UNITED PHOTOVOLTAICS GROUP LIMITED
聯 合 光 伏 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors (the "Board" or the "Directors") of United Photovoltaics Group Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015, together with the comparative figures for the corresponding period in 2014. The condensed consolidated interim financial information was prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". It has not been audited but reviewed by the Company's audit committee and by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

RESULTS HIGHLIGHT

	For the six months ended 30 June		
	2015	2014	
	RMB' million	*RMB' million*	*Change*
Revenue (including tariff adjustment)	**283**	126	125%
EBITDA	**212**	65	227%
Profit for the Period	**254**	342	(26%)
Basic EPS (RMB cents)	**5.60**	8.74	(36%)

Business Review

During the six months ended 30 June 2015 (the "Period"), the Group continued to focus its resources on the expansion of solar power plants business and has completed the acquisitions of 7 solar power plants in the People's Republic of China (the "PRC" or "China") with an aggregate installed capacity of 160MW:

Location	**Equity interest in respective project company**	**Number of solar power plants**	**Approximate aggregate installed capacity (MW)**
Inner Mongolia, PRC	9.37%	2	60
Xinjiang, PRC	51%	4	80
Xinjiang, PRC	90.9%	1	20
		7	160

As at 30 June 2015, there were 21 solar power plants beneficially owned by the Group and its associates (30 June 2014: 13). The aggregate installed capacity of these solar power plants has increased to 637MW (30 June 2014: 467MW) accordingly, by 36.4% as compared to the corresponding period in 2014. All of these solar power plants have achieved on-grid connection and have been generating electricity steadily. The details of the electricity generation volume of such solar power plants are set out as below. For accounting purpose, the volume of electricity generated by the solar power plants newly acquired during the Period was recorded only starting from their respective completion dates.

	For the six months ended 30 June				
	2015		2014		
Location	**Approximate aggregate installed capacity *(MW)***	**Approximate electricity generation *(MWh)***	Approximate aggregate installed capacity *(MW)*	Approximate electricity generation *(MWh)*	Change in electricity generation
Xinjiang, PRC	**100**	**33,484**	—	—	N/A
Qinghai Province, PRC	**200**	**150,054**	200	30,938	385%
Inner Mongolia, PRC *(note 1)*	**190**	**152,228**	130	59,217	157%
Gansu Province, PRC	**100**	**39,587**	100	56,102	(29%)
Guangdong Province, PRC	**2.4**	**1,819**	2.4	1,405	29%
Fujian Province, PRC *(note 2)*	**20.8**	**10,325**	10.8	5,455	89%
Jiangsu Province, PRC *(note 2)*	**23.8**	**14,893**	23.8	15,232	(2%)
	637	**402,390**	467	168,349	139%

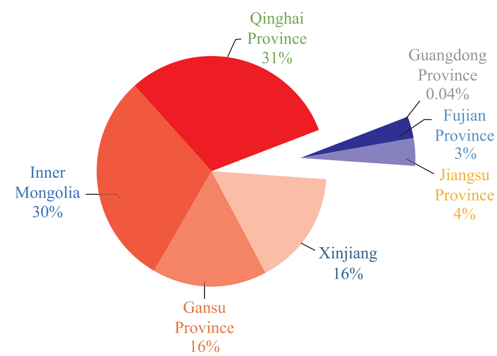
Notes:

(1) Among these solar power plants, one project company owning installed capacity of 60MW is treated as an associate of the Group as at 30 June 2015.

(2) The project companies owning such solar power plants are treated as associates of the Group as at 30 June 2015.

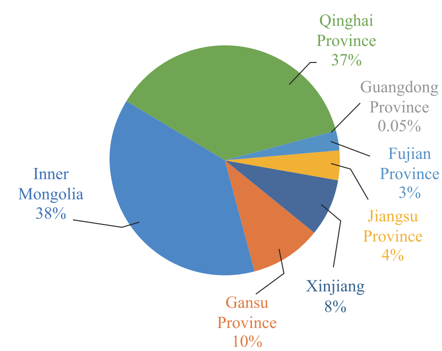
In terms of installed capacity, the large-scale ground solar power plants owned by the Group and its associates are mainly concentrated in north-western and northern parts of China, namely Qinghai Province, Inner Mongolia, Gansu Province and Xinjiang, which together account for approximately 93% of the aggregate installed capacity of all the solar power plants owned by the Group and its associates. The remaining solar power plants located in Guangdong Province, Fujian Province and Jiangsu Province are primarily distributed roof-top solar power plants or combined with eco-agricultural infrastructure.

Installed capacity by location



In terms of electricity generation volume, the solar power plants located in Inner Mongolia and Qinghai Province contributed approximately 38% and 37% of the total electricity generation volume for the Period respectively. Gansu Province and Xinjiang recorded lower share due to their local grid-curtailment issue. The electricity generation volume of the solar power plants located in Guangdong Province, Fujian Province and Jiangsu Province was relatively stable.

Electricity generation volume by location



The main change of electricity generation volume during the Period as compared to the corresponding period in 2014 is briefly analysed as below:

Xinjiang, PRC

During the Period, the Group has newly acquired 5 solar power plants located in Xinjiang with aggregate installed capacity of 100MW (30 June 2014: Nil).

Qinghai Province, PRC

Among the 200MW solar power plants located in Qinghai Province, 180MW completed trial run in May 2014 and commenced electricity generation since then. As a result, the electricity generation volume during the Period has increased by 385% as compared to the corresponding period in 2014.

Inner Mongolia, PRC

The 157% increase of electricity volume generated by solar plants located in Inner Mongolia was mainly attributable to the contribution from the new acquisition. During the Period, the Group has acquired 9.37% equity interest in a project company with installed capacity of 60MW, comprising the phase I of 40MW and the phase II of 20MW, which has contributed electricity generation of approximately 45,060MWh since completion of acquisition. In addition, the electricity generation for the remaining 130MW has been recorded as an increase because those solar power plants were acquired by the Group in late March and early April 2014, and thus, there were only approximate 3 months electricity generation recorded in prior period.

Gansu Province, PRC

As Gansu Province has been suffering from curtailment of electricity dispatch as a result of the grid congestion and restriction on electricity transmission, the electricity generation volume has decreased by 29% as compared to the corresponding period in 2014.

The slight changes in electricity generation volume in other provinces were mainly attributable to the local weather condition.

