Jun Yang Solar Power Investments Limited
君陽太陽能電力投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 397)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHT

For the year ended 31 December 2013:

– The Group recorded revenue of approximately HK$63,003,000 (2012: approximately HK$17,659,000), increased by approximately 257% year over year. Of it, approximately HK$42,288,000, or 67%, was from the solar power main business.

– Loss attributable to owners of the Company amounted to approximately HK$18,049,000 (2012: approximately HK$418,000,000), dropped by approximately 96% year over year. The loss was caused by impairment loss on property, plant and equipment, and non-cash in nature.

– The Board does not recommend the payment of any dividend.

At 31 December 2013:

– The Group held pledged bank deposits and cash and cash equivalents of approximately HK$212,547,000 (2012: approximately HK$260,411,000). The Group held loan receivables of approximately HK$226,342,000 (2012: approximately HK$67,300,000) and held-for-trading investments of approximately HK$366,313,000 (2012: approximately HK$286,982,000) respectively.

– Net current assets amounted to approximately HK$564,813,000 (2012: approximately HK$479,371,000). Current ratio (defined as total current assets divided by total current liabilities) was 3.24 times (2012: 2.92 times).

– Net assets amounted to approximately HK$1,055,228,000 (2012: approximately HK$924,734,000).

– The Group had bank borrowings of approximately HK$10,957,000 (2012: Nil).

RESULTS

The board (the "Board") of directors (the "Directors") of Jun Yang Solar Power Investments Limited (the "Company" or "Jun Yang Solar ") announces the audited consolidated final results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 together with figures for the year ended 31 December 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

		For the year ended 31 December	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
Gross proceeds from operations	*3*	**560,882**	523,507
Revenue	*3*	**63,003**	17,659
Cost of sales		**(13,029)**	(2,247)
Gross profit		**49,974**	15,412
Other income and gains		**25,444**	4,043
Employee benefits expense		**(26,455)**	(12,234)
Depreciation of property, plant and equipment		**(2,493)**	(60,024)
Gain/(loss) arising on change in fair value of held-for-trading investments		**8,996**	(176,113)
Gain arising on change in fair value of derivative financial instruments		**1,853**	663
Gain on disposals of subsidiaries		**14,084**	29,147
Gain on disposals of associates		**9,610**	–
Impairment loss of property, plant and equipment		**(59,020)**	(315,193)
Impairment loss of available-for-sale investments		**(4,317)**	–
Impairment loss of goodwill		**(2,941)**	–
Gain arising on change in fair value of investment properties		**–**	23,100
Write-down of inventories		**–**	(2,400)
Selling and distribution expenses		**–**	(1,186)
Finance costs	*5*	**(155)**	(9,432)
Other operating expenses		**(39,006)**	(35,740)
Impairment loss of interests in associates		**–**	(28,567)
Share of results of associates		**(9,132)**	10,372
Loss before tax		**(33,558)**	(558,152)
Income tax expense	*6*	**(330)**	(336)
Loss for the year	*7*	**(33,888)**	(558,488)

	Notes	For the year ended 31 December **2013** ***HK$'000***	2012 *HK$'000*
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**7,049**	5,139
Release of translation reserve upon disposals of subsidiaries		**–**	(25,976)
Share of other comprehensive income of associates		**153**	–
Other comprehensive income/(expense) for the year, net of income tax		**7,202**	(20,837)
Total comprehensive expense for the year		**(26,686)**	(579,325)
Loss for the year attributable to:			
Owners of the Company		**(18,049)**	(418,000)
Non-controlling interests		**(15,839)**	(140,488)
		(33,888)	(558,488)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(10,880)**	(437,823)
Non-controlling interests		**(15,806)**	(141,502)
		(26,686)	(579,325)
Loss per share			
– Basic (HK cents per share)	*9*	**(0.23)**	(6.63)
– Diluted (HK cents per share)	*9*	**(0.23)**	(6.63)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 DECEMBER 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**404,328**	444,964
Investment properties		**–**	121,000
Goodwill		**136**	3,077
Interests in associates		**146,619**	8,178
Loan receivables		**45,742**	–
Available-for-sale investments		**36,432**	11,723
		633,257	588,942
Current assets			
Trade and other receivables	*10*	**32,307**	21,218
Loan receivables		**180,600**	67,300
Value-added tax recoverable		**24,675**	24,709
Amount due from an associate		**–**	67,022
Held-for-trading investments		**366,313**	286,982
Derivative financial instruments		**–**	940
Tax recoverable		**–**	75
Pledged bank deposits		**3,947**	–
Cash and cash equivalents		**208,600**	260,411
		816,442	728,657
Current liabilities			
Other payables and accruals	*11*	**232,239**	248,985
Derivative financial instruments		**385**	301
Deferred income		**7,076**	–
Tax payable		**972**	–
Bank borrowings		**10,957**	–
		251,629	249,286

