順風國際清潔能源有限公司
SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS HIGHLIGHTS

	For the year ended 31 December		
	2015	2014	% of
	RMB'000	*RMB'000*	Changes
Revenue			
— Solar product manufacturing and sales	**5,887,099**	5,229,780	12.6%
— Solar power generation	**894,236**	503,082	77.8%
— Solar power plant operation and services*	**105,009**	13,077	703.0%
— LED products manufacturing and sales**	**146,030**	—	N/A
Total revenue	**7,032,374**	5,745,939	22.4%
Gross profit	**1,326,118**	1,271,843	4.3%
Net profit	**57,960**	1,304,029	–95.6%
Adjusted EBITDA***	**1,747,158**	1,321,748	32.2%
Gross profit margin	**18.9%**	22.1%	–14.5%
Basic earnings per share	**RMB1.33 cents**	RMB56.98 cents	–97.7%
Net cash from operating activities	**1,606,774**	1,512,663	6.2%

* The business carried out through the acquisition of S.A.G., a solar energy enterprise in Germany on 31 October 2014

** The business carried out through the acquisition of Lattice Power Group on 6 August 2015

*** Adjusted EBITDA excluded finance costs, income tax, depreciation and amortization, gain on change in amortization period of the liability component of convertible bonds

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Shunfeng International Clean Energy Limited (the "**Company**"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2015 ("**2015**").

Climate change continued to be one of the global focal points in 2015. 195 nations reached the Paris Agreement ("**Paris Agreement**") in December 2015 with a target to keep global warming to well below two degrees Celsius. As a signatory to the Paris Agreement, the People's Republic of China ("**China**") has become more determined to shoulder responsibility to mitigate climate change by pushing for further development of energy saving and emissions reduction initiatives. In this context, China's clean energy sector has attracted unprecedented attention.

At the same time, the operating prospect of the clean energy sector continued to be challenging against the backdrop of the sluggish economy and continued market volatility. In spite of robust competition and multiple challenges, the Group adapted to the changing environment, and exerted its efforts on strategic transformation by continuing to evolve from a solar manufacturer and developer into a diversified provider of integrated clean energy solutions in global markets. The Group also made pronounced progress in a number of its business units. The Group has improved its ranking in the PV Triathlon Ranking of Photon Consulting from 7th place in the third quarter of 2015 to the 6th place in the fourth quarter of 2015, which was a recognition of the sustainable development strategy of the Group. Below is a review of our business performance in 2015 and the Group's outlook for 2016.

BUSINESS REVIEW

For 2015, the Group recorded revenue of RMB7,032.4 million, representing an increase of 22.4% from RMB5,745.9 million in 2014. The growth in revenue was mainly attributable to higher sales of solar products and an increase in revenue from solar power generation. Net profit for 2015 fell 95.6% to RMB58.0 million from RMB1,304.0 million for the previous year. The decrease in net profit was primarily due to the (1) falling price of solar products in order to gain market share amid the intense competition; (2) the impact of power output restrictions on solar power plants in China; (3) greater expenditure as the Group completed a number of acquisitions and continued to execute its international expansion plans; (4) an increase of foreign exchange losses due to the depreciation of RMB against major currencies; and (5) the Group has not recorded any income from extraordinary item in 2015 which is of a magnitude similar to the one recorded in 2014, namely a sum of RMB992.0 million arising from a change in amortization period of the liability component of convertible bonds issued in 2014.

Business Segment Initiatives

- **Manufacturing and sales of solar products**

  During 2015, the Group continued to optimize operations at its subsidiary Wuxi Suntech Power Co., Ltd. ("**Wuxi Suntech**"), and reached full utilization in the second half of 2015. The Group also successfully transitioned to selling a higher proportion of solar modules compared to solar wafers, which mitigated the reduction in the average selling prices of solar products during the year. Sales of solar modules to independent third parties increased by 90.9% in 2015 to 1,303.8 MW from 682.9 MW in 2014.

  In addition, the Group acquired a 63.13% equity interest in Suniva Inc. ("**Suniva**") in October 2015 in order to further expand its global presence. Suniva is the leading U.S. manufacturer of high-efficiency, cost-competitive PV solar cells and modules. This initiative marked an important step in the Group's expansion in the higher value North American market. In December 2015, the U.S. market received a significant boost with the extension of the Investment Tax Credit (ITC), which was initially set to expire at the end of 2016, for a further five years. The ITC will be 30% through 2019 and then drop to 26% in 2020, and further drop to 22% in 2021, which will incentivize the ongoing growth of demand in the U.S.. The Group will leverage Suniva's reputation for high quality solar products, benefit from this opportunity, and expand its market share in North America.

- **Solar power projects:**

  The Group completed 2015 with 1,780 MW of on-grid solar power plants and generated approximately 1,016,312 MWh, which was an increase of 67.2% from 2014. Nevertheless, challenges with the implementation of solar policies in China significantly impacted the Group's revenue and profitability in this business unit.

  There are two major issues with the implementation of solar policies in China. Firstly, there has been a significant delay in the payment of feed-in-tariff subsidies to the owners of solar plants, with approximately RMB30 billion of subsidy payments outstanding for the period from August 2013 to February 2016. As at the end of 2015, the Group's subsidies receivable from the government exceeded RMB1.0 billion.

  Secondly, the majority of the Groups' solar power plants, particularly those in Gansu, Xinjiang and Ningxia, were affected by power output restrictions in 2015. The restrictions were due to a variety of reasons including the reliance on coal and gas power plants for heating during the winter and the relatively limited capacity for load shifting in existing grid infrastructure.

  Despite the challenges in the implementation of national solar policies, China's market for solar power plants has continued to develop with a growing number of companies and investors entering the market. The Group is adapting to the evolution of the market and has transitioned its business model to focusing on delivering comprehensive solar solutions, including integrated engineering, procurement and construction ("**EPC**"), development and operation and maintenance services.

This will enable the Group to develop and transfer completed solar projects to investors as fixed-income renewable energy products. In December 2015, the Group entered into an agreement with Chongqing Future Investment Co., Ltd for the sale of nine solar projects, which is a reflection of this new strategy. We expect that the transactions contemplated under the agreement will be completed in 2016, and related incomes will be recognized in the financial results of the Group in 2016.

- **Solar Power Plant Operations and Solutions**

  During 2015, the Group continued to explore opportunities to deliver end-to-end solar solutions — including development, EPC and solar power plant monitoring, operations and maintenance services — through S.A.G., a German solar power enterprise acquired by the Group in 2014 and its subsidiary meteocontrol GmbH ("**metecontrol**"). By the end of 2015, meteocontrol has provided monitoring, operation and maintenance services to over 40,000 power plants with an accumulated capacity of 13 GW and generated a revenue of RMB105.0 million for the Group.

  The Group also entered into partnerships with developers of power plants in order to co-develop integrated energy solutions in global markets. In November 2015, the Group entered into a strategic cooperation agreement with CGN Europe Energy SAS, a subsidiary of the China General Nuclear Power Group, to collaborate on the development and implementation of clean energy solutions in Europe and other international markets.

- **Integrated low-carbon, energy-saving solutions**

  Through the acquisitions and collaboration with other partners, the Group is able to deliver technology based clean energy solutions that integrate technologies including solar power generation, LED lighting, urban heating and cooling, energy storage and intelligent energy management. In October 2015, the Group completed the implementation of an integrated clean energy system for Hong Qiao International School — including system design, installation, operation and maintenance — that helped the school to reduce its energy costs by approximately 50% and carbon emissions by approximately two-thirds.

  To facilitate development of this business, the Group established a joint venture with AVIC Trust in April 2015, which will focus on investment, development, construction and operation of integrated clean energy systems. In 2015, the Group also entered into framework agreements with a number of governments and large corporations to provide low-carbon energy solutions, including agreements with the Changzhou, Luoyang, Turpan and Polynesian governments.

- **GaN-on-Silicon LED lighting — Lattice Power**

  The Group completed the acquisition of a 59% equity interest of Lattice Power Corporation ("**Lattice Power**") in August 2015, and integrated Lattice Power into the Group's platform of clean energy solutions. Lattice Power is primarily engaged in the development, manufacturing, marketing and sales of LED chips and LED packages for use in general indoor and outdoor lighting, specialty lighting, LCD backlighting and related industries. Lattice Power's revolutionary

GaN-on-Silicon LED technology has the potential to reduce production cost compared to the traditional GaN-on-Sapphire LED and diversify the market for LED technologies. On 8 January 2016, Lattice Power was awarded first prize of the State Technological Invention Award in China for successfully developing the world's first silicon substrate LED technology.

Going forward, the Group will continue to integrate Lattice Power's operations and explore initiatives to strengthen cooperation with downstream manufacturers of LED lights, and develop sales channels into North American and European markets. These initiatives aim to enabling the company to increase utilization of its manufacturing facilities, lower costs, and improve the competitiveness of its products in global markets.

OUTLOOK

Looking into 2016, we expect that the policy for the clean energy sector will continue to improve. The Paris Agreement has set the stage for the introduction of more country-specific policies that incentivize the adoption of clean energy solutions and the reduction in carbon emissions.