Financial Review

Financial highlight of the Group and its associates for the Period is demonstrated as follows:

	For the six months ended 30 June		
	2015	2014	
	RMB'million	*RMB'million*	Change
Continuing operations			
Revenue and tariff adjustment			
— The Group	**283**	126	125%
— Associates	**71**	31	129%
	354	157	125%
EBITDA	**212**	65	227%
Depreciation, finance income, finance costs, fair value changes and others	**42**	492	(91%)
	254	557	(54%)
Discontinued operation	**—**	(215)	N/A
Profit for the Period	**254**	342	(26%)

General

The EBITDA (2015: RMB212 million; 2014: RMB65 million) during the Period has increased by approximately 227% as compared to the corresponding period in 2014. The improvement in EBITDA was mainly attributable to the increase in the electricity generation volume of the solar power plants.

EBITDA is defined as earnings before finance income, finance costs, taxation, depreciation and fair value gains/losses, which also excludes acquisition costs arising from business combinations and share of results of associates.

EBITDA is used by the management for monitoring business performance of the Group. The Group and its associates have recorded an increase in the electricity generation volume by approximately 139% from approximately 168,349 megawatt-hour ("MWh") for the six months ended 30 June 2014 to approximately 402,390MWh for the Period. The newly acquired solar power plants during the Period have an aggregate installed capacity of 160MW, among which, the Group has control over 100MW while the results of 60MW were to be equity accounted for by the Group as associate. During the Period, the contribution of electricity generation volume for these newly acquired solar power plants of 100MW and 60MW was approximately 33,484MWh and 45,060MWh respectively.

The decrease in the profit for the Period of the Group was mainly attributable to: (a) an increase in depreciation in property, plant and equipment as a result of the acquisitions of new solar power plants; (b) an increase in finance costs incurred for various long-term financings for development and operation of the Group's solar power plants business; and (c) change in the fair value arising from measurement or re-measurement of certain financial instruments.

The Directors do not recommend the payment of any interim dividend for the Period.

Segment information

In October 2014, the Group completed the disposal of 70% equity interest (the "Disposal") in Fortune Arena Limited ("Fortune Arena") to an independent third party. Upon completion of the Disposal, Fortune Arena ceased to be a subsidiary of the Group and its financial results would no longer be consolidated into the consolidated financial statements of the Group. The remaining 30% equity interest in Fortune Arena was accounted for as an associate using the equity method of accounting. Prior to the Disposal, Fortune Arena represented a separate line of solar cells business of the Group. Subsequent to the Disposal, Fortune Arena was re-presented as a discontinued operation on the interim condensed consolidated income statement. The continuing operations mainly represented the solar power plants business.

Upon completion of the Disposal, the Group retained one single reportable segment which was principally engaged in the development, investment, operation and management of solar power plants. Following the change in the composition of the Group's reportable segments, the Group has restated its corresponding items of segment information for prior period.

Revenue

During the Period, the Group recognised total sales of electricity and tariff adjustment of approximately RMB283 million (30 June 2014: RMB126 million), increased by 125%. The geographical analysis of sales of electricity and tariff adjustment recognised by the Group during the Period was as below:

	For the six months ended 30 June				
	2015		2014		
Location	**Approximate aggregate installed capacity**	**Approximate electricity sales**	Approximate aggregate installed capacity	Approximate electricity sales	Change in electricity sales
	(MW)	***RMB'000***	*(MW)*	*RMB'000*	
Xinjiang, PRC	**100**	**28,212**	—	—	N/A
Qinghai Province, PRC	**200**	**128,251**	200	26,442	385%
Inner Mongolia, PRC	**130**	**91,596**	130	50,612	81%
Gansu Province, PRC	**100**	**33,835**	100	47,950	(29%)
Guangdong Province, PRC	**2.4**	**1,292**	2.4	1,003	29%
	532.4	**283,186**	432.4	126,007	125%

Depreciation of property, plant and equipment

Due to new acquisitions during the Period, the depreciation has increased by approximately 125% as compared to the corresponding period in 2014. The depreciation of property, plant and equipment was provided based on the assessment of their respective useful lives. Power generating modules and equipment were the most significant components within the property, plant and equipment and their useful lives were assessed to be 25 years.

Finance costs

The Group has obtained various long-term financings with net proceeds of approximately RMB2,359 million for its development and operation of the solar power plants business during the Period, including convertible bonds, bank borrowings and finance leasing, accordingly, the finance costs have increased by approximately 93% as compared to the corresponding period in 2014.

Fair value gain on call option issued relating to acquisition of an associate

During the Period, the Group has recognised a fair value gain of approximately RMB142 million as a result of an option agreement entered into in relation to the acquisition of an associate located in Inner Mongolia, PRC.

Fair value gain on guaranteed electricity output

During the Period, the Group has recognised a fair value gain of approximately RMB213 million in relation to the estimation of guaranteed electricity output, primarily for solar power plant in Gansu Province, as a result of the launch of ±800kv HVDC transmission project between Jiuquan and Hunan as approved by National Development and Reform Commission in May 2015. It is expected that the curtailment of electricity situation in Gansu Province will be significantly improved after the completion of the project tentatively scheduled in 2017.

Fair value loss on contingent consideration payables

During the Period, the Group has recognised a fair value loss of approximately RMB58 million as a result of subsequent re-measurement of the fair value on the Group's contingent consideration payables, representing the Series B convertible bonds as part of consideration in relation to acquisition of solar power plants business completed in June 2013.

Fair value loss on put option

During the Period, the Group has recorded a fair value loss of approximately RMB12 million as a result of subsequent re-measurement of the fair value on a put option. The put option was granted in connection with the acquisition of 50% equity interest in an associate in December 2013.

Staff costs

With the business expansion, the Group made substantial new hires during the Period. The number of full-time employees in the continuing operations has increased by 102% as compared to the corresponding period in 2014. Staff costs in continuing operations amounted to approximately RMB19 million for the Period, representing an increase of 46% from approximately RMB13 million in corresponding period in 2014.

Share of losses of associates

As at 30 June 2015, the Group has three associates for accounting purpose. The Group's share of losses of associates for the Period was approximately RMB3 million. Except for Fortune Arena which suffered a loss, the remaining two associates recorded profit for the Period.