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Net current assets		**564,813**	479,371
Total assets less current liabilities		**1,198,070**	1,068,313
Non-current liabilities			
Deferred income		**142,842**	143,579
Net assets		**1,055,228**	924,734
Capital and reserves			
Share capital		**177,888**	126,180
Reserves		**818,198**	698,008
Equity attributable to owners of the Company		**996,086**	824,188
Non-controlling interests		**59,142**	100,546
Total equity		**1,055,228**	924,734

NOTES

1. GENERAL AND BASIS OF PREPARATION

Jun Yang Solar Power Investments Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda and its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 October 1993. The Company's registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda, and its head office and principal place of business in Hong Kong is situated at Room 509, 5th Floor, Town Health Technology Centre, 10 – 12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), while the functional currencies of certain subsidiaries are presented in Renminbi ("RMB"). The Company has selected Hong Kong dollars as its presentation currency because the management considered it is more beneficial to the user of the consolidated financial statements.

The Group is principally engaged in solar energy business with a current focus on development, construction, operation and maintenance of power station projects, money lending business and assets investment.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

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

The Group has applied the following new and revised HKFRSs issued by the HKICPA for the first time in the current year.

Amendments to HKFRS 1	Government loans
Amendments to HKFRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle

Except for as described below, the application of the above 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 statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "*Consolidated Financial Statements*", HKFRS 11 "*Joint Arrangements*", HKFRS 12 "*Disclosure of Interests in Other Entities*", HKAS 27 (as revised in 2011) "*Separate Financial Statements*" and HKAS 28 (as revised in 2011) "*Investments in Associates and Joint Ventures*", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "*Consolidated and Separate Financial Statements*" that deals with consolidated financial statements and HK(SIC) Int-12 "*Consolidation – Special Purpose Entities*". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company made an assessment as at the date of initial application of HKFRS 10 as to whether or not the Group has control over the investees in accordance with the new definition of control and the related guidance set out in HKFRS 10, and concluded that the application of HKFRS 10 does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 ***Fair Value Measurement***

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "*Share-based Payment*", leasing transactions that are within the scope of HKAS 17 "*Leases*", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 ***Presentation of Items of Other Comprehensive Income***

The Group has applied the amendments to HKAS 1 "*Presentation of Items of Other Comprehensive Income*". Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs in issue 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.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRS 14	Regulatory Deferral Account[5]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

HKFRS 9 ***Financial Instruments***

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for classification and measurement of financial liabilities and for derecognition and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 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 the subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting 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 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.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors anticipate that the adoption of HKFRS 9 in the future may have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the Group's consolidated financial statements.

The directors of the Company anticipate that the application of the above new or revised HKFRSs have been issued but not yet effective will have no material impact on the results and the financial position of the Group.

3. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the year.

Gross proceeds from operations include the gross proceeds received and receivable from securities trading and investments under the assets investment segment, in addition to the revenue.

An analysis of the Group's revenue and gross proceeds from operations for the year is as follows:

	2013	2012
	HK$'000	*HK$'000*
Revenue – rental income from investment properties	**1,397**	2,849
Revenue – income from the provision of green energy related consultancy services	**14,154**	9,065
Revenue – income from sales of electricity	**28,134**	4,315
Revenue – interest income from loan financing	**19,318**	595
Revenue – sales of silicon based thin-film solar photovoltaic modules	**–**	835
	63,003	17,659
Gross proceeds from securities trading and investments	**497,879**	505,848
Gross proceeds from operations	**560,882**	523,507

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker for the purposes of allocating resources to segments and assessing their performance.

The Group's reportable and operating segments under HKFRS 8 are as follows:

- Assets investment segment – Investment in listed and unlisted securities and investment properties;
- Green energy segment – Production of silicon based thin-film solar photovoltaic modules, provision of green energy related consultancy services and sales of electricity in the People's Republic of China ("PRC"); and
- Money lending segment – Provision of loan financing in Hong Kong