China is expected to be at the forefront of this drive, and has mandated "green" development as one of the five guiding principles for the 13th Five-Year Plan that will be implemented in 2016–2020. In addition, the National Energy Administration of China recently announced that it would set up a "green certificate" trading market to promote the development of renewable energy and to reduce the use of fossil fuel in power generation. China aims to increasing the use of non-fossil fuels in the primary energy from 12% to 15% by 2020. This policy is expected to provide greater predictability for sustainable development of the clean energy sector and lead to more opportunities for integrated clean energy solution providers, such as the Group.

In 2015, the Group executed a number of strategic acquisitions and investments to lay a solid foundation and develop a diversified platform of clean energy solutions. In 2016, the Group will continue to integrate and consolidate its business units and deliver more integrated clean energy solutions to enterprises in China and across the world.

On behalf of the Board, I would like to thank our management team and staff for their dedication and hard work, and our shareholders and business partners for their ongoing trust and support. We are committed to our mission of delivering cost-effective, clean energy solutions to our customers and generating value for our shareholders.

Mr. Zhang Yi
Chairman

22 March 2016

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2015 together with the comparative figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2015	2014
	NOTES	***RMB'000***	*RMB'000*
Revenue	*3*	**7,032,374**	5,745,939
Cost of sales		**(5,706,256)**	(4,474,096)
Gross profit		**1,326,118**	1,271,843
Other income	*4*	**245,466**	236,447
Other gains and losses and other expenses	*5*	**409,052**	(8,168)
Gain on change in amortization period of the liability component of convertible bonds		**—**	992,024
Distribution and selling expenses		**(308,195)**	(189,835)
Administrative expenses		**(673,826)**	(449,462)
Research and development expenditure		**(130,493)**	(72,477)
Share of loss of associates		**(69,830)**	(4,445)
Share of loss of a joint venture		**(12,922)**	—
Finance costs	*6*	**(699,605)**	(322,165)
Profit before tax	*7*	**85,765**	1,453,762
Income tax expense	*8*	**(27,805)**	(149,733)
Profit for the year		**57,960**	1,304,029
Other comprehensive (expense) income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(24,644)**	7,675
Gain on revaluation of available-for-sale investments		**—**	3,757
Reclassification adjustments for cumulative gain included in profit or loss upon disposal		**—**	(3,757)
Other comprehensive (expense) income for the year		**(24,644)**	7,675
Total comprehensive income for the year		**33,316**	1,311,704

	NOTES	Year ended 31 December 2015 RMB'000	2014 RMB'000
Profit (loss) for the year attributable to:			
Owners of the Company		**44,803**	1,307,878
Non-controlling interests		**13,157**	(3,849)
		57,960	1,304,029
Total comprehensive income (expense) attributable to:			
Owners of the Company		**14,186**	1,315,566
Non-controlling interests		**19,130**	(3,862)
		33,316	1,311,704
		RMB cents	*RMB cents*
Earnings per share	*9*		
— Basic		**1.33**	56.98
— Diluted		**1.14**	9.74

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	As at 31 December 2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment		**3,592,394**	3,466,850
Solar power plants		**13,373,501**	10,010,425
Prepaid lease payments — non-current		**379,760**	256,065
Goodwill		**523,142**	118,497
Intangible assets		**251,604**	76,669
Interest in associates		**170,737**	89,941
Interest in a joint venture		**329,660**	—
Available-for-sale investments		**19,957**	45,830
Other non-current assets		**1,142,252**	967,995
Deferred tax assets		**250,691**	207,339
		20,033,698	15,239,611
Current assets			
Inventories		**784,749**	915,474
Trade and other receivables	*11*	**2,872,994**	2,263,927
Prepaid lease payments — current		**10,726**	3,587
Tax recoverable		**—**	3,513
Value-added tax recoverable		**1,303,033**	749,040
Prepayments to suppliers		**497,648**	510,165
Amount due from an associate		**27,288**	27,600
Pledged bank deposits		**600,000**	—
Restricted bank deposits		**874,866**	498,138
Bank balances and cash		**1,854,409**	920,655
		8,825,713	5,892,099
Current liabilities			
Trade and other payables	*12*	**6,253,456**	4,824,088
Customers' deposits received		**580,664**	502,262
Advance from a shareholder		**—**	56,033
Obligations under finance leases		**48,123**	49,835
Provisions		**760,758**	731,463
Tax liabilities		**17,527**	16,357
Borrowings		**2,473,211**	1,349,377
Deferred income		**8,092**	5,237
Derivative financial liabilities		**514,539**	—
Convertible bonds		**165,532**	214,827
		10,821,902	7,749,479
Net current liabilities	*1*	**(1,996,189)**	(1,857,380)
Total assets less current liabilities		**18,037,509**	13,382,231

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**32,930**	22,636
Reserves	**6,595,247**	6,099,218
Equity attributable to owners of the Company	**6,628,177**	6,121,854
Non-controlling interests	**1,543,861**	5,144
Total equity	**8,172,038**	6,126,998
Non-current liabilities		
Deferred tax liabilities	**78,911**	45,633
Borrowings	**7,158,598**	4,761,367
Obligations under finance leases	**132,638**	161,193
Deferred income	**65,391**	37,955
Convertible bonds	**1,890,763**	2,249,085
Bond payable	**539,170**	—
	9,865,471	7,255,233
	18,037,509	13,382,231

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

(A) General Information

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The addresses of registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Portion A, 10/F., World Wide House, No.19 Des Voeux Road Central, Hong Kong, respectively. The Company and its subsidiaries (together with the Company hereinafter referred to as the "Group") are principally engaged in the business of providing clean energy and low-carbon energy-saving integrated solutions.

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

(B) Basis of preparation

The directors of the Company have given careful consideration to the going concern of the Group in light of the fact that the Group reported as at 31 December 2015 and as of that date, the current liabilities exceeded its current assets by RMB1,996,189,000. In addition, as at 31 December 2015, the Group had capital commitments, contracted for but not provided in the consolidated financial statements, amounting to RMB3,973,688,000 disclosed in note 15.

As at 31 December 2015, the available unconditional banking facilities amounted to RMB2,940,414,000, and the unutilized conditional facilities which was subject to approval on a project-by-project basis amounted to RMB37,414,646,000 ("Conditional Facilities"). The directors are confident that the Group would be successful in obtaining approval in respect of the Conditional Facilities. Taking into account the above factors, the directors are of the opinion that, together with the presently available banking facilities, and the internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the consolidated financial statements. Hence, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSS")

New and revised IFRSs applied in the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time in the current year.

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle

The application of the amendments to IFRSs 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 statements.

3. REVENUE AND SEGMENT INFORMATION

During the Year, the Group commenced the business in the research, production and sale of GaN-on-Silicon substrate light-emitting diodes ("LED") epitaxial wafers and chips (collectively known as "LED Products") in the People's Republic of China (the "PRC") along with the acquisition of Lattice Power Group (as defined in note 14), and those reportable and operating segments were presented for the current year as follows:

(1) Manufacturing and sales of solar cells, solar modules, photovoltaic systems ("PV systems") and related products (collectively known as "Solar Products");

(2) Solar power generation;

(3) Solar plant operation and services, representing the operation of an internet monitoring portal which enables the generation of yield reports, solar energy forecasts, system ratings, satellite-controlled historic and current solar irradiation data, solutions for network management as well as services covering all aspects of plant operation, plant monitoring and plant optimization, and in the long-term, the repowering, dismantling and recycling of plants ("Plant operation and services"); and

(4) Manufacturing and sales of LED Products.

Segment revenue and results

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

	Manufacturing and sales of Solar Products		Solar power generation		Plant operation and services		Manufacturing and sales of LED Products		Sub-total		Elimination		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000* (restated) (Note)
Revenue														
External sales	**5,887,099**	5,229,780	**315,850**	140,638	**105,009**	13,077	**146,030**	—	**6,453,988**	5,383,495	**—**	—	**6,453,988**	5,383,495
Tariff subsidy	**—**	—	**578,386**	362,444	**—**	—	**—**	—	**578,386**	362,444	**—**	—	**578,386**	362,444
	5,887,099	5,229,780	**894,236**	503,082	**105,009**	13,077	**146,030**	—	**7,032,374**	5,745,939	**—**	—	**7,032,374**	5,745,939
Inter-segment sales	**930,621**	863,096	**771**	—	**430**	19	**—**	—	**931,822**	863,115	**(931,822)**	(863,115)	**—**	—
	6,817,720	6,092,876	**895,007**	503,082	**105,439**	13,096	**146,030**	—	**7,964,196**	6,609,054	**(931,822)**	(863,115)	**7,032,374**	5,745,939
Segment profit (loss)	**602,488**	532,891	**331,452**	354,464	**14,121**	(3,202)	**45,765**	—	**993,826**	884,153	**—**	—	**993,826**	884,153
Unallocated income														
— Interest income													**24,182**	12,130
— Other gains and losses and other expenses													**32,262**	—
Gain on change in amortization period of the liability component of convertible bonds													**—**	992,024
Gain on disposal available-for-sale of investments													**—**	3,757
Unallocated expenses														
— Central administration costs													**(119,466)**	(61,010)
— Finance costs													**(699,605)**	(322,165)
Share of loss of associates													**(69,830)**	(4,445)
Share of loss of a joint venture													**(12,922)**	—
Other expenses													**(62,682)**	(50,682)
Profit before tax													**85,765**	1,453,762

Note: In the opinion of the Director, during the current year, the technical advisory income were reassessed to be all related to solar power generation. The segment information for the year ended 31 December 2014 was restated, accordingly.

