Provincial Administration for Industry and Commerce in February 2016.

For the details on the change of the business scope of the Company, please refer to the circular of the Company dated 16 October 2015.

(3) Amendments to Articles of Association

Due to the change of the name and business scope of the Company and the adjustment to the Board, on 24 September 2015, the Board proposed to amend the Articles of Association ("**Articles of Association**") of the Company. The special resolution in respect of the amendments to the Articles of Association was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 13 November 2015. In respect of the change of the Articles of Association as mentioned above, the Company has completed all registration procedures at Shaanxi Provincial Administration for Industry and Commerce in February 2016.

For the details on the amendments to the Articles of Association, please refer to the circular of the Company dated 16 October 2015.

PUBLICATION OF THE ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The 2015 annual report of the Company will be published on the Company's website at http://www.irico.com.cn and the website of the Stock Exchange in due course.

By order of the Board
IRICO Group New Energy Company Limited*
Si Yuncong
Chairman

Shaanxi Province, the PRC
18 March 2016

As at the date of this announcement, the Board consists of Mr. Si Yuncong and Mr. Zou Changfu as executive Directors, Mr. Huang Mingyan and Mr. Jiang Ahe as non-executive Directors, and Mr. Feng Bing, Mr. Wang Jialu and Mr. Wang Zhicheng as independent non-executive Directors.

* *For identification purpose only*