Segment revenue and results

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

Revenue and results

	Assets investment segment		Green energy segment		Money lending segment		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Gross proceeds from operations	**499,276**	508,697	**42,288**	14,215	**19,318**	595	**560,882**	523,507
Revenue								
Segment revenue	**1,397**	2,849	**42,288**	14,215	**19,318**	595	**63,003**	17,659
Results								
Segment results	**24,144**	(152,570)	**(49,349)**	(390,469)	**18,772**	649	**(6,433)**	(542,390)
Unallocated income							**1,709**	495
Unallocated corporate expenses							**(43,241)**	(17,777)
Gain on disposals of subsidiaries							**14,084**	29,147
Gain on disposals of associates							**9,610**	–
Finance costs							**(155)**	(9,432)
Impairment loss of interests in associates							**–**	(28,567)
Share of results of associates							**(9,132)**	10,372
Loss before tax							**(33,558)**	(558,152)
Income tax expense							**(330)**	(336)
Loss for the year							**(33,888)**	(558,488)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31 December 2013 (2012: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by or loss from each segment without allocation of central administration costs including directors' emoluments, share of results of associates, other income and gains, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	2013	2012
	HK$'000	*HK$'000*
Segment assets		
Assets investment segment	**406,320**	489,786
Green energy segment	**446,373**	486,398
Money lending segment	**236,189**	68,045
Total segment assets	**1,088,882**	1,044,229
Unallocated	**360,817**	273,370
Consolidated total assets	**1,449,699**	1,317,599

	2013	2012
	HK$'000	*HK$'000*
Segment liabilities		
Assets investment segment	**6,070**	2,705
Green energy segment	**376,130**	390,148
Money lending segment	**–**	1
Total segment liabilities	**382,200**	392,854
Unallocated	**12,271**	11
Consolidated total liabilities	**394,471**	392,865

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

- all assets are allocated to operating segments other than current tax recoverable, pledged bank deposits, cash and cash equivalents and interests in associates; and
- all liabilities are allocated to operating segments other than bank borrowings and current tax payable.

Other segment information

	Assets investment segment		Green energy segment		Money lending segment		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Capital addition (excluding goodwill)	**1,301**	1,388	**15,671**	254,873	**–**	–	**16,972**	256,261
Addition of goodwill	**–**	–	**–**	–	**–**	136	**–**	136
Gain arising on change in fair value of investment properties	**–**	(23,100)	**–**	–	**–**	–	**–**	(23,100)
(Gain)/loss arising on change in fair value of held-for-trading investments	**(8,996)**	176,113	**–**	–	**–**	–	**(8,996)**	176,113
Gain arising on change in fair value of derivative financial instruments	**(1,853)**	(663)	**–**	–	**–**	–	**(1,853)**	(663)
Depreciation of property, plant and equipment	**508**	99	**10,871**	59,925	**–**	–	**11,379**	60,024

Geographical information

The Group operates in two principal geographical areas – the PRC and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the location of assets as detailed below:

	Revenue from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**42,288**	14,215	**401,918**	446,252
Hong Kong	**20,715**	3,444	**84,720**	134,512
	63,003	17,659	**486,638**	580,764

Non-current assets excluding interests in associates.

Information about major customers

For the year ended 31 December 2013, there was one customer with revenue of approximately HK$8,844,000 which accounted for more than 10% of the total revenue related to green energy segment.

For the year ended 31 December 2012, there was one customer with revenue of approximately HK$9,065,000 which accounted for more than 10% of the total revenue related to green energy segment.

5. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on:		
– Bank borrowings wholly repayable within five years	**134**	6,917
– Amounts due to non-controlling interests	**–**	2,515
– Bank overdraft	**21**	–
	155	9,432

6. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong profits tax	**414**	321
– PRC Enterprise Income Tax	**613**	55
– Over provision in prior years	**(697)**	(40)
Total income tax recognised in profit or loss	**330**	336

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the year.

Under the Law of People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation on the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

During the year ended 31 December 2013, a PRC subsidiary is subject to fully exempt from income tax under the relevant tax rules and regulations.

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2013	2012
	HK$'000	*HK$'000*
Loss before tax	**(33,558)**	(558,152)
Tax at the Hong Kong profits tax rate of 16.5%	**(5,537)**	(92,095)
Tax effect of expenses not deductible for tax purpose	**18,619**	106,958
Tax effect of income not taxable for tax purpose	**(11,372)**	(5,021)
Effect of different tax rates of subsidiaries operating in other countries	**(4,677)**	(33,732)
Over provision in prior years	**(697)**	(40)
Tax effect of tax losses not recognised	**3,994**	24,266
Income tax expense for the year	**330**	336