Other Information:

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit (loss) incurred by each segment without allocation of bank interest income, central administration costs, finance costs and gain on change in amortization period of the liability component of convertible bonds, change in fair value of derivative financial liabilities, gain on deemed disposal of an associate and other expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Entity-wide disclosures

Revenue analyzed by major products

The following table sets forth a breakdown of the Group's revenue for the year ended 31 December 2015 and 2014:

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Sales of polysilicon materials	**—**	245,452
Sales of solar wafers	**89,987**	769,516
Sales of solar cells	**1,630,663**	1,715,688
Sales of solar modules	**4,042,110**	2,434,047
Sales of PV systems	**77,849**	57,924
Others solar product	**46,490**	7,153
	5,887,099	5,229,780
Sales of electricity	**315,850**	140,638
Tariff subsidy *(note)*	**578,386**	362,444
	894,236	503,082
Plant operation and services	**105,009**	13,077
Sales of LED Products	**146,030**	—
Total	**7,032,374**	5,745,939

Note: The amount represents the tariff subsidy which were approximately 54% to 75% (2014: 59% to 75%) of the total electricity sales in the PRC. The amount is subject to the allocation of funds by the relevant government authorities and was determined in accordance with the on-grid unit tariff rate approval document and the electricity supply contracts.

4. OTHER INCOME

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Bank interest income	**24,182**	12,130
Government grants *(note i)*	**105,561**	113,008
Gain (loss) on sales of raw and other materials	**16,169**	(4,642)
Technical advisory income *(note ii)*	**44,240**	75,060
Royalty income *(note iii)*	**51,877**	37,726
Others	**3,437**	3,165
	245,466	236,447

Notes:

(i) The government grants represent the amount received from the local government by the PRC operating entities of the Group. Government grants of approximately (a) RMB97,523,000 (2014: RMB107,769,000) represents unconditional incentive received in relation to activities carried out by the Group and (b) RMB8,038,000 (2014: RMB5,239,000) represents subsidy on acquisition of land use rights and machineries amortized to profit or loss.

(ii) Technical advisory income represents the consultancy and advisory service on the design and implementation of the development of solar power plants provided to independent third parties.

(iii) Royalty income represents the income earned from the customers for the use of the Group's trademark of which was acquired from the acquisition of Wuxi Suntech Power Co., Ltd. and its subsrdionies (collectirely referred to as the "Wuxi Suntech Group") in 2014.

5. OTHER GAINS AND LOSSES AND OTHER EXPENSES

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Other gains and losses		
Reversal (recognition) of allowance for trade and other receivables, net *(note i)*	**396,818**	(36,981)
Gain on release of financial guarantee contracts *(note ii)*	**39,571**	71,438
Change in fair value of derivative financial liabilities	**21,529**	—
Gain (loss) on disposal of property, plant and equipment	**15,041**	(9,949)
Gain on deemed disposal of an associate	**10,733**	—
Bargain purchase gain arising from acquisition of a subsidiary	**4,686**	—
Gain (loss) on disposal of intangible assets	**4,335**	(1,463)
Gain on disposal of subsidiaries	**3,758**	—
Net foreign exchange loss	**(45,282)**	(22,726)
Impairment loss on solar power plants	**(16,839)**	—
Release of gain on a sale and lease back arrangement	**—**	1,747
Gain on disposal of available-for-sale investments	**—**	3,757
Gain on disposal of bad debts previously written off *(note iii)*	**—**	50,000
Impairment loss on prepayment to suppliers	**—**	(6,106)
Others	**37,384**	—
	471,734	49,717
Other expenses		
Provision on legal claims	**(43,083)**	—
Legal and professional fee	**(19,599)**	(50,682)
Others	**—**	(7,203)
	(62,682)	(57,885)
	409,052	(8,168)

Notes:

(i) Included in the amounts was a gain on reversal of bad debts previously written off amounting to RMB430,000,000. On the date of acquisition of Wuxi Suntech Group, the receivables due from certain independent third parties amounting to RMB704,368,000 were regarded as unrecoverable and fully written off at initial recognition. Nevertheless, the management and lawyers of the Group have made relentless efforts to collect the above impaired bad debts subsequent to the acquisition. During the year end 31 December 2015, RMB430,000,000 in respect of these impaired loan debts were collected in the form of cash, resulting in the reversal of doubtful debts.

(ii) The amount represented the gain arising from the release of financial guaranteed provided by the Group in respect of banking facilities granted to independent third parties upon maturity during the year.

(iii) The amount represented the cash received in respect of these receivables previously written off in full by the Group totalling RMB3,542,275,000 to an independent third party, for a cash consideration of RMB50,000,000 in accordance with a transfer agreement entered into on 30 June 2014.

6. FINANCE COSTS

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Interest on borrowings		
— wholly repayable within five years	**309,932**	111,444
— not wholly repayable within five years	**199,573**	107,718
Finance charges on discounting of bills receivable	**6,790**	24,560
Interest on finance leases		
— wholly repayable within five years	**97,215**	836
— not wholly repayable within five years	**1,875**	15,656
Effective interest on convertible bonds		
— wholly repayable within five years	**373,519**	95,457
— not wholly repayable within five years	**69,048**	225,706
Effective interest on bond payable wholly repayable within five years	**6,297**	—
Total borrowing costs	**1,064,249**	581,377
Less: amounts capitalized	**(364,644)**	(259,212)
	699,605	322,165

Borrowing costs capitalized during the year ended 31 December 2015 included those finance costs arising from specific bank borrowings and those from general borrowing pool of which calculated by applying a capitalization rate of 16.01% (2014: 13.19%) per annum to expenditure on qualifying assets.

7. PROFIT BEFORE TAX

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Profit before tax has been arrived at after charging:		
Directors' remuneration	**11,910**	11,775
Other staff costs	**503,355**	459,332
Other staff's retirement benefits scheme contributions	**37,072**	32,716
Share-based payment expenses	**24,503**	—
Less: amount capitalised	**(3,690)**	—
Total staff costs	**573,150**	503,823
Auditor's remuneration	**14,611**	14,258
Warranty provided (included in cost of sales)	**40,878**	22,510
Cost of inventories recognized as expense *(note)*	**5,180,220**	4,278,668
Depreciation of property, plant and equipment	**459,360**	337,296
Depreciation of completed solar power plants	**481,467**	151,014
Amortization of intangible assets	**12,364**	46,350
Release of prepaid lease payments	**8,597**	3,185
Operating lease rentals in respect of rented premises	**13,265**	18,003

Note: Included in cost of inventories recognized as expense were write-down of inventories to net realizable values of approximately RMB17,667,000 (2014: RMB74,719,000).

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**31,675**	31,010
Other jurisdictions	**809**	—
	32,484	31,010
Under (over) provision in prior year:		
PRC Enterprise Income Tax	**2,251**	(7,538)
Other jurisdictions	**—**	(417)
	2,251	(7,955)
	34,735	23,055
Deferred tax (credit) charge:	**(6,930)**	126,678
Income tax expense	**27,805**	149,733

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for both years.

Certain subsidiaries of the Group, being enterprises engaged in public infrastructure projects, under the PRC Tax Law and its relevant regulations, are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes were derived. Certain subsidiaries of the Company which was engaged in the public infrastructure project had their first year with operating incomes in 2014.

Jiangsu Shunfeng renewed "High Technology Enterprise" status for 3 years that entitles Jiangsu Shunfeng a preferential tax rate of 15% for a period of three years till starting from 2014 to 2016 according to PRC Tax law.

Certain subsidiaries of the Wuxi Suntech Group renewed "High Technology Enterprise" status for 3 years that entitles them a preferential tax rate of 15% for starting from 2014 to 2016 according to PRC Tax Law. For those subsidiaries of the Company located in Japan, the corporate tax rate is 30%.

Certain subsidiaries of the Lattice Power Group renewed "High Technology Enterprise" status for 3 years that entities them a preferential tax rate of 15% from 2014 to 2016 according to PRC Tax Law.

The remaining subsidiaries of the Company established in the PRC are subject to PRC Enterprise Income Tax rate of 25%.

Certain subsidiaries of the S.A.G. Interests (as defined in note 13) were located in Switzerland, Austria, Germany, Spain and Czech Republic, of which corporate tax rate is approximately 23%, 25%, 30%, 30% and 20%, respectively.