Recent Development

On 30 July 2015, the Group entered into a sale and purchase agreement with an independent third party to purchase the entire equity interest in a project company for a total cash consideration of RMB200 million, subject to the fulfilment of certain conditions precedent. The total consideration, including the estimated amount of liabilities to be assumed, would not be more than RMB850 million. The principal activities of this project company are the development, investment, operation and management of a solar power plant in Hubei Province, the PRC, with an installed capacity of 100MW and having achieved on-grid connection successfully.

Prospect

As the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change will take place in December 2015 in Paris, the drives to reducing energy consumption and emission and developing low-carbon renewable energy sources will gain greater attention worldwide. The Chinese government has formulated document in relation to its intended nationally determined contributions ("INDC") in combating climate change and submitted it to the United Nations Framework Convention on Climate Change Secretariat. Based on its national circumstances, development stage, sustainable development strategy and international responsibility, China has nationally determined its actions by 2030, namely achieving the peaking of carbon dioxide emissions by around 2030 and making best efforts to peak early, lowering the carbon dioxide emissions per unit of GDP by 60% to 65% from the 2005 level, increasing the share of non-fossil fuels in primary energy consumption to around 20%.

The Chinese government has committed to raise the installed capacity of solar power from 28.05GW in 2014 to 100GW by 2020, which represents a newly installed solar power capacity of 70GW from the year 2015 to 2020. This indicates the photovoltaic industry in China will enter into a new phase of rapid development. The data of National Energy Administration ("NEA") shows that despite the looming economic pressure in the first half of 2015, the growth of photovoltaic industry in China remained robust with the addition of newly-installed capacity of 7.73GW comprising 6.69GW and 1.04GW contributed by newly-added ground-based and distributed photovoltaic power plants respectively, which raised the nation's cumulative installed capacity to 35.7GW. During the "thirteenth five-year" plan, the photovoltaic industry is expected to grow at the rate of 20GW to 30GW annually and photovoltaic industry shall be one of the leading segments in China energy industry.

During the Period, the growth of the solar power plants business of the Group has entered the fast lane. The Group kicked off its acquisition spree with the proposed acquisition of four solar power plant projects with an aggregate installed capacity of approximately 170MW from an independent third party first announced in May, followed by the proposed acquisition of 17 solar power plant projects with an aggregate installed capacity of 930MW from Hareon Solar Technology Company Limited* (海潤光伏科技股份有限公司), which marks the world's largest single acquisition of solar power plants. By the end of July, the Group announced its agreement to acquire a 100MW solar power plant project in Hubei Province, which is the largest single power plant in Hubei Province. Upon completion, these large-scale solar power plant projects are expected to bring stable income to the Company and greater value and return to its shareholders in the coming years.

The Group is a pioneer in the industry for its innovation in financing. The Group has reached agreements or memoranda with several sizable well-known financial institutions and companies, such as China Orient Asset Management (International) Holding Limited, Fosun International Limited, Chinastone Capital Management Limited* (濤石股權投資管理(上海)有限公司), China Merchants Fund Management Limited* (招商基金管理有限公司), during the Period to raise up to an expected sum of approximately HK$4,800 million (equivalent to approximately RMB3,794 million), which would provide a reliable source of funding for the rapid expansion of the solar power plants business of the Company.

Additionally, the Group won a bid to develop and operate exclusively a 100MW concentrated ground solar power plant project in the Coal Mining Subsidence National Advanced Technology Solar Demonstration Base in Datong, Shanxi* (山西大同採煤沉陷區國家先進技術光伏示範基地), which is the first "top runner" program （「領跑者」計劃）as approved by the NEA designated to promote application of advanced photovoltaic products and upgrade in the industry. The Group is committed to set the project as a benchmark in the industry by applying state-of-the-art technology and employing high-quality products, in order to inspire other enterprises to improve product quality and conversion efficiency and ultimately promote industrial upgrades and healthy competition.

With strong support of China Merchants New Energy Group and under the guidance of the Board, the Group strives to further its philosophy of "Together We Build a Greener Home" and to provide safe, clean and green new energy. In light of the increasing demand of solar energy in the future and introduction of favorable industrial policies by the Chinese government, the Group is highly confident about the prospect of the solar power industry. The Group will further increase its economies of scale in terms of installed capacity, step up business integration, strengthen operation management, improve operational efficiency and thereby bring greater return to our investors.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015

	Note	**Unaudited Six months ended 30 June 2015 RMB'000**	2014 *RMB'000* (Restated)
Continuing operations			
Revenue		**77,576**	40,716
Tariff adjustment		**205,610**	85,291
		283,186	126,007
Government subsidies		**250**	—
Employee benefits expenses		**(19,423)**	(13,225)
Legal and professional fees		**(3,878)**	(927)
Maintenance costs		**(27,666)**	(6,230)
Impairment charge on other receivables		**—**	(13,949)
Other expenses		**(20,111)**	(26,796)
EBITDA#		**212,358**	64,880
Acquisition costs arising from business combinations		**(1,085)**	(2,401)
Depreciation of property, plant and equipment		**(107,048)**	(47,488)
Bargain purchase arising from:			
(i) Business combinations; and	*11*	**11,824**	35,520
(ii) Acquisition of an associate		**6,787**	—
Fair value gains on financial assets at fair value through profit or loss relating to:			
(i) Call option issued relating to the acquisition of an associate; and	*9*	**142,244**	—
(ii) Guaranteed electricity output	*9*	**212,809**	46,644
Fair value (losses)/gains on financial liabilities at fair value through profit or loss relating to:			
(i) Contingent consideration payables; and		**(57,637)**	350,687
(ii) Put option issued relating to the acquisition of an associate ("Put Option")		**(11,813)**	73,451

	Note	Unaudited Six months ended 30 June **2015** ***RMB'000***	 2014 *RMB'000* (Restated)
Fair value gain on previously held interest as a result of business combination		**—**	1,617
Finance income	*4*	**118,537**	162,419
Finance costs	*4*	**(269,462)**	(139,938)
Share of (losses)/profits of associates		**(3,161)**	11,413
Profit before income tax		**254,353**	556,804
Income tax credit	*5*	**—**	30
Profit for the period from continuing operations		**254,353**	556,834
Discontinued operation			
Loss from discontinued operation	*6*	**—**	(215,121)
Profit for the period		**254,353**	341,713
Profit attributable to:			
— Shareholders of the Company		**242,914**	339,037
— Non-controlling interests		**11,439**	2,676
		254,353	341,713
Profit/(loss) attributable to shareholders of the Company arising from:			
— Continuing operations		**242,914**	554,158
— Discontinued operation		**—**	(215,121)
		242,914	339,037