7. LOSS FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging/(crediting):		
Staff costs:		
– Directors' emoluments	**6,439**	3,654
– Other staff costs	**9,125**	8,498
– Other staff retirement benefits scheme contributions	**102**	82
– Equity-settled share-based payments	**10,789**	–
	26,455	12,234
Dividend income from listed securities	**(8,357)**	(4,537)
Cost of inventories recognised as an expense	**13,029**	2,247
Depreciation of property, plant and equipment	**2,493**	60,024
Loss on disposal of property, plant and equipment	**–**	19
Auditors' remuneration	**600**	1,020
Operating lease rentals in respect of land and buildings	**3,950**	2,348
Net foreign exchange loss	**3,569**	527

8. DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2013 (2012: Nil).

9. LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company for the year ended 31 December 2013 of approximately HK$18,049,000 (2012: approximately HK$418,000,000) by the weighted average number of 7,860,973,947 (2012: 6,308,982,430) ordinary shares in issue during the year.

Diluted

The computation of diluted loss per share for the years ended 31 December 2012 and 2013 did not assume the exercise of the Company's share options outstanding during the years ended 31 December 2012 and 2013 as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

10. TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**9,439**	370
Prepayments, deposits and other receivables	**22,868**	20,848
Total trade and other receivables	**32,307**	21,218

Notes:

(i) The Group allows an average credit period of 30 to 90 days to its trade customers.

The following is an aged analysis of trade receivables at the end of the reporting period:

	2013	2012
	HK$'000	*HK$'000*
0-60 days	**9,439**	370
61-90 days	**–**	–
Over 90 days	**–**	–
	9,439	370

(ii) At 31 December 2013, the Group's trade and other receivables included an amount of approximately HK$11,396,000 (2012: HK$15,423,000) that is denominated in Renminbi.

11. OTHER PAYABLES AND ACCRUALS

	2013	2012
	HK$'000	*HK$'000*
Other payables	**225,650**	246,529
Accruals	**6,589**	2,456
Total other payables and accruals	**232,239**	248,985

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2013, the Group recorded revenue of approximately HK$63,003,000 (2012: approximately HK$17,659,000), increased by approximately 257% year over year. Of it, approximately HK$42,288,000, or 67% was from the solar power main business. However, there was a substantial drop in the market price of the main components of the photovoltaic ("PV") power stations construction in recent years. It reduced the construction costs of new power stations while also led to the impairment of fixed assets in the built-up power stations. For the year ended 31 December 2013, the Company recorded a total impairment in fixed assets of approximately HK$59,020,000. This non-cash impairment has had no significant adverse impact on the Company's operations. For the year ended 31 December 2013, loss attributable to owners of the Company amounted to approximately HK$18,049,000 (2012: loss of approximately HK$418,000,000). The Company has stable cash flows and holds pledged bank deposits and cash and cash and cash equivalents of approximately HK$212,547,000. In addition, the Group holds loan receivables of approximately HK$226,342,000 (2012: approximately HK$67,300,000) and held-for-trading investments of approximately HK$366,313,000 (31 December 2012: approximately HK$286,982,000).

Continuous growth in energy demand propelled by the economic growth in the PRC

Against the macro-environment of lingering financial crisis around the globe, the People's Republic of China (the "PRC") managed to sustain a relatively strong economic growth momentum in 2013. According to the figures released by the National Bureau of Statistics of the PRC in early January 2014, the PRC achieved an economic growth of 7.7% in 2013, meeting the planned growth target.

The constant economic growth and accelerated urbanisation of the PRC are interdependent with its energy development. The energy demand is mainly reflected by consumption of electricity. The National Energy Administration announced that in 2013 the social consumption of electricity in the PRC totalled approximately 5.32 trillion kilowatt hours ("kWh"), representing a year-on-year growth of 7.5%, which was much higher than that of 2012. Such growth rate showed the demand for energy, as represented by electricity, for supporting people's production and livelihood had been on the rise.

However, in pace with energy consumption, the severe pollution brought by traditional forms of energy is endangering people's lives and health. Smog, the main concern of the PRC government, mainly caused by the high concentration of air pollutants which can hardly spread in heavy fog, leads to visibility reduction. In 2013, the average number of smoggy days hit its highest record in 52 years. Not only becoming more persistent, the smog also affected more extensive areas.

The development of new energy sources becomes irresistible

To foster sustainable development and to solve the pollution problem from its roots, the PRC government promulgated a series of policies favourable to new energy sources, including continuous support for solar PV and wind power generation projects etc. The State Council clearly stated the PV industry was going to be the major direction of the new energy industry in the future. Throughout the year of 2013, the government has promulgated more than a dozen policy initiatives for the PV industry, at a frequency and enthusiasm exceeding the expectation of the industry, showing the determination of the government to develop the PV industry. As an indispensable source of new energy, PV power generation, distributed PV power generation in particular, will continue to be a beneficiary. Given that, the Group will strengthen its business development plan in due course to take the opportunities of the rapid development of the PV industry.