9. EARNINGS PER SHARE — BASIC AND DILUTED

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

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Earnings		
Profit for the period attributable to owners of the Company for the purposes of basic earnings per share	**44,803**	1,307,878
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	**10,355**	232,982
Gain on change in amortization period of the liability component of convertible bonds	**—**	(992,024)
Earnings for the purposes of diluted earnings per share	**55,158**	548,836
Number of shares		
Weighted average number of ordinary shares (2014: number of ordinary shares) for the purpose of basic earnings per share	**3,370,034,000**	2,295,473,000
Effect of dilutive potential ordinary shares:		
— convertible bonds	**1,479,519,000**	3,342,147,000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**4,849,553,000**	5,637,620,000

10. DIVIDENDS

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. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**1,079,689**	876,733
Less: Allowance for doubtful debts	**(81,354)**	(65,223)
	998,335	811,510
Accrued revenue on tariff subsidy	**1,057,961**	421,298
Total trade receivables and accrued revenue on tariff subsidy	**2,056,296**	1,232,808
Bills receivable	**314,806**	35,213
	2,371,102	1,268,021
Other receivables		
Prepaid expenses	**50,068**	25,108
Receivable from EPC of power plants	**71,706**	56,952
Retention receivables	**58,205**	18,708
Financial products investment receivables *(note i)*	**—**	500,000
Purchase Price Adjustment Receivables	**1,288**	214,373
Other receivables from administrator of S.A.G. Interests *(note ii)*	**—**	42,623
Amounts due from independent third parties *(note iii)*	**256,907**	83,035
Others *(note iv)*	**63,718**	55,107
	501,892	995,906
	2,872,994	2,263,927

Notes:

(i) The amount as at 31 December 2014 represented the short-term fixed-yield and principal protected financial products which was fully settled during the year ended 31 December 2015.

(ii) The amounts as at 31 December 2014 were the bank borrowings of Euro4,328,000 (equivalent to RMB32,265,000) assumed by the Group and the operating loan of Euro1,389,000 (equivalent to RMB10,358,000) lent to the administrator upon and for the acquisition of S.A.G. Interests (as defined in note 13) during the year ended 31 December 2014. The amounts would be refundable from the escrow account under the administration of the administrator in accordance with the sales and purchase agreement, and were subsequently fully settled during the year ended 31 December 2015.

(iii) The amounts were non-trade in nature. Except for the amounts of RMB225,476,400 as at 31 December 2015 (2014: Nil) which are unsecured carried interest ranging from 5.5% to 12% per annum, and repayable by 31 May 2016, all other balance were unsecured, interest free and repayable on demand.

(iv) The amount for both years represents other tax recoverable, custom deposits and advances to staff for operational purpose.

The following is an aged analysis of trade receivables and accrued revenue of tariff subsidy net of allowance for doubtful debts presented based on the goods delivery and electricity transmitted dates, which approximated the respective revenue recognition date:

	As at 31 December	
Age	**2015**	2014
	RMB'000	*RMB'000*
0 to 30 days	**560,911**	246,328
31 to 60 days	**111,754**	130,303
61 to 90 days	**93,128**	122,073
91 to 180 days	**292,054**	239,933
Over 180 days	**998,449**	494,171
	2,056,296	1,232,808

The Group normally requests prepayments from customers before delivery of goods and allows credit period up to 180 days (2014: up to 180 days) to certain trade customers on a case by case basis.

The Group's trade receivables and accrued revenue on tariff subsidy from the sales of electricity are mainly receivables from the state grid companies. Generally, the trade receivables are due within 30 days from the date of billing, except for collection of the accrued revenue on tariff subsidy, representing 54% to 75% of total electricity sales, which is subject to settlement by state grid companies upon finalization of the allocation of funds by relevant government authorities to the state grid companies.

12. TRADE AND OTHER PAYABLES

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade payable	**998,234**	805,942
Bills payable	**643,334**	1,105,855
Payables for acquisition of property, plant and equipment	**119,637**	110,739
Payables for EPC of solar power plants *(note i)*	**3,132,820**	2,140,902
Other tax payables	**21,414**	43,493
Consideration payable for acquisition of subsidiaries	**68,122**	49,868
Consideration payable for acquisition of a joint venture	**6,495**	—
Amounts due to independent third parties *(note ii)*	**132,810**	187,499
Tendering deposits received	**47,240**	57,000
Accrued expense	**302,783**	196,209
Accrued payroll and welfare	**90,823**	43,364
Consideration received in advance *(note iii)*	**650,000**	—
Others	**39,744**	83,217
	6,253,456	4,824,088

Notes:

(i) Amount represented payables incurred for EPC of solar power plants. The amounts would be repayable within 12 months after the end of the reporting period and such amounts were therefore classified as current liabilities at the end of the reporting period.

(ii) The amount is non-trade in nature and is unsecured, interest free and repayable on demand.

(iii) As at 31 December 2015, the Group received the first instalment of RMB650,000,000 in respect of a proposed disposal of the Group's entire equity interest in certain subsidiaries which were engaged in the construction, development and operation of nine photovoltaic projects and solar power plants in different provinces in the PRC to Chongqing Future Investment Co., Ltd, an independent third party, which was accounted as consideration received in advance, accordingly.

The credit period on purchases of goods is 0 to 180 days (2014: 0 to 180 days) and certain suppliers allow longer credit period on a case-by-case basis.

The following is an aged analysis of the trade payable presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Age		
0 to 30 days	**260,398**	264,039
31 to 60 days	**169,998**	155,396
61 to 90 days	**89,684**	35,992
91 to 180 days	**120,820**	183,143
Over 180 days	**357,334**	167,372
	998,234	805,942

13. ACQUISITION OF S.A.G. INTERESTS

On 30 August 2014, SF Suntech Deutschland GmbH ("SF Suntech"), a wholly-owned subsidiary of the Group, the administrator in his capacity as insolvency administrator of the S.A.G. Solarstrom AG i.I. ("S.A.G."), S.A.G. Solarstrom Vertriebsgesellschaft mbH i.I. and S.A.G. Technik GmbH i.I. (collectively referred to as the "S.A.G. Sellers"), S.A.G. Solarstrom Komplementär GmbH, a company incorporated in Germany and a general partner of SP Dortmund (collectively referred to as the "Current General Partner") and S.A.G. Solarstrom Beteiligungsgesellschaft mbH (the "Future General Partner") entered into a sale and purchase agreement, pursuant to which SF Suntech has conditionally agreed to purchase and the administrator in his capacity as insolvency administrator of the S.A.G. Sellers has conditionally agreed to sell all of the tangible and intangible assets, mobile goods and rights pertaining to the respective businesses of the S.A.G. Sellers (collectively referred as the "Sale Assets") and 17 entities in which S.A.G. has a direct interest and one entity in which S.A.G. Solarstrom Vertriebsgesellschaft mbH has a direct interest (collectively referred to as the "S.A.G. Sale Equity Interests") (Sale Assets and S.A.G Sale Equity Interest, collectively known "S.A.G. Interests") for a cash consideration of Euro65,000,000 (equivalent to RMB502,951,000).

The acquisition of the S.A.G. Interests is expected to allow the Group to implement the global best practices in project development, engineering, procurement and construction from S.A.G., so the Group is able to improve its current solar power plant energy yield, reduce its operation and maintenance costs, lower PV plant outage frequency and achieve a better business performance.

Pursuant to the sale and purchase agreement, the consideration is also subject to the following purchase price adjustment ("Purchase Price Adjustment") mechanisms:

(i) The consideration shall be reduced by the net present value of such solar power plants (whether an own plant of S.A.G. or a solar power plant of a S.A.G. Entity) which the S.A.G. Sellers do not deliver to SF Suntech. A solar power plant shall, in principle, be deemed to have not been delivered if and to the extent that (a) certain lease agreements or loan agreements relating to the solar power plants are not able to be transferred due to the failure in obtaining the landlords' consents ("Landlords' Consents"); and (b) shares in certain of the S.A.G. Sale Entities and the loan agreements entered into by such entities are not able to be transferred or continued due to the failure in obtaining the bankers' consents ("Bankers' Consents").

(ii) The consideration shall further be reduced by the aggregate amount of any net financial debt of meteocontrol GmbH, a wholly-owned subsidiary of S.A.G., and its subsidiaries and certain other S.A.G. Entities exceeds Euro 20,000.

The administrator was appointed as the insolvency administrator of the S.A.G. Sellers by an order of the Local — Insolvency — Court Freiburg, Germany dated 1 March 2014.

For the year ended 31 December 2014

As at 31 December 2014, since certain of the acquisition of the S.A.G. Interests requires the consents from the relevant parties (including the landlords and bankers) for transfer of the lease agreements and/or loan agreements relating to the PV plants (the "Consents") and as set out in point (i) above, the acquisition of which would be completed only when the Group could exercise power over the acquired assets or equity interest. Therefore, the acquisition of the S.A.G. Interests by the Group would be completed by stages, with control and risk and rewards of each business or asset passed to the Group once the necessary Consents are obtained. In the opinion of the directors of the Company and in accordance with the sale and purchase agreement, if the Consents over the transfer of certain S.A.G. Interests could not be obtained prior to 31 January 2015, the relevant S.A.G. Interests would deem not to be transferred to the Group and would be subject to the Purchase Price Adjustment and to be refunded after the agreement reached with the administrator (the "Purchase Price Adjustment Receivables").