	Note	Unaudited Six months ended 30 June **2015** ***RMB'000***	 2014 *RMB'000* (Restated)
Earnings/(loss) per share for continuing and discontinued operations attributable to shareholders of the Company			
Basic earnings/(loss) per share (RMB cents)	*8*		
— Continuing operations		**5.60**	14.29
— Discontinued operation		**—**	(5.55)
		5.60	8.74
Diluted earnings/(loss) per share (RMB cents)	*8*		
— Continuing operations		**3.60**	1.26
— Discontinued operation		**—**	(3.91)
		3.60	(2.65)

EBITDA represents earnings before finance income, finance costs, taxation, depreciation and fair value gains/losses, which also excludes acquisition costs arising from business combinations and share of results of associates. EBIDTA is a non-HKFRS measure, but is widely used by management for monitoring business performance of a company from operating perspective.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Unaudited	
		Six months ended 30 June	
	Note	**2015**	2014
		RMB'000	*RMB'000*
			(Restated)
Profit for the period		**254,353**	341,713
Other comprehensive loss:			
Items that have been reclassified or may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of financial statements of subsidiaries and associates		**(1,755)**	(4,454)
Other comprehensive loss for the period, net of tax		**(1,755)**	(4,454)
Total comprehensive income for the period		**252,598**	337,259
Total comprehensive income for the period attributable to:			
— Shareholders of the Company		**241,159**	334,583
— Non-controlling interests		**11,439**	2,676
		252,598	337,259
Total comprehensive income/(loss) for the period attributable to shareholders of the Company:			
— Continuing operations		**241,159**	549,704
— Discontinued operation		**—**	(215,121)
		241,159	334,583

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	**Unaudited 30 June 2015 *RMB'000***	Audited 31 December 2014 *RMB'000* (Restated)
ASSETS			
Non-current assets			
Land use rights		**445**	451
Property, plant and equipment		**5,479,000**	4,581,055
Intangible assets		**933,498**	989,424
Investments in associates		**301,747**	290,627
Other receivables, deposits and prepayments		**1,218,399**	453,979
Financial assets at fair value through profit or loss	*9*	**265,831**	—
		8,198,920	6,315,536
Current assets			
Inventories		**1,314**	1,314
Trade and bills receivables and tariff adjustment receivables	*10*	**638,592**	363,284
Other receivables, deposits and prepayments		**180,911**	100,990
Amount due from an associate		**18,335**	18,341
Financial assets at fair value through profit or loss	*9*	**165,578**	76,356
Pledged bank deposits		**—**	61,000
Restricted cash		**348,335**	18,341
Cash and cash equivalents		**1,144,227**	212,672
		2,497,292	852,298
Total assets		**10,696,212**	7,167,834
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		**384,956**	354,915
Reserves		**1,722,887**	1,084,586
		2,107,843	1,439,501
Non-controlling interests		**129,005**	44,249
Total equity		**2,236,848**	1,483,750

	Note	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000* (Restated)
LIABILITIES			
Non-current liabilities			
Convertible bonds		**2,045,459**	826,191
Contingent consideration payables		**753,811**	696,536
Cash-settled share-based payment		**19,691**	16,073
Deferred government grant		**3,910**	4,160
Deferred tax liabilities		**258,645**	246,278
Bank and other borrowings		**2,967,522**	1,626,676
		6,049,038	3,415,914
Current liabilities			
Trade payables		**—**	186
Other payables and accruals		**2,035,065**	1,677,969
Amounts due to associates		**45,199**	30,199
Bank and other borrowings		**262,446**	504,013
Other financial liability at fair value through profit or loss		**67,616**	55,803
		2,410,326	2,268,170
Total liabilities		**8,459,364**	5,684,084
Total equity and liabilities		**10,696,212**	7,167,834
Net current assets/(liabilities)		**86,966**	(1,415,872)
Total assets less current liabilities		**8,285,886**	4,899,664

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

United Photovoltaics Group Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the development, investment, operation and management of solar power plants.

The Company is an exempted limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The principal place of business in Hong Kong is Unit 1012, 10/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

This condensed consolidated interim financial information ("Financial Information") is presented in Renminbi ("RMB"), unless otherwise stated. This Financial Information has been approved for issue by the Board on 28 August 2015.

1.1 Key events

Placing of new shares

On 10 February 2015, the Company issued 380,000,000 shares through placement at an issue price of HK$1.0 each share. The net proceeds from this placement was approximately RMB300 million.

Issue of convertible bonds

During the six months ended 30 June 2015, the Company has issued 3-year convertible bonds to the following parties:

	Date of issue	Principal amount *(thousands)*	Interest rate	Net proceeds (equivalent to approximately) *RMB'000*
— China Merchants Fund Management Limited ("CM Fund"), an associate of a substantial shareholder	20 April 2015	HK$524,803	7.5% p.a.	414,734
— Golden Express Capital Limited ("Golden Express")^	29 April 2015	US$30,000	7.5% p.a.	183,156
— Driven Innovation Limited ("Driven Innovation")^	3 June 2015	US$100,000	7.0% p.a.	598,893
— Peak Reinsurance Company Limited ("Peak Reinsurance")^	23 June 2015	US$15,000	7.5% p.a.	91,647
				1,288,430

^ Golden Express, Driven Innovation and Peak Reinsurance have the rights to require the Group to early redeem the Convertible Bonds at 100% of the principal amounts, if a specific undertaking is not satisfied.

Acquisitions of subsidiaries

On 2 April 2015, the Group completed the acquisition of a 51% equity interest in a project company located in Xinjiang, the People's Republic of China (the "PRC") for a cash consideration of approximately RMB22 million (note 11). As part of this acquisition, the Group agreed to contribute RMB364 million as additional registered capital to finance the settlement of its Engineering, Procurement and Construction ("EPC") payable and other payables. To finance this acquisition, the Company issued a 3-year convertible bond with a principal amount of approximately HK$525 million (equivalent to approximately RMB417 million) (the "CM Convertible Bond") on 20 April 2015 to CM Fund.