Distributed PV power generation changes the pattern of energy production and consumption

Self-generation and self-consumption is the main feature of distributed PV power generation. By installing PV equipment on the rooftops of factories, schools, hospitals, government agencies and buildings in the community, self-supply of power can be achieved, prevailing over the traditional centralised energy system, which relies on large-scale power generation plants and long-distance high voltage transmission cables. This brings solid support to the development of clean energy. Therefore, distributed PV power generation is revolutionary in the pattern of energy production and consumption.

The PRC government released favourable policies and gave clear direction for the development of distributed PV power generation.

《關於開展分布式光伏發電應用示範區建設的通知》(“Notice regarding the Commencement of Establishment of Demonstration Areas for Application of Distributed PV Power Generation”) was issued by the National Energy Administration in August last year to extend the application of distributed PV power generation. Based on the implementation proposal related to the demonstration areas given by each related province (county and city), the first list of demonstration areas for distributed PV power generation was confirmed. Following the launch of the policy of demonstration areas, the subsidy policies for Golden Sun PV Investment came to an end. The Ministry of Finance announced in June 2013 the audit of “Golden Sun Demonstration Projects”. With our dedication to the development of solar PV projects and the effective use of subsidies, all the projects of the Group have successfully fulfilled all the conditions for the settlement of subsidies.

In 2013, the central government granted sufficient subsidies to support the development of distributed solar energy. A series of documents were issued by the State Council, the National Development and Reform Commission ("NDRC") and the Ministry of Finance, which include《關於促進光伏產業健康發展的若干意見》("Several Opinions on Promoting the Sound Development of PV Industry"),《分布式發電管理暫行辦法》("Measures for the Administration of Distributed Power Generation"), and《關於分布式光伏發電實行按照電量補貼政策等有關問題的通知》("Notice regarding the Subsidies to the Distributed PV Power Generation according to the Quantity of Power"). In August, the NDRC released《關於發揮價格槓桿作用促進光伏產業健康發展的通知》("Notice regarding the Promotion of Sound Development of PV Industry through the Leverage of Pricing") ([2013] No. 24) and《關於調整可再生能源電價附加標準與環保電價的有關事項的通知》("Notice regarding the Adjustment in the Levying Standard for Renewable Energy Surcharges and Issues in relation to Environmental Friendly Energy Tariff") ([2013] No. 1651). Pursuant to the new subsidy policies, the subsidies are granted based on every kWh of power generated, i.e. RMB0.42 per kWh for distributed PV power stations. The levying standard for renewable energy surcharge increased from RMB0.8 cent per kWh to RMB 1.5 cents per kWh. These policies have clearly set out the implementation of subsidies for distributed PV power generation projects, demonstrating that the policies related to PV subsidies and grid connections of the PRC government have been improving.

Meanwhile, various tax policies favouring the development of PV industry have been promulgated. The Ministry of Finance promulgated《關於光伏發電增值稅政策的通知》("Notice regarding the Value-added Tax Policies on PV Power Generation") in September 2013, and the PV power generation has enjoyed an immediate value-added tax rebate of 50% since October of the same year. In November,《關於對分布式光伏發電自發自用電量免徵政府性基金有關問題的通知》("Notice Regarding the Exemption of Governmental Charges for self-generation and self-consumed electricity of Distributed PV Power Generation") issued by the Ministry of Finance further defined the policies in relation to the exemption of governmental charges and taxes for distributed PV generation which substantially reduced the tax burden of PV power generation and greatly improved its profitability, facilitating the extension of the application of distributed PV power generation.

Moreover, the National Energy Administration and China Development Bank has jointly issued《關於支持分布式光伏發電金融服務的意見》("Opinions on Financial Services to Support Distributed PV Power Generation"). The objective of which was encouraging social investment through financial leveraging so as to encourage investments in distributed PV power generation. The policy also clarified the direction, targets and conditions of financial support for distributed PV power generation, enabling a more coordinated market development.

In 2013, with the unprecedented priority given by the government to the development of PV industry and the substantial improvement in the external investment environment, the Group enjoyed an upturn in operating conditions.