On 31 October 2014, the Group has already paid Euro65,000,000 (equivalent to RMB502,951,000) to the administrator. The total consideration of Euro65,000,000 has been allocated to each asset items of Sale Assets and each equity interest of S.A.G. Sale Equity Interests (the "Allocated Consideration") which had been agreed by the administrator. The Allocated Consideration in respect of those purchased S.A.G. Interests of which the acquisition completed by the Group on 31 October 2014 (the "2014 S.A.G. Interests") was amounted to Euro35,564,000 (equivalent to RMB275,184,000) (the "Allocated Consideration for 2014 Acquisition").

As at 31 December 2014, the Allocated Consideration of the respective S.A.G. Interests which were expected to complete by 31 December 2015 (the "Allocated Consideration for 2015 Acquisition") was Euro1,248,000 (equivalent to RMB9,302,000) (recorded in other non-current assets) and the amount under the application of Purchase Price Adjustment Receivables was Euro28,188,000 (equivalent to RMB210,158,000) since certain Consents had not been obtained up to the end of 2014. A final assessment as to whether and to what extent the purchase price calculation request for Purchase Price Adjustment from the Group will be successful is subject to the mutual agreement between the Group and the S.A.G. Sellers. If agreement could not be reached among the Group and the S.A.G. Sellers, the disputes should be referred to the experts' proceedings. The Group and the S.A.G. Sellers shall submit the disputes to the Institute of Public Auditors in Germany for appointment whose decision shall be final and binding to the Group and S.A.G. Sellers (the "Experts' Opinion").

For the year ended 31 December 2015

During current year, a settlement agreement dated 22 June 2015 has been entered into between the Group and the S.A.G. Sellers and administrator and pursuant to which, except for the agreement on the cessation in acquisition of the 50% equity interest of Solar Stribro s.r.o. ("Solar Stribro"), a company incorporated in Czech, the Group was required to complete the acquisition of all the remaining S.A.G. Interests, including certain associates and subsidiaries (the "Remaining S.A.G. Interests") by no later than 4 months after signing this agreement.

Total allocated consideration for the acquisition of Solar Stribro is Euro12,713,000 (equivalent to RMB87,739,000) (the "Allocated Consideration of Solar Stribro"), and Euro10,000,000 (equivalent to RMB68,492,000) out of which was first refunded to the Group during current year while the remaining Euro2,713,000 (equivalent to RMB19,247,000), subject to certain terms and conditions, would then be settled to the Group upon the completion of its disposal by the S.A.G. Sellers, with reference to the Settlement Agreement, and had been included in Purchase Price Adjustment Receivables.

The management expected that the collection of the Purchase Price Adjustment Receivables in respect of the remaining balance of Euro2,713,000 (equivalent to RMB19,247,000) arising from Solor Stribro was remote and full impairment of doubtful debt was provided for as at 31 December 2015, accordingly.

In respect of the acquisition of the Remaining S.A.G. Interests, the Group by end of 31 December 2015 had completed the acquisition of 34 wholly-owned subsidiaries and 5 associates (collectively known as "2015 S.A.G. Interests") with total allocated consideration of Euro16,059,000 (equivalent to RMB114,717,000).

Apart from Solar Stribro, total allocated consideration for the acquisition of the other Remaining S.A.G. Interests that was not completed is Euro181,000 (equivalent to RMB1,288,000), as a result of the failure in obtaining either the Bankers' Consents or the Landlords' Consents which had been included in Purchase Price Adjustment Receivables which was expected to be settled within twelve months after the end of the reporting period.

For the year ended 31 December 2015, subject to the conditions as mentioned above, the Group has completed the acquisitions of certain S.A.G. Interests, by obtaining control and the risk and reward over certain solar power plants in Germany (31 December 2014: the plant and operation services conducted by meteocontrol GmbH and its subsidiaries ("meteocontrol") and certain solar power plants in Switzerland, Czech Republic and Austria on 31 October 2014). The acquisitions have been accounted for as business combination and assets and liabilities at the date of acquisition was set out below:

	2015	2014
	S.A.G Interests	S.A.G Interests
	RMB'000	*RMB'000*
	(note ii)	*(note i)*
Assets		
Property, plant and equipment	**—**	4,898
Solar power plants	**136,756**	157,601
Prepaid lease payments	**2,884**	—
Intangible assets	**151**	66,312
Interests in associates	**62,337**	15,692
Other non-current assets	**—**	77
Deferred tax assets	**—**	124
Inventories	**—**	13,820
Trade and other receivables	**8,758**	131,920
Tax recoverable	**—**	23
Cash and cash equivalents	**10,953**	25,712
	221,839	416,179
Liabilities		
Trade and other payables	**(4,374)**	(77,702)
Provisions	**—**	(542)
Tax liabilities	**—**	(9,061)
Bank borrowings	**(102,716)**	(142,412)
Deferred tax liabilities	**(1,771)**	(23,538)
	(108,861)	(253,255)
Net assets acquired	**112,978**	162,924

Notes:

(i) Reported on a provisional basis during the year ended 31 December 2014 as the initial accounting for the business combination of 2014 S.A.G. Interests was incomplete by that time. However, those provisional amounts were not adjusted upon expiry of the measurement period of 1 year during the year.

(ii) Reported on a provisional basis as the initial accounting for the business combination of 2015 S.A.G. Interests was incomplete.

Goodwill arising on acquisition (determined on a provisional basis for 2015 S.A.G. Interests)

	31/12/2015		31/12/2014	
	Euro'000	***RMB'000***	*Euro'000*	*RMB'000*
Total consideration paid	**65,000**	**502,951**	65,000	502,951
Less: Allocated Consideration for 2014 Acquisition	**(35,564)**	**(275,184)**	n/a	n/a
Less: Allocated Consideration for Remaining S.A.G. Interests (included in other non-current asset)	**—**	**—**	(1,248)	(9,657)
Less: Purchase Price Adjustment Receivables (included in trade and other receivables)	**(181)**	**(1,288)**	(27,705)	(214,373)
Less: Net Financial Debt of Meteocontrol and other S.A.G Entities (2014: Meteocontrol) (included in trade and other receivables)	**(483)**	**(3,737)**	(483)	(3,737)
Less: Allocated Consideration of Solar Stribro	**(12,713)**	**(87,739)**	—	—
Exchange realignment	**—**	**(20,286)**	—	—
Allocated Consideration in respect of the acquired 2015 S.A.G. Interests (31 December 2014: 2014 S.A.G. Interests)	**16,059**	**114,717**	35,564	275,184
Less: Net assets acquired		**(112,978)**		(162,924)
Goodwill arising on acquisition *(note)*		**1,739**		112,260

Note: Goodwill arose in the acquisition of 2014 S.A.G. Interests and 2015 S.A.G. Interests because the consideration paid for the combination effectively included the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the S.A.G. Interests. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow arising on acquisition

	31/12/2015	31/12/2014
	RMB'000	*RMB'000*
Consideration paid in cash *(note)*	**114,717**	275,184
Less: Cash and cash equivalents acquired	**(10,953)**	(25,712)
	103,764	249,472

Acquisition-related costs amounting to RMB2,669,000 (2014: RMB12,142,000) have been excluded from the consideration transferred and have been recognised as an expense in current year's profit or loss.

Note: Cash consideration in respect of the acquired 2015 S.A.G. Interests was paid in 2014, which is included in Purchase Price Adjustment Receivables and Allocated Consideration for 2015 Acquisition as at 31 December 2014. Therefore, total cash impact arising from acquisition of 2015 S.A.G. Interests represented the cash and cash equivalents of the 2015 S.A.G. Interests consolidated amounting to RMB10,953,000, accordingly.

14. ACQUISITION OF LATTICE POWER GROUP

On 20 May 2015, the Company entered into share purchase agreements with the existing shareholders of and individuals holding options in Lattice Power Corporation (collectively referred to as the "Sellers") in relation to the acquisition of 59% of the equity interest in Lattice Power Corporation (together with its subsidiaries referred to as the "Lattice Power Group"), for a consideration which shall be satisfied in full by the Company allotting and issuing 392,307,045 new Shares to the Sellers. Lattice Power Corporation is a company incorporated in Cayman Islands and is principally engaged in manufacturing and sales of LED products. The acquisition was completed on 6 August 2015 and Lattice Power Corporation has become an indirectly held subsidiary of the Company. The acquisition of Lattice Power Corporation has been accounted for as business combination.

One of the Sellers, Asia Pacific Resources Development Investment Limited ("AP Resources"), a limited company incorporated in the British Virgin Islands, is indirectly wholly owned by a substantial shareholder of the Company. The 9,453,921 shares acquired by the Group from AP Resources account for 11.46% of the equity interest in Lattice Power Group.

Consideration transferred

	RMB'000
Fair value of consideration shares issued	687,357

The fair value of the ordinary shares of the Company, determined using the market price as published by the Hong Kong Stock Exchange on the date of the acquisition, amounted to HK$2.22 (equivalent to RMB1.75) each, totalling HK$870,922,000 (equivalent to RMB687,357,000).

Acquisition-related costs amounting to RMB4,736,000 is not included in the consideration transferred and have been recognized as an expense in the current year's profit or loss.