On 29 May 2015, the Group completed the acquisition of another project company located in Xinjiang, the PRC, for a cash consideration of approximately RMB136 million (note 11). The acquisition was financed by the proceeds from issue of convertible bonds to Peak Reinsurance.

Proposed acquisition of subsidiaries

On 11 May 2015 and 17 August 2015, the Group entered into a conditional sale and purchase agreement and a supplemental agreement with an independent third party, respectively, whereby the Group has conditionally agreed to acquire 100% equity interest in a project company for a cash consideration of approximately RMB212 million. This target company owns and operates certain grid-connected solar power plant projects with an aggregate installed capacity of approximately 170MW located in the PRC. As at 30 June 2015, refundable advance payment of RMB212 million has been paid by the Group for the acquisition. The completion of the acquisition is dependent on the fulfilment of a number of conditions, amongst others, the approval from shareholders of the Company. Should the acquisition be completed, the Group would assume the EPC payable and other payables of approximately RMB1.4 billion, which is planned to be financed by the issuance of convertible bonds and/or long-term borrowings from banks or other financial institutions.

On 30 July 2015, the Group entered into a conditional sale and purchase agreement with an independent third party, whereby the Group has conditionally agreed to acquire 100% equity interest in a project company owning and operating a grid-connected solar power plant with an aggregate installed capacity of approximately 100MW located in Hubei Province, the PRC for a consideration of RMB200 million. Should the acquisition be completed, the Group would assume the EPC payable and other payables, together with the consideration payable, of not more than approximately RMB850 million.

Cooperation framework agreement with Hareon Solar Technology Company Limited

On 13 May 2015, the Company and Hareon Solar Technology Company Limited* (海潤光伏科技股份有限公司) ("Hareon"), a company established in the PRC with limited liability and is listed on the Shanghai Stock Exchange (stock code: 600401), entered into a legally binding cooperative framework agreement ("Cooperation Framework Agreement"). Pursuant to the Cooperation Framework Agreement, subject to the fulfilment of certain conditions, the Group will acquire from Hareon (and/or parties controlled by it, where applicable) the entire equity interest in each of the target companies identified, which legally own certain grid-connected solar power plant projects with an aggregate installed capacity of 930MW in the PRC, for an estimated total consideration of approximately RMB8.8 billion. Such Cooperative Framework Agreement is valid until December 2015.

* The English name of the company represents the best effort by the Group's management to translate their Chinese name, as this company does not have official English name.

Acquisition of an associate

On 5 January 2015, the Group completed the acquisition of a 9.37% equity interest in a project company for a cash consideration of approximately RMB7.5 million from an independent third party, which is classified as an investment in an associate. The principal activities of this associate are the development and operation of solar power plants located in Inner Mongolia, the PRC, with an aggregate installed capacity of approximately 60MW. The Group was also granted an option to acquire part or all the equity interest in this associate from the majority shareholder of this associate at the actual injection amount with an internal rate of return of 8% per annum within three months from the third anniversary of the completion of the registration of the share transfer (note 9(a)). As at 30 June 2015, the majority shareholder held 84.31% equity interest in this associate.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30 June 2015 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

This Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, contingent consideration payables, derivatives of convertible bonds, other financial liability at fair value through profit or loss and cash-settled share-based payment, which were carried at fair values.

On 28 October 2014, the Company completed the disposal of 70% equity interest in Fortune Arena Limited ("Fortune Arena") and its subsidiaries (the "Disposal Group") (together, the "Disposal"). The Disposal Group represented a separate major line of business of the Group. For the presentation of this Financial Information for the six months ended 30 June 2015, the Disposal Group is regarded as a discontinued operation.

In addition, the Group previously presented the analysis of expenses recognised in the interim condensed consolidated income statement based on their function. Following the Disposal, the Group revised its accounting policy to present the analysis of expenses based on their nature. This change aligns the Group's accounting policy with industry practice that provides more relevant information to the users of the Financial Information by enhancing the comparability of the Group's Financial Information with those of its peers. The changes in presentation have been adopted retrospectively and comparative figures have been restated.

During the six months ended 30 June 2015, the Group has changed its presentation currency from Hong Kong dollars ("HK$") to RMB for the preparation of its financial statements. Having considered the principal activities of the Group are mainly conducted in the PRC where the functional currency of those subsidiaries in the PRC are denominated in RMB, the directors of the Company considered that the change would result in a more appropriate presentation of the Group's transactions in this Financial Information. The comparative figures in this Financial Information were then translated from HK$ to RMB using the applicable closing rates for items in the interim condensed consolidated statement of financial position and applicable average rates that approximated to actual rates for items in the interim condensed consolidated income statement.

2.1 Going-concern basis

The Group has certain contractual and other arrangements to settle its financial obligations and various capital expenditures.

As at the date of this Financial Information, the Group entered into conditional sale and purchase agreements with independent third parties in relation to proposed acquisition of subsidiaries which own solar power plants with aggregate installed capacity of 270MW (note 1.1). Should these proposed acquisitions be completed, the Group will have to assume the EPC payables and other payables, together with the required consideration amounts, totalling approximately RMB2.25 billion.

During the six months ended 30 June 2015, the Group issued a 3-year convertible bond with a principal amount of US$30 million to Golden Express (the "Golden Express CB"), to finance the Group's future acquisitions of solar power plants and has raised net proceeds of approximately US$30 million (equivalent to approximately RMB183 million). The Group undertook to provide collaterals comprising certain interests and assets of solar power plant project(s) with an installed capacity of 50MW and complete the registration of those collaterals with the relevant government authorities within a six month period after the issue date (the "Undertaking"). If the Undertaking is not fulfilled, Golden Express has the rights to require the Group to early redeem the convertible bond at 100% of the principal amount. In addition, should the Group complete the required acquisition pursuant to the Undertaking, the Group will have to secure additional financing for the said power plant acquisition in order to settle its EPC and other payables balances.

In December 2013, as part of the Group's acquisition of a 50% equity interest in an associate, the Group granted a Put Option to the other shareholder of that associate, under which the other shareholder has a right to request the Group to acquire its remaining 50% equity interest in that associate for RMB225 million with an internal rate of return of 8% per annum, to be settled by way of cash or issuance of the Company's shares at the discretion of the other shareholder, for a three-year period up to December 2016. The other shareholder of the associate has confirmed not requesting the Group to acquire the remaining 50% equity interest by way of cash before 31 May 2016.