BUSINESS REVIEW

Jun Yang solar PV power stations entering the harvest era

In respect of new energy business, the Group continued to operate three PV power stations projects commenced in 2012 and generated revenue:

– ***Large-scale ground-mounted grid-connected power station project in Golmud, Qinghai Province***

  The 10-megawatt large-scale solar PV ground-mounted power station project invested by the Group in Golmud, Qinghai Province was completed and put into operation to generate electricity. The total power generation for 2013 was 13,120,000 kWh and electricity loss due to power grids limit was approximately 5-6% of power generation. The Group underwent technical revamp of the project during the period to guarantee that power generation were up to standard. The electricity tariffs subsidy of the project for power generation in 2012 was received in full in August 2013, and the electricity tariffs subsidy of the project for power generation for the first six months of 2013 in an amount of RMB 4.7 million was received in December 2013. Through the 2-year operation, the project team has gained extensive experience in technologies and management experience associated with large scale ground-mounted power station operation. The Group expected power generation of the project will further increase in 2014 and achieve power generation of 15,000,000 kWh.

– ***20-megawatt and 1.5-megawatt rooftop power station projects in Xuchang and Zhengzhou, Henan Province***

  Both the 20-megawatt and 1.5-megawatt rooftop power station projects in Xuchang and Zhengzhou, Henan Province are demonstration projects of the government under the "Golden Sun Demonstration Project". Both projects received the final acceptance of the Golden Sun Projects from the Ministry of Finance in the first half of 2013, and completed the acceptance of grid supervision and the grid connection in the second half of the year. During the period under review, the operator, the grid company and consumers of the power station projects in Xuchang and Zhengzhou, Henan Province, have respectively entered into a tripartite agreement. Since 2013, PV power stations have been put into operation to generate electricity, and the first batch of electricity tariffs of the project has been duly received, outperformed its peers in the PRC in terms of development. As of the end of December 2013, the total power generation of the two projects was 2,090,000 kWh, of which 530,000 kWh was on-grid high voltage electricity. The project strives to achieve power generation of 12,000,000 kWh in 2014.

The Group's strategic projects reserve mainly comes from the PV investment subsidy policies under the "Golden Sun Project". In the first half of the year under review, the Chinese government halted the approval of subsidy policies under the "Golden Sun Project", and the first list of demonstration areas for distributed PV power generation was only confirmed in the second half of the year and the new subsidy policies granting subsidies based on power generation were introduced. Given the short notice of the new policy, additional time was needed for the creation and approval of subsidies for the Group's new projects. Therefore, there was no new construction of PV power station in 2013. Nevertheless, the Group has been studying the new policies actively, and will establish new projects and expand the reserve for existing projects in due course.

Progress of memoranda and framework agreements

In 2013, the Group has entered into various memoranda of understanding and framework agreements with a number of domestic and foreign partners in order to give fresh vigour to the development of the PV power business.

At the beginning of 2013, the Group entered into a memorandum for the development of 20-megawatt of PV power stations with 寧夏眾力科技園有限公司 (in English, for identification purpose only, Ningxia Zhongli Science & Technology Park Co., Ltd). In addition, the Group has also entered into a memorandum of understanding for the development of 60-megawatt rooftop solar PV power stations project with Xuchang Municipal People's Government in Xuchang, Henan Province. These two projects originally intended to apply the subsidies given to the National Golden Sun Projects. However, according to the new PV policy in relation to subsidy based on quantity of power, these two projects need to be carried out in accordance with government policy after the project application. In March 2013, the Group and Zhongxing Energy (Shenzhen) Company Limited entered into a framework agreement, which was conditional upon the completion of the audit of the acquisition project according to《金太陽清算示範工程財政補助金的通知》("Notice on auditing the financial subsidies given to Golden Sun Demonstration Projects").

Moreover, 北京君陽投資有限公司 (in English, for identification purpose only, Beijing Jun Yang Investment Company Limited) ("Beijing Jun Yang"), a non wholly-owned subsidiary of Jun Yang Solar, entered into a share subscription agreement with 北京三吉利能源股份有限公司 (in English, for identification purpose only, Beijing Sanjili Energy Co., Ltd.) ("Beijing Sanjili") in July 2013 pursuant to which Beijing Jun Yang agreed to subscribe for 350,000,000 shares of Beijing Sanjili at a price of RMB1.5015 per share. The Board also announced that, on 20 May 2013, Beijing Jun Yang had entered into a memorandum with Beijing Sanjili in relation to the potential cooperation in new energy projects (including gas-based and solar PV power generation projects) in the PRC.