Assets acquired and liabilities recognized at the date of acquisition (determined on a provisional basis) are as follows:

	RMB'000
Assets	
Property, plant and equipment	469,229
Prepaid lease payments	62,000
Intangible assets	154,229
Available-for-sale investments	3,096
Deferred tax assets	35,326
Inventories	134,882
Trade and other receivables	234,462
Value-added tax recoverable	66,031
Prepayments to suppliers	32,598
Bank balances and cash	132,263
	1,324,116
Liabilities	
Trade and other payables	(157,392)
Warrant liabilities	(267,366)
Customers' deposits received	(8,851)
Provisions	(9,586)
Tax liabilities	(918)
Borrowings	(200,154)
Deferred tax liabilities	(25,038)
Obligation under finance lease	(4,889)
	(674,194)
Net assets acquired	649,922

The fair value of trade and other receivables at the date of acquisition amounted to RMB234,462,000. The gross contractual amounts of those trade and other receivables acquired amounted to RMB268,845,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to RMB34,383,000.

Goodwill arising on acquisition

	RMB'000
Fair value of consideration shares issued	687,357
Plus: non-controlling interests:	
— 41% in Lattice Power Group *(note i)*	263,357
— Outstanding share options of Lattice Power Group that are not replaced *(note ii)*	
— Vested portion	76,402
— Unvested portion	34,977
	374,736
Less: net assets acquired	(649,922)
Goodwill arising on acquisition *(note iii)*	412,171

Notes:

(i) The non-controlling interests in Lattice Power Group recognized at the acquisition date was measured at the non-controlling interest's proportion of Lattice Power Group's identifiable net assets.

(ii) The outstanding share options of Lattice Power Group (including both vested and unvested portions) that are not replaced were measured at the acquisition date.

(iii) Lattice Power Group was acquired for the expansion of the Group's business into manufacturing and sales of LED products industry. The consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of Lattice Power Group. These benefits are included in goodwill and not recognised separately because they do not meet the recognition criteria for identifiable intangible assets.

Cash inflow on acquisition of Lattice Power Corporation

	RMB'000
Cash and cash equivalent balances acquired	132,263

15. CAPITAL COMMITMENTS

At the end of the reporting period, the Group was committed to the following capital expenditure:

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
Capital expenditure in respect of acquisition of property, plant and equipment, EPC of solar power plants and acquisition of land leases		
— contracted for but not provided in the consolidated financial statements	**3,973,688**	4,575,933
	3,973,688	4,575,933

16. EVENT AFTER THE REPORTING PERIOD

The following significant events took place subsequent to 31 December 2015:

In respect of the Group's acquisition of 63.13% equity interest in Suniva Inc. ("Suniva") completed on 19 October 2015, total consideration consists of the Group's capital injection in cash of US$12,000,000 to Suniva and the new ordinary shares of the Company to be issued and allotted in accordance with the relevant share transfer agreement. As at 31 December 2015, US$11,000,000 (equivalent to RMB67,512,000) had been injected by the Group to Suniva and the payment of the remaining cash contribution US$1,000,000 to Suniva was made by the Group subsequent to the year end on 14 January 2016. On 11 March 2016, a total number of 123,138,889 new ordinary shares of the Company were allotted and issued by the Company. Total consideration for acquisition of Suniva was all settled on this date.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group has evolved from engaging purely in solar power business into a diversified leading low-carbon and energy- saving clean energies integrated solutions provider with international influences. The Group will continue to proactively explore various kinds of clean energy resources with an aim to lay a solid foundation for its development into a global leading supplier which can provide low-carbon and energy-saving integrated solutions.

Solar Power Generation

During the Year, the solar power plants owned by the Group generated a total power volume of approximately 1,016,312 MWh.

	For the year ended 31 December		
	2015	2014	% of
	MWh	*MWh*	Changes
Power generation volume:			
The PRC	**977,192**	600,171	62.8%
Overseas	**39,120**	7,622	413.3%
Total	**1,016,312**	607,793	67.2%

Grid-connected projects as of 31 December 2014 *(MW)*	**New grid connections in 2015** *(MW)*	**Grid-connected projects as of 31 December 2015** *(MW)*	**Projects under construction as of 31 December 2015** *(MW)*	**Projects pipeline as of 31 December 2015** *(MW)*
1,534	246	1,780	455	782

As at 31 December 2015, the Group's solar power plants successfully realized a total annual designed capacity of 1,780 MW of on-grid generation.

The Group's investment in overseas solar power plants business represented another important milestone. During the Year, the Group has completed the construction and on-grid connection of two power plants in the United Kingdom (First & Tenth Solar) with an aggregate capacity of 27.6 MW. It is expected that the Group will complete the development of power plant projects with aggregate capacity of 490 MW in Spain and Egypt in 2016.

Manufacturing and Sales of Solar Products

During the Year, the sales volume of solar products amounted to 2,282.3 MW, representing an increase of 6.5% from 2,143.8 MW for the year ended 31 December 2014.

	For the year ended 31 December		
	2015	2014	% of
	MW	*MW*	Changes
Sales volume to independent third parties:			
Wafers	**91.4**	591.3	–84.5%
Cells	**887.1**	869.6	2.0%
Modules	**1,303.8**	682.9	90.9%
Total	**2,282.3**	2,143.8	6.5%

Our top five customers for the Year represented approximately 22.6% of our total revenue as compared to approximately 27.8% in 2014. Our largest customer accounted for approximately 7.7% of our total revenue for the Year as compared to approximately 10.9% in 2014. These changes were mainly due to our continuing efforts to optimize the customer base. We believe that product quality and cost advantage will be crucial in the upcoming era of solar energy. Our largest customer is the largest private electricity company in India. This company is a customer of which sales business is newly established during the Year and primarily purchases solar power modules from the Group. Other major customers purchase solar cells or solar modules from the Group. The Group has maintained business relationship with such customers for half year to five years and offerred them with credit periods ranging from 30 days to 180 days. As at the date of this announcement, our major customers repaid their debts in accordance with the agreed commercial terms on time and the outstanding receivables were still within the credit periods granted by the Group. Therefore, it is not necessary to make provision for the related doubtful debts. After conducting internal assessment by the Group, it is concluded that our major customers have good repayment history and credibility. In order to minimize the credit risk, the Directors continuously monitor the level of exposure by frequent review of the financial conditions and credibility of the major customers to ensure that prompt actions will be taken to lower exposure.

In 2015, our sales to PRC-based customers represented approximately 52.3% of the Group's total revenue, as compared to approximately 73.9% in 2014. In 2015, our sales to overseas customers represented approximately 47.7% of the Group's total revenue, as compared to approximately 26.1% in 2014. Our strong track record of product quality, advanced proprietary technology and effective cost control measures have contributed to our reputation and thus our success in optimizing our customer base. We believe such strategic measures will continue to create strong and sustainable market demand for our products.

The Group strives to become a global leading clean energy and low-carbon energy-saving integrated solution supplier. Apart from leveraging on the positive brand awareness of Shunfeng and Suntech established over the years in the global market to continuously expand the businesses of construction and operation of global solar power plant and manufacturing of solar products, the Group also pursues other clean energy related businesses to realize diversified business development.

Solar Power Plant Operation and Services

S.A.G., a German solar power enterprise acquired by the Group in 2014, enhanced the Group's capability in solar project development, engineering, procurement and construction ("EPC"), solar power plant monitoring and operation and maintenance businesses on a global scale. S.A.G. offers a broad range of services within the solar industry and its wholly-owned subsidiary, meteocontrol GmbH ("meteocontrol"), is one of the world's largest independent photovoltaic plant monitoring service providers. meteocontrol has extensive solar power plant monitoring, operation and maintenance experience in residential, commercial and utility sectors and has a monitoring volume of up to 13 GW. meteocontrol offers services covering the entire process of solar power plant projects, from planning and installation to global operation and maintenance, and also provides independent consultation for the projects at every stage. In addition, meteocontrol is the only company to receive accreditation from DAkkS, a research institution authorized by the German government. During the Year, meteocontrol has brought revenue of RMB105.0 million to the Group. As the monitoring business witnessed a steady upward trend, it would become one of the most important businesses of the Group.

Production and Sales of LED Products

Since August 2015, the Group commenced the LED chips production business and has reached a package sale amount of RMB146.0 million.

Acquisition

(a) ***Lattice Power Corporation ("Lattice Power")***

The Group completed the acquisition of 59% equity interest of Lattice Power in August 2015. Lattice Power is principally engaged in the development, manufacturing, marketing and sales of LED chips and packages for use in general indoor and outdoor lighting, specialty lighting, LED backlighting and related industries. As a leader in GaN-on-Silicon LED technology, Lattice Power is the first company in the world to start the mass production of GaN-on-Silicon high power thin film vertical LED chips with industry-leading performance. Lattice Power also owns numerous patents and intellectual property rights on the GaN-on-Silicon LED technology and is developing wafers of even larger sizes (with 150–200 mm in diameter) and integrated wafer-level packaging with a view to driving down costs and increasing lumens per dollar. LED lighting is an important component in the solutions for low-carbon cities, communities and families, which is in compliance with the development strategies of the Company as a provider for comprehensive low-carbon and energy-saving solutions. Lattice Power owns the revolutionary 6-inch and 8-inch GaN-on-Silicon LED technology, with over 200 patents awarded in different countries. The vertical integration and successful commercial mass production of the LED industrial chain have made it possible to supply low-cost LED lighting products featuring high performance for the purposes of general lighting, smart phone powering and automobile lighting. As a persistent, reliable, energy-saving and high performance lighting technology, LED lighting has vast and bright market prospects. Compared to ordinary lighting, LED lighting saves 50%–80% energy, and therefore is set to totally replace traditional lighting. In 2015, the world's first silicon substrate LED technology innovated by Lattice Power was awarded with the only first prize of the State Technological Invention Award. The revolutionary GaN-on-Silicon LED technology of Lattice Power significantly reduces production cost when compared to the traditional GaN-on-Sapphire LED, making tremendous contribution to the profit of the Group.