In October 2014, the Company agreed to provide financial support to Fortune Arena, an associate of the Company, based on its shareholding in Fortune Arena, so as to enable Fortune Arena to meet its liabilities as and when they fall due and to carry on its business without significant curtailment of operations through to October 2015. As at 30 June 2015, the current liabilities of Fortune Arena exceeded its current assets by approximately RMB290 million and it incurred a net loss of RMB46 million for the period then ended. Fortune Arena may require financing from the Company if it does not have sufficient working capital to meet its financial obligations through to October 2015.

In June 2013, the Group acquired certain concession rights to develop and operate various solar power plant projects. The Group intends to exercise these concession rights and acquire the relevant solar power plant projects from the respective vendors before these rights expire in 2017 and 2018. The Group would require additional financing for these future acquisitions and the required amount is yet to be determined, as it is subject to the negotiation of final consideration with the relevant vendor, as well as the negotiation of the amount of liabilities of the acquirees to be assumed by the Group upon completion of the acquisitions.

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

The directors of the Company have reviewed the Group's cash flow projections, which cover a period of twelve months from 30 June 2015. The directors are of the opinion that, taking into account the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2015.

In August 2014, Shenzhen China Merchants Yinke Investment Management Limited* (深圳市招商局銀科投資管理有限公司) ("CM Yinke", a fellow subsidiary of a substantial shareholder of the Company), renewed its letter of conditional financial support to the Group to enable the Group to meet its liabilities and obligations (including capital expenditures and operating expenses) in connection with its existing and future solar power plants business up to 31 December 2016. Such financial support is intended to be provided to the Group for its solar energy projects undertaken if these projects could generate an internal rate of return of not less than 8% per annum; and if they are in compliance with the relevant laws and regulations in the PRC. Such assessment has to be made on a project by project basis. The directors are confident that the Group could obtain financial support from CM Yinke as all solar energy projects to be undertaken by the Group are expected to generate an internal rate of return of not less than 8% per annum.

On 17 April 2015, the Company entered into a subscription agreement with Chinastone Capital Management Limited ("Chinastone"), pursuant to which the Company proposed to issue a 3-year convertible bond with a principal amount of HK$1.26 billion (equivalent to approximately RMB1 billion) to Chinastone ("Chinastone Convertible Bond"). The net proceeds of the Chinastone Convertible Bond is estimated to be RMB1 billion and will be used to finance the proposed acquisition of a project company with aggregate installed capacity of approximately 170MW (note 1.1).

The target companies to be acquired as detailed in note 1.1 have been in discussion with financial institutions about their respective long-term financings. Moreover, should the proposed acquisitions be completed, the Group will also negotiate long-term borrowings from banks or other financial institutions to finance the settlement of EPC payables and other payables of these newly acquired subsidiaries. Based on the past experience of the Group, the directors are confident that they could obtain such long-term bank borrowings after completion of such acquisitions.

The directors of the Company are confident that the Company is able to complete the acquisitions required and to fulfil the Undertaking in respect of the Golden Express CB; and would be able to obtain different sources of short-term or long-term financing to settle the assumed EPC payables and other payables arising from these acquisitions.

The solar power plants currently held by the Group have already achieved on-grid connection and are expected to bring in operating cash inflows to the Group.

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

Notwithstanding the above, significant uncertainty exists as to whether management of the Group can achieve the plans and measures described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to: obtain the project financing from CM Yinke as needed, successfully issue the Chinastone Convertible Bond, obtain various sources of short-term or long-term financing as and when required, fulfil the Undertaking of the Golden Express CB and thus successfully avoid Golden Express from early exercising their redemption option to require the Group to redeem the outstanding convertible bond, generate adequate operating cash inflows from its existing solar power plants and other plants to be acquired, and to have sufficient resource to provide financial support to Fortune Arena, if required.

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

2.2 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no new and amended standards to existing HKFRSs that were effective for the Group's accounting year commencing 1 January 2015 that could be expected to have a material impact on the Group.

2.3 Estimates

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

In preparing this Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

3 SEGMENT INFORMATION

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

In October 2014, the Group completed the Disposal, the Disposal Group was engaged in the manufacture and sale of solar cells business ("Solar Cells"). Subsequent to the Disposal, the Group retains one single reportable segment, which is principally engaged in the development, investment, operation and management of solar power plants ("Solar Power Plants"). Prior to the Disposal, the Group had two reportable segments: (a) Solar Power Plants and (b) Solar Cells.

For the six months ended 30 June 2015, the major operating entities of the Group are domiciled in the PRC and accordingly, all of the Group's revenue was derived in the PRC.

The geographical analysis of the Group's non-current assets (excluding other receivables, deposits and prepayments and financial assets at fair value through profit or loss) is as follows:

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000* (Restated)
The PRC	**6,714,200**	5,861,013
Hong Kong	**490**	544
	6,714,690	5,861,557

For the six months ended 30 June 2015, there were three customers (2013: three) which individually contributed over 10% of the Group's total revenue and tariff adjustment. The revenue and tariff adjustment contributed from each of these customers was as follows:

	Unaudited For the six months ended 30 June	
	2015 *RMB'000*	2014 *RMB'000* (Restated)
— Customer A	**128,251**	26,442
— Customer B	**91,596**	50,612
— Customer C	**33,835**	47,950
	253,682	125,004

4 FINANCE INCOME AND FINANCE COSTS

	Unaudited For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Finance income:		
Imputed interest income on pledged guarantee deposit	**507**	—
Interest income on bank balances and deposits	**855**	509
Subsequent fair value gain on derivatives in relation to convertible bonds	**117,175**	161,910
	118,537	162,419
Finance costs:		
In relation to bank and other borrowings:		
— Amortisation of loan facilities fees	**(6,207)**	—
— Interest expenses	**(81,873)**	(32,351)
In relation to convertible bonds:		
— Day 1 fair value loss on issue of convertible bonds	**(50,626)**	—
— Amortisation of unrealised fair value loss of issue of convertible bonds	**(31,431)**	(31,441)
— Imputed interest expense on convertible bonds	**(99,325)**	(76,146)
	(269,462)	(139,938)

5 INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made in this Financial Information as the Group has no assessment profit derived from Hong Kong for the period (30 June 2014: Nil).