However, Jun Yang Solar was subsequently informed by Beijing Sanjili that certain terms of the share subscription, in particular, the share subscription price and the reference date on which the share subscription price was determined shall be revised in light of the remarks made by the approving authority (the State-owned Assets Supervision and Administration Commission of the State Council). The revised subscription price might be increased to RMB2.5 per subscription share. After careful consideration on whether the subscription price was in the best interest of the shareholders of the Company, the Group did not proceed with the acquisition. The memorandum entered into by Beijing Jun Yang and Beijing Sanjili in relation to the cooperation in new energy projects was still under research and negotiation.

In November last year, the Company announced that a memorandum was entered into with Lightway Power Holdings Limited ("Lightway") in relation to the possible investment by the Company in Lightway. However, no formal agreement regarding the investment has been duly entered into by the parties thereto.

Outstanding performance of money lending business

Since large amount of cash was reserved for the investment in PV power stations, the Group made a move to money lending business through the acquisition of E Finance Limited in September 2012 with the aim of using the cash resources effectively. The Group's lending business achieved outstanding performance, as noted from the aggregated sum of approximately HK$336,250,000 for the twelve months ended 31 December 2013. The business enabled the Group to diversify the sources of income and provide additional resources to finance our core PV business, which in turn enhanced the Group's competitive edges.

In October 2013, Top Sense Worldwide Ltd, a wholly-owned subsidiary of the Company, entered into a joint venture ("JV") agreement and also further set up a Hong Kong company and a wholly foreign-owned enterprise in the PRC to conduct money lending business in the PRC indirectly through the wholly foreign-owned enterprise. The Group considered that the entering into of the JV agreement with the JV partners would allow the Group to, upon establishment of the wholly foreign-owned enterprise, invest into the money lending business in the PRC. Furthermore, by making use of the advantages of the capital contribution of the JV partners, the Group, through the strategic alliance, will be able to tap into opportunities.

In early December 2013, the Group announced that a sale and purchase agreement was entered into in relation to the proposed acquisition of 20% of the shares of Asia Credit Monitors (Holdings) Limited at a consideration of HK$40,000,000. An ordinary resolution in respect of the said acquisition was duly passed by way of poll by the shareholders of the Company at the special general meeting held on 3 March 2014. The Board will implement and take appropriate action in accordance with the relevant resolution and the sale and purchase agreement.

BUSINESS PROSPECTS

During the year under review, the PRC government has been promoting complementary policies in full swing to offer strong support to the development of solar PV in the PRC with an aim of coping with the anti-dumping duties on Chinese solar panel manufacturers imposed by Europe and America, and to step up the development of new energies to combat deteriorating pollution problems. Going ahead in 2014, the PV industry will enjoy the benefits of the advantageous policies and develop in a robust yet orderly manner.

In the National Energy Work Conference conducted earlier this year, the National Energy Administration confirmed that the newly installed PV capacity in 2014 is going to be 14 gigawatts, 17% higher than the previous target of 12 gigawatts. Within the planned capacity of 14 gigawatts, 8.4 gigawatts are for distributed power stations, accounting for 60%; and 5.6 gigawatts are for ground-mounted power stations, accounting for 40%. As the government encourages "self-generation and self-consumption", the distributed PV capacity will be used as an indicator in the appraisal of local governments and power grid enterprises. The period for implementing the feed-in-tariffs and subsidies is 20 years and the development of PV is going to be buttressed through adjustments in additional tariffs for renewable energy. The accounts of ground-mounted power stations are settled on a monthly basis by power grids and power generation enterprises and the subsidies on distributed projects are transferred by power grids on a monthly basis. Besides, the central government encourages local governments to promote the application of PV power generation by utilizing local fiscal budgets. This serves as an unquestionable sign indicating the continuous support of the PRC government towards the development of the PV industry – the PV construction in the PRC has reached its height.

In view of this, the Group has formulated refined development strategies and endeavoured to become a leading independent solar power generator in the world. To meet the target, we will focus on our solar PV business and fulfill the development goal by searching for business partners globally for joint development and construction of solar power generation projects.

– **Ongoing projects**

In 2014, the 10-megawatt large-scale grid-connected power station project in Golmud, Qinghai Province, the 20-megawatt rooftop power station project in Xuchang, Henan Province, and the 1.5-megawatt rooftop power station project in Zhengzhou, Henan Province, which continue to be operated by the Group, will enter the stage of complete operation. United, our professional team will manage the three projects sophisticatedly. By strategic planning and operation, we ensure safety operations yet achieving an increase of power generation capacity and production capacity of the power stations, which will accelerate the recovery of capital and increase the revenue. The Group has set up a goal of power generation capacity in 2014 for these three projects, which will be implemented following the schedule.