(b) ***Suniva Inc. ("Suniva")***

In October 2015, the Group completed the acquisition of 63.13% equity interest in Suniva. Suniva is the leading U.S. manufacturer of high-efficiency, cost-competitive photovoltaics solar cells and modules. Suniva has built in a cutting-edge technology in the manufacturing of high conversion efficiency cells and a solid track record to deliver high-efficiency solar cells and modules while reducing the cost of the photovoltaics industrial value chain. Suniva has successfully developed the revolutionary full-sized cells boosting conversion efficiency of over 20% in the labs and the daily average conversion efficiency of its production lines also surpasses 19%, giving it the capability to achieve the world's highest cell efficiency available for commercial use with low manufacturing costs. Through acquisition of Suniva, the global position of the Group in manufacturing high-efficiency solar cells with reasonable costs is further strengthened which allows the Group to benefit from the enormous potential of the U.S. solar energy market.

Financing Activities

During the year under review, the Group has earned continuous support from financial institutions to fund the development of solar business. In 2015, the Company has successfully issued one tranche of convertible bonds and obtained loans from financial institutions as well as successfully issuing private placement bonds. These additional funds serve as a significant support for enhancing liquidity and future business development.

Financing Activities

	RMB'000
Issue of convertible bonds	277,778
Issue of private placement bonds	550,000
Loans from financial institutions	5,745,592
Total	6,573,370

FINANCIAL REVIEW

Revenue

Revenue increased by RMB1,286.5 million, or 22.4%, from RMB5,745.9 million for the year ended 31 December 2014 to RMB7,032.4 million for the Year, primarily due to the fact that most of the solar power plants of the Group that completed on-grid connection before 2015 have completed testing and commenced operation in 2015 and thus generated revenue from power generation, with power generation that has completed testing and included in revenue increased by 72.1% from 588,624 MWh for the year ended 31 December 2014 to 1,013,252 MWh for the Year; the sales volume of our solar products increased by 6.5% from 2,143.8 MW for the year ended 31 December 2014 to 2,282.3 MW for the Year; revenue from solar power plant monitoring service amounted to RMB105.0 million and sales revenue from LED product amounted to RMB146.0 million.

For the Year, sales of solar products accounted for 83.7% of the total revenue, of which sales of modules, cells and wafers accounted for 57.5%, 23.2% and 1.3% of the total revenue, respectively; revenue from solar power generation accounted for 12.7% of the total revenue. Revenue from solar power plant monitoring service accounted for 1.5% of the total revenue while sales from LED accounted for 2.1% of the total revenue.

Solar modules

Sales of solar modules increased by RMB1,608.1 million, or 66.1%, from RMB2,434.0 million for the year ended 31 December 2014 to RMB4,042.1 million for the Year, primarily due to an increase in the Group's sales volume by 620.9 MW or 90.9% from 682.9 MW for the year ended 31 December 2014 to 1,303.8 MW for the Year, but was partially offset by a decrease in the average selling price for this product by 13.9% from RMB3.6 per watt for the year ended 31 December 2014 to RMB3.1 per watt for the Year.

Solar cells

Sales of solar cells decreased by RMB85.0 million, or 5.0%, from RMB1,715.7 million for the year ended 31 December 2014 to RMB1,630.7 million for the Year, and sales volume increased by 17.5 MW or 2.0% from 869.6 MW for the year ended 31 December 2014 to 887.1 MW for the Year. The decrease in revenue was primarily due to a decrease in the average selling price for this product by 10.0% from RMB2.0 per watt for the year ended 31 December 2014 to RMB1.8 per watt for the Year.

Solar wafers

Sales of solar wafers decreased by RMB679.5 million, or 88.3%, from RMB769.5 million for the year ended 31 December 2014 to RMB90.0 million for the Year, which was primarily attributable to a decrease in sales volume by 84.5% from 591.3 MW for the year ended 31 December 2014 to 91.4 MW for the Year.

Revenue from solar power generation

Revenue from solar power generation increased by RMB391.1 million, or 77.7%, from RMB503.1 million for the year ended 31 December 2014 to RMB894.2 million for the Year, primarily because total power generated amounted to 1,016,312 MWh, of which 1,013,252 MWh was recorded as revenue upon completion of testing.

Solar power plant monitoring service

The Group completed the acquisition of S.A.G. on 31 October 2014, and its subsidiary, meteocontrol, provides solar power plant monitoring service. The revenue from relevant service fee increased by RMB91.9 million or 701.5% from RMB13.1 million as at 31 December 2014 to RMB105.0 million for the Year.

LED chips and LED packages

The Group completed the acquisition of Lattice Power in August 2015. During the Year, sales revenue of LED chips and LED packages was RMB146.0 million.

Geographical market

Revenue by geographical market for the years ended 31 December 2015 and 31 December 2014

In terms of geographical markets from which our revenue was generated, approximately 52.3% of the total revenue for the Year was generated from sales to our PRC customers, as compared to 73.9% for the year ended 31 December 2014. The remaining portion was generated from the sales to our overseas customers, who are mainly based in certain Asian, North America and European countries. The increase in overseas customers was primarily due to the expansion into overseas market via the acquisitions of Wuxi Suntech and S.A.G. in 2014.

Cost of sales

Cost of sales increased by RMB1,232.2 million, or 27.5%, from RMB4,474.1 million for the year ended 31 December 2014 to RMB5,706.3 million for the Year, primarily due to an increase in our total shipment volume of solar products and an increase in power generation volume of solar power generation business.

Gross profit

Gross profit increased by RMB54.3 million, or 4.3%, from RMB1,271.8 million for the year ended 31 December 2014 to RMB1,326.1 million for the Year, as a result of the aforesaid reasons.

Other income

Other income increased by RMB9.1 million, or 3.8%, from RMB236.4 million for the year ended 31 December 2014 to RMB245.5 million for the Year, primarily due to an increase in bank interest income by RMB12.1 million or 100% from RMB12.1 million for the year ended 31 December 2014 to RMB24.2 million for the Year and an increase of RMB20.8 million from the sales of raw and other materials. However, part of the increase was offset by a decrease in government subsidies and technical advisory income.

Other gains and losses and other expenses

Other gains and losses and other expenses were recorded an increase of RMB417.3 million from a net loss of RMB8.2 million for the year ended 31 December 2014 to a net gain of RMB409.1 million for the Year, which was primarily due to a net gain from reversal of bad debts of RMB396.8 million.

Gain on change in amortization period of the liability component of convertible bonds

On 16 April 2014, the Company issued convertible bonds (the "**Third CB**") with principal amount of HK$3,580,000,000 for a term of ten years, where the holder(s) thereof is entitled to require the Company to redeem up to 20% of the aggregate amount during the period from the date of the first anniversary to the date of the fifth anniversary, and to require the Company to redeem up to 100% of the aggregate amount during the period from the date of the fifth anniversary to the maturity date (the "**Third CB Maturity Date**").

Subsequently on 1 September 2014, each of the Third CB holders issued a commitment confirmation letter to the Company individually and confirmed that they would not exercise the early redemption right but retain the share conversion right till the Third CB Maturity Date. A deed of undertaking had also been subsequently drawn up and entered into by each of the Third CB holders confirming that all of them hereby irrevocably undertook to the Company that they would comply with the terms of the commitment confirmation letter, with effect from 1 September 2014.

Upon receipt of the commitment confirmation letter and the deed of undertaking from each of the Third CB holders on 1 September 2014, the Directors considered that the expected future cash flows of the Third CB had been changed and the original estimation of the amortization period on the basis of the earliest date on which the entity can be required to pay (i.e., for a shorter period of one year and five years for the 20% and the remaining 80% of the aggregate amount of the Third CB, respectively) was no longer appropriate, and revised the estimate of the amortization period till Third CB Maturity Date (i.e., for a period of ten years) accordingly.

The liability component of the Third CB was therefore re-measured on 1 September 2014 by discounting the revised estimated cash flows at the Third CB's original effective interest rate, resulting in a change in carrying amount of the liability component of the Third CB by RMB992,024,000, which required the adjustment to be recognized in 2014's profit or loss in accordance with IAS39.

No income was generated from this item during the Year.

Distribution and selling expenses

Distribution and selling expenses increased by RMB118.4 million, or 62.4%, from RMB189.8 million for the year ended 31 December 2014 to RMB308.2 million for the Year, primarily due to an increase in shipment volume for the Group's solar products and percentage of overseas sales.