The Group's operations in the PRC were subject to the corporate income tax law of the PRC (the "PRC corporate income tax"). The standard PRC corporate income tax rate was 25%. Nine subsidiaries of the Group which are engaged in the development, investment, operation and management of solar power plants have obtained the relevant preferential tax concession, while the newly acquired subsidiaries during the period which are also engaged in the development, investment, operation and management of solar power plant are expected to obtain the preferential tax concession in the near future, subject to approval from the relevant tax authorities. They are/will be fully exempted from the PRC corporate income tax for the first three years, followed by a 50% tax exemption for the next three years.

The applicable tax rate for all these subsidiaries during the Period was 0% (30 June 2014: 0%).

6 DISCONTINUED OPERATION

Upon completion of the Disposal on 28 October 2014, the equity interest in Fortune Arena held by the Group has been reduced from 100% to 30%. This resulted in the Group losing control over Fortune Arena and it is accounted by the Group as an associate since then. For the presentation of the interim condensed consolidated income statement, the Disposal Group was re-presented as a discontinued operation.

Analysis of the results of the discontinued operation for the six months ended 30 June 2014 is set out below:

	RMB'000 (Restated)
Revenue	62,181
Government subsidies	6,097
Expenses	
— Depreciation of property, plant and equipment	(17,857)
— Employee benefits expenses	(4,865)
— Impairment charge on property, plant and equipment	(169,564)
— Impairment charge on inventories	(3,476)
— Cost of materials used	(65,718)
— Impairment charge of an associate	(2,795)
— Other expenses, net	(16,536)
Operating loss from discontinued operation	(212,533)
Finance costs, net	(2,874)
Loss before income tax	(215,407)
Income tax credit	286
Loss after tax attributable to the shareholders of the Company	(215,121)

7 DIVIDENDS

No dividend on ordinary share has been paid or declared by the Company for the six months ended 30 June 2015 (30 June 2014: Nil).

8 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share was calculated by dividing the profit/(loss) attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the period:

	Unaudited For the six months ended 30 June	
	2015	2014 (Restated)
Profit/(loss) attributable to the shareholders of the Company (RMB'000)		
— From continuing operations	**242,914**	554,158
— From discontinued operation	**—**	(215,121)
	242,914	339,037
Weighted average number of ordinary shares in issue (thousand shares)	**4,341,126**	3,879,199
Basic earnings/(loss) per share (RMB cents)		
— From continuing operations	**5.60**	14.29
— From discontinued operation	**—**	(5.55)
	5.60	8.74

(b) Diluted

Diluted earnings/(loss) per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the six months ended 30 June 2015, the Company has four (2014: four) categories of dilutive potential ordinary shares: share option, put Option, convertible bonds and EIS (2014: contingent consideration payables, convertible bonds, Put Option and EIS). The convertible bonds were assumed to have been converted into ordinary shares, and the net profit/(loss) has been adjusted to eliminate the interest expense, amortisation of unrealised fair value loss of issuance and fair value change less the tax effect. For the share option and EIS, a calculation has been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share option and EIS. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share option and EIS.

The Put Option was assumed to have been exercised by the holder and to be settled by way of issue of the Company's shares. The net profit has been adjusted to eliminate the fair value change less the tax effect and to additionally share the results of an associate.

	Unaudited For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit from continuing operations attributable to the shareholders of the Company	**242,914**	554,158
Assumed exercise of certain convertible bonds and EIS (2014: contingent consideration payable, put option, certain convertible bonds and EIS)		
Adjustments for:		
Peak Reinsurance and Driven Innovation convertible bonds (2014: US$120 million convertible bonds)		
— Imputed interest expenses	**8,476**	59,585
— Amortisation of unrealised fair value loss	**—**	31,441
— Subsequent remeasurement gains	**(88,898)**	(161,910)
Contingent consideration payables		
— Fair value gain	**—**	(350,687)
Put Option		
— Fair value gain	**—**	(73,451)
— Additional share of results of an associate	**—**	10,251
Adjusted profit attributable to shareholders of the Company used to determine the diluted earnings per share	**162,492**	69,387
Loss from discontinued operation attributable to shareholders of the Company	**—**	(215,121)
	162,492	(145,734)
Weighted average number of ordinary shares in issue	**4,341,126**	3,879,199
Adjustments for:		
— Assumed exercise of contingent consideration payables	**—**	807,944
— Assumed exercise of Put Option	**—**	178,457
— Assumed exercise of Peak Reinsurance and Driven Innovation convertible bonds (2014: US$120 million convertible bonds)	**96,270**	581,250
— Assumed exercise of EIS	**75,827**	54,247
	4,513,223	5,501,097
Diluted earnings/(loss) per share attributable to the shareholders of the Company (RMB cents)		
— From continuing operations	**3.60**	1.26
— From discontinued operation	**—**	(3.91)
	3.60	(2.65)

Contingent consideration payable, CM Fund convertible bond, Golden Express convertible bond, HK$233 million convertible bond, US$120 million convertible bond, Put Option and share option were not assumed to be converted as they would have an anti-dilutive impact on the profit from continuing operations attributable to the shareholders of the Company per share, for the six months ended 30 June 2015.

The convertible bond issued on 25 October 2010, Series A convertible bond, HK$233 million convertible bond and share option were not assumed to be converted as they would have an anti-dilutive impact on the profit from continuing operations attributable to the shareholders of the Company per share, for the six months ended 30 June 2014.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000* (Restated)
Call option issued relating to the acquisition of an associate *(note (a))*	**142,244**	—
Guaranteed electricity output *(note (b))*	**289,165**	76,356
	431,409	76,356
Less: Amount classified as non-current	**(265,831)**	—
Current portion	**165,578**	76,356

Notes:

(a) Pursuant to an option agreement entered into between the Group and the majority shareholder of the associate, the Group was granted a call option to acquire part or all of the equity interest in associate held by the majority shareholder at the actual injection amount with an internal rate of return of 8% per annum. The call option may be exercisable by the Group within three months from the third anniversary of the completion of the acquisition at the Group's discretion. As at 30 June 2015, the majority shareholder held 84.31% equity interest in the associate.

The fair value of this call option was determined by using the binomial model with the following key assumptions:

	On inception	**As at 30 June 2015**
Risk free rate	3.47%	2.79%
Dividend yield	0%	0%
Life of the option	3.25 years	2.77 years
Volatility	40%	40%

(b) According to certain sales and purchase agreements entered into between the Group and the vendors in respect of acquisition of subsidiaries, the vendors undertook to guarantee certain level of electricity output generated by the underlying solar power plants for a period of time. The shortfall would be payable by the vendors. The amount was an estimation of the shortfall over the guarantee period and this was accounted for as financial assets at fair value through profit or loss. The amount represented the maximum exposure to credit risk.

10 TRADE AND BILLS RECEIVABLES AND TARIFF ADJUSTMENT RECEIVABLES

Trade and bills receivables of approximately RMB46 million represented receivables from sales of electricity and are usually settled within one month. Tariff adjustment receivables represented the central government subsidies on renewable energy projects to be received from the State Grid Corporation of China based on the prevailing nationwide government policies which amounted of approximately RMB5 million, RMB344 million and RMB244 million arising from electricity generated in 2013, 2014 and the six months ended 30 June 2015, respectively.

As at 30 June 2015, the trade and tariff adjustment receivables were not yet due for repayment (31 December 2014: same).

11 BUSINESS COMBINATIONS

The Group is principally engaged in the development, investment, operation and management of solar power plants and provision of solar energy products and solution. It is the Group's strategy to identify suitable investment opportunity to acquire the solar power plants with good prospects and potential for stable returns. During the Period, the Group has acquired 5 solar power plants located in Xinjiang, the PRC.

Changzhou Guangyu

On 2 April 2015, the Group completed the acquisition of 51% equity interest in Changzhou Guangyu New Energy Company Limited* (常州光昱新能源有限公司) ("Changzhou Guangyu") for a cash consideration of approximately RMB22 million from an affiliate of a substantial shareholder of the Company. The principal activities of Changzhou Guangyu are the development and operation of four solar power plants with an aggregate installed capacity of approximately 80MW.

Minfeng

On 29 May 2015, the Group completed the acquisition of 90.9% equity interest in Minfeng County Angli Photovoltaic Technology Company Limited* (民豐縣昂立光伏科技有限公司) ("Minfeng") for a cash consideration of approximately RMB136 million from an independent third party. The principal activities of Minfeng are the development and operation of a solar power plant with an aggregate installed capacity of approximately 20MW.

The following table summarises the consideration paid, the provisional fair value of identifiable assets acquired, liabilities assumed and the non-controlling interest as at the respective acquisition date:

	Changzhou Guangyu	Minfeng	Total
	RMB'000	*RMB'000*	*RMB'000*
Consideration:			
Cash consideration	21,711	136,350	158,061
Redesignation of concession rights previously recognised			
— Intangible assets	48,459	7,662	56,121
— Deferred tax liabilities	(9,934)	(1,571)	(11,505)
Total consideration	60,236	142,441	202,677
Recognised amounts of identifiable assets acquired, liabilities assumed and non-controlling interests			
Property, plant and equipment	795,108	196,371	991,479
Value-added tax recoverable	71,113	19,944	91,057
Trade and other receivables and prepayments	83,377	4,876	88,253
Cash and cash equivalents	13,250	65	13,315
Trade and other payables	(731,345)	(47,069)	(778,414)
Deferred tax liabilities	(19,393)	(4,479)	(23,872)
Bank borrowings	(94,000)	—	(94,000)
Total identifiable net assets	118,110	169,708	287,818
Non-controlling interests	(57,874)	(15,443)	(73,317)
Bargain purchase recognised in the interim condensed consolidated income statement	—	(11,824)	(11,824)
	60,236	142,441	202,677

12 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

(a) On 30 July 2015, the Group entered into the conditional sale and purchase agreement with an independent third party, whereby the Group has conditionally agreed to acquire 100% of the equity interest in a project company for a total consideration of RMB200 million, including the estimated amount of liabilities to be assumed, of not more than RMB850 million.

(b) On 17 August 2015, the Group entered into a supplemental agreement with an independent third party whereby the Group has conditionally agreed to acquire 100% equity interest in a target company for a cash consideration of approximately RMB212 million (Note 1.1).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the Period, the Company has applied the principles and complied with all the code provisions of the corporate governance code (the "CG Code") as set out in Appendix 14 to the Listing Rules, save for the following deviation:

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Li, Alan has been the chairman and chief executive officer of the Company since 7 January 2014. The Board is of the view that the current structure will enable the Company to achieve its overall business goals more effectively and efficiently as the Company is in a rapid development phase for the time being. The Board believes that the balance of power and authority between chairman and chief executive will not be impaired by the present arrangement and the majority weight of the non-executive Directors (including the independent ones) will enable the Board as a whole to effectively exercise its non-bias judgment.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS SECURITIES TRANSACTIONS

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

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

REVIEW OF INTERIM RESULTS

The financial statements of the Group for the six-month period ended 30 June 2015 have not been audited but have been reviewed by the Company's external auditor PricewaterhouseCoopers and the Company's audit committee comprising three members, including two independent non-executive Directors, namely Mr. Kwan Kai Cheong and Mr. Yen Yuen Ho, Tony, and one non-executive Director, namely Mr. Yang Baiqian. The Company's external auditor issued an unqualified review opinion but included an emphasis of matter on the going concern of the Company addressed in note 2.1 to the unaudited condensed consolidated interim financial information.

PUBLICATION OF RESULT ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the Stock Exchange's website at http://www.hkex.com.hk and the Company's website at http://www.unitedpvgroup.com.

The interim report of the Group for the Period containing all the relevant information required by Appendix 16 to the Listing Rules and other applicable laws and regulations will be published on the Stock Exchange's website at http://www.hkex.com.hk and the Company's website at http://www.unitedpvgroup.com and be dispatched in due course.

APPRECIATION

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

For and on behalf of
United Photovoltaics Group Limited
Li, Alan
Chairman of the Board

Hong Kong, 28 August 2015

As at the date of this announcement, the executive directors of the Company are Mr. Li, Alan (Chairman and Chief Executive Officer), Mr. Lu Zhenwei, Mr. Li Hong and Ms. Qiu Ping, Maggie; the non-executive directors of the Company are Academician Yao Jiannian and Mr. Yang Baiqian; and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Yen Yuen Ho, Tony, Mr. Shi Dinghuan and Mr. Ma Kwong Wing.

* *For identification purpose only*