– **Projects in the future**

In addition, the Group will develop the existing project reserves strategically with clear planning and at the same time strive to add in new project reserves. We will consider acquiring projects with favourable conditions and satisfactory investment returns in order to expand the project portfolio and optimise the resource allocation. Apart from internal development, the Group will also seek business partners with rich resources in the country and solid experience in the industry to discuss the possibilities of joint development to create a win-win situation. Upholding the doctrine of "maintaining the foothold locally while seeking for chances globally", the Group will, if there are befitting international PV power station projects, invest in those with excellent return after progressive appraisal.

In 2014, we will continue our endeavours in drawing lessons from the experience in the ongoing projects, expanding our markets, seeking opportunities by seizing the golden chance of the state's plan of "developing clean, green energy with all efforts". Blessed with the delightful return of our existing projects, strategic development prospects, diversified business operations and an experienced management team, we believe that the Group has been at the forefront of the solar PV industry. Added with the encouraging state policies, we would be able to gather strong momentum and create stable and long-term return to our shareholders in the coming year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2013, the Group held pledged bank deposits and cash and cash equivalents of approximately HK$212,547,000 (2012: approximately HK$260,411,000). Net current assets amounted to approximately HK$564,813,000 (2012: approximately HK$479,371,000). Current ratio (defined as total current assets divided by total current liabilities) was 3.24 times (2012: 2.92 times).

The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 27% (2012: 30%).

As at 31 December 2013, the Group had outstanding bank borrowings of approximately HK$10,957,000 (2012: Nil). As the Group's bank balances and borrowings were denominated in Hong Kong dollars, United States dollars and Renminbi, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the relevant loan agreements.

CAPITAL STRUCTURE

As at 31 December 2013, the Group had shareholders' equity of approximately HK$177,888,000 (2012: approximately HK$126,180,000).

On 21 February 2013, the Company allotted and issued 841,156,626 new shares of HK$0.02 each in the share capital of the Company (the "Shares"), at the price of HK$0.133 per Share, pursuant to the sale and purchase agreement dated 16 January 2013 entered into between the Company and six individuals in relation to the acquisition of the 2015 due zero coupon convertible bonds issued by Computech Holdings Limited, further details of which are set out in the announcement of the Company dated 16 January 2013.

On 26 March 2013, the Company allotted and issued 264,281,196 new Shares, at the price of HK$0.16 per Share, pursuant to the sale and purchase agreement dated 17 January 2013 entered into between the Company and the vendors in relation to the acquisition of 4,000 shares of US$1.00 each, representing approximately 11.247% of the issued share capital of Jun Yang Solar Power Investment Holdings Limited, a non wholly-owned subsidiary of the Company, further details of which are set out in the announcement of the Company dated 17 January 2013.

On 28 November 2013, the Company allotted and issued 1,480,000,000 placing Shares at the placing price of HK$0.07 per placing Share pursuant to the placing agreement dated 14 November 2013 entered into between the Company and a placing agent, further details of which are set out in the announcement of the Company dated 14 November 2013.

Save as disclosed above, there was no movement in the issued share capital of the Company during the year ended 31 December 2013.

CHARGES ON GROUP ASSETS

As at 31 December 2013, certain Group's bank deposits and held-for-trading investments with carrying value of approximately HK$3,947,000 and HK$10,313,000 respectively were pledged to secure general bank facilities granted to the Group.

As at 31 December 2012, certain Group's investment properties with carrying value of HK$121,000,000 were pledged to secure general bank facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2013, the Group employed approximately 59 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2013.

CORPORATE GOVERNANCE

The Company endeavours in maintaining good corporate governance for the enhancement of shareholders' value. The Company has complied with all the applicable code provisions in the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 December 2013, except that under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The post of the chief executive officer of the Company was vacant during the period from 1 January 2013 to 21 January 2013 and the job responsibilities of the chief executive officer of the Company were discharged by the executive Directors collectively. The Company has appointed Mr. Jiang You as an executive Director and chief executive officer of the Company on 22 January 2013.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, the Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2013.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen (the chairman of the audit committee), Mr. Chik Chi Man and Mr. Lam Wing Tai. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the audited consolidated financial statements of the Group for the year ended 31 December 2013.

On behalf of the Board
Jun Yang Solar Power Investments Limited
Bai Liang
Chairman

Hong Kong, 24 March 2014

As at the date of this announcement, the executive Directors are Mr. Bai Liang, Mr. Jiang You, Mr. Siu Kam Chau and Mr. Peng Libin, and the independent non-executive Directors are Mr. Chan Chi Yuen, Mr. Chik Chi Man and Mr. Lam Wing Tai.