Administrative expenses

Administrative and general expenses increased by RMB224.3 million, or 49.9%, from RMB449.5 million for the year ended 31 December 2014 to RMB673.8 million for the Year, primarily due to the increase in staff costs as a result of completed acquisition of Wuxi Suntech and the solar power generation business.

Research and development expenses

Research and development expenses increased by RMB58.0 million, or 80.0%, from RMB72.5 million for the year ended 31 December 2014 to RMB130.5 million for the Year, primarily due to the increase in research and development investment and related material costs.

Share of losses of associates

Share of losses of associates for the year increased by RMB65.4 million or 1,486.4% from RMB4.4 million for the year ended 31 December 2014 to RMB69.8 million for the Year, primarily attributable to the share of losses from Powin Energy Corporation, which was newly acquired during the Year.

Share of losses of a joint venture

Share of losses of a joint venture for the Year amounted to RMB12.9 million, which was attributable to Suniva, a joint venture acquired during the Year.

Finance costs

Finance costs increased by RMB377.4 million, or 117.1%, from RMB322.2 million for the year ended 31 December 2014 to RMB699.6 million for the Year, primarily as a result of an increase in bank and other loans by RMB3,521.1 million to RMB9,631.8 million, and an increase in interest expense of convertible bonds in the amount of RMB121.4 million. The increase was partially offset by an increase in the capitalised amount of finance costs by RMB105.4 million, or 40.7%, from RMB259.2 million for the year ended 31 December 2014 to RMB364.6 million.

Profit before tax

Due to the above reasons, profit before tax decreased by RMB1,368.0 million from RMB1,453.8 million for the year ended 31 December 2014 to RMB85.8 million for the Year.

Income tax

Income tax decreased by RMB121.9 million or 81.4% from RMB149.7 million for the year ended 31 December 2014 to tax expenses of RMB27.8 million for the Year, primarily due to the decrease in deferred tax charge for the Year.

Profit for the Year

As a result of the reasons stated above, profit for the year decreased from RMB1,304.0 million for the year ended 31 December 2014 to RMB58.0 million for the Year, and net profit margin decreased from 22.7% in 2014 to 0.8% for the Year.

Inventory turnover days

The inventories of the Group mainly comprise raw materials, work-in-progress and finished goods. The decrease in inventories was mainly due to increase in demand for our Solar Products. Included in the balance of the inventories as at 31 December 2015 was a write-down of inventories of RMB97.6 million (31 December 2014: RMB80.0 million), which was mainly attributable to inventories bought in previous years at higher price. The inventory turnover days as at 31 December 2015 was 54.4 days (31 December 2014: 39.6 days), and the increase in inventory turnover days was mainly attributable to the higher inventory balance maintained at the beginning of the Year to cope with the demand in future orders by customers from the new region.

Trade receivables turnover days

The trade receivables turnover days as at 31 December 2015 was 85.4 days (31 December 2014: 43.9 days). The increase in turnover days was mainly due to new addition of overseas customers and the Group has not yet realized part of tariff subsidy, and the trade receivables turnover days as at 31 December 2015 was within the credit period (normally 30 to 180 days) which the Group grants to its customers.

Trade payables turnover days

The trade payables turnover days as at 31 December 2015 was 57.7 days (31 December 2014: 37.5 days). Given the established relationship and the change in general market environment, the Group paid to the suppliers in due course based on the credit terms during the year.

Indebtedness, liquidity, gearing ratio and capital structure

The Group's principal sources of working capital included cash flow from operating activities, bank and other borrowings. As at 31 December 2015, the Group's current ratio (current assets divided by current liabilities) was 0.82 (31 December 2014: 0.76) and it was in a negative net cash position.

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet our future development demands for capital. As at 31 December 2015, the Group was in a negative net cash position of RMB8,316.6 million (31 December 2014: RMB5,190.0 million), which included cash and cash equivalents of RMB1,854.4 million (31 December 2014: RMB920.7 million) and bank and other borrowings of RMB9,631.8 million (31 December 2014: RMB6,110.7 million) and bonds payable of RMB539.2 million (31 December 2014: nil).

The Group's borrowings were mainly denominated in RMB and HKD while its cash and bank balances, restricted bank deposits and pledged bank deposits were mainly denominated in RMB, HKD, USD and Euro. The Group's net debt to equity ratio (net debt divided by shareholders' equity) increased from 84.7% as at 31 December 2014 to 101.8% as at 31 December 2015.

During the Year, the Group did not entered into any financial instrument for hedging purposes nor did the Group have any currency borrowings and other hedging instruments to hedge against foreign exchange risks (31 December 2014: Nil).

Contingent liabilities and guarantees

As at 31 December 2015, the Group provided guarantees to independent third parties with a total amount of RMB126.1 million (31 December 2014: RMB279.9 million), of which RMB79.4 million (31 December 2014: RMB119.0 million) has been provided and recognized as provision in the statement of financial position. As at 31 December 2015, save as disclosed above, the Group had no significant contingent liabilities.

Charges on the Group's assets

As at 31 December 2015, the Group had pledged certain trade and bills receivables with carrying amount of RMB984.8 million (31 December 2014: RMB402.8 million) and certain property, plant and equipment, prepaid lease payments and solar power plants with carrying amount of approximately RMB10,417.9 million (31 December 2014: RMB7,414.9 million) to various banks for securing loans and general credit facilities granted to the Group.

As at 31 December 2015, the Group pledged cash deposits and restricted bank deposits in an aggregate amount of approximately RMB1,474.9 million (31 December 2014: RMB498.1 million) to banks to secure banking credit facilities granted to the Group.

Save as disclosed above, as at 31 December 2015 and 31 December 2014, none of the other assets of the Group were pledged in favor of any financial institution.

Exposure to the fluctuation in exchange rates

Certain bank balances and cash, restricted bank deposits and pledged bank deposits, trade and other receivables, trade and other payables and borrowings are denominated in currencies other than RMB, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, through arrangements of forward exchange agreement, the Directors closely monitor the foreign exchange risk profile to supervise foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Significant investments held and material acquisitions or disposals

As at the date of this announcement, the Group completed various acquisitions of equity interests in independent third party entities. For details of such projects, please refer to the section entitled "Management Discussion and Analysis－Business Review".

Save as disclosed in the consolidated financial statements, there was no substantial acquisition of subsidiaries or associates by the Group during the Year.

Human resources

As at 31 December 2015, the Group had 7,039 employees (31 December 2014: 3,973). The remuneration packages for the existing employees include basic salaries, discretionary bonuses and social security contributions. Pay levels of the employees are commensurate with their responsibilities, performance and contribution.

Final dividend

The Board has resolved not to declare final dividend for the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As the Company has arranged appropriate insurance coverage in respect of potential legal action against its Directors according to Code A.1.8 of the Corporate Governance Code, it has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the current year.

COMPLIANCE WITH THE MODEL CODE

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Year.

REVIEW OF ANNUAL FINANCIAL INFORMATION

The audit committee of the Company has reviewed and agreed with the management on the accounting principles, treatment and practices adopted by the Group and discussed the internal controls and financial reporting matters including the review of the annual results and the audited consolidated annual financial statements for the Year with the Directors.

The audit committee of the Company considered that the annual financial statements for the Year are in compliance with the relevant accounting standards, the requirements of the Hong Kong Stock Exchange and the laws of Hong Kong, and the Company has made appropriate disclosure thereof.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

The following is an extract of the independent auditor's report on the Group's audited financial statements for the Year which has included an emphasis of matter, but without qualification:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1(B) to the consolidated financial statements, which states that as at 31 December 2015, the Group's current liabilities exceeded its current assets by RMB1,996,189,000. In addition, as at 31 December 2015, the Group had capital commitments, contracted for but not provided in the consolidated financial statements, amounting to RMB3,973,688,000 as disclosed in note 15. The Company is implementing several measures as disclosed in note 1(B) to the consolidated financial statements to improve the financial position of the Group and after taking into account these steps, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and to pay its financial obligations as and when they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to implement such measures as disclosed in note 1(B) to the consolidated financial statements. These conditions indicates the existence of a material uncertainty that may cast doubt about the Group's ability to continue as a going concern.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules for the Year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement containing the relevant information required by the Listing Rules is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (http://www.sfcegroup.com). The annual report for the Year will be dispatched to the Shareholders and made available on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Board"	the board of director(s) of the Company
"Company", "we" or "us"	Shunfeng International Clean Energy Limited
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Directors(s)"	the director(s) of the Company
"EURO"	Euro, the lawful currency of the member states of European Union
"Group"	the Company and its subsidiaries
"GW"	gigawatt, which equals to one billion watt
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"MW"	megawatt, which equals to one million watt
"MWh"	megawatt hour
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"United States"	the United States of America

"Wuxi Suntech"	Wuxi Suntech Power Co., Ltd., a company incorporated in the PRC and a wholly-owned subsidiary of the Company
"Year"	twelve months ended 31 December 2015

By order of the Board
Shunfeng International Clean Energy Limited
Zhang Yi
Chairman

Hong Kong, 22 March 2016

As at the date of this announcement, the executive Directors are Mr. Zhang Yi, Mr. Luo Xin, Mr. Shi Jianmin, Mr. Wang Yu, Mr. Lei Ting and Mr. Lu Bin; and the independent non-executive Directors are Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson.