



RENEWABLE ENERGY ASIA GROUP LIMITED

(Company Registration No. 33437)

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This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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RENEWABLE ENERGY ASIA GROUP LIMITED
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FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

PART I: INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income for the period ended 30-Jun-15

	1st Quarter ended		
	30-Jun-15 RMB'000	30-Jun-14 RMB'000	Variance %
Revenue	6,726	4,165	61.5
Cost of goods sold	(4,200)	(1,476)	184.6
Gross profit	2,526	2,689	
Other income	88	1	15,101.1
Administration expenses	(3,236)	(2,815)	15.0
Other gains/(losses)	1,278	1,021	25.1
Finance costs	(2,792)	(1,452)	92.3
Share of profit of an associate	2,304	1,735	32.8
Profit before income tax from operations	168	1,179	(85.8)
Income tax expenses	(1)	-	n/m
Total comprehensive profit/(loss) for the period, net of tax	167	1,179	(0.9)
Total comprehensive profit/(loss) for the year attributable to:			
Owners of the Company	167	1,179	(85.9)
	167	1,179	

n/m: Not Meaningful



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1(a)(ii) Notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Loss for the period is arrived at after charging/ (crediting) the following items:

	1st Quarter Ended	
	30-Jun-15	30-Jun-14
	RMB'000	RMB'000
Depreciation of property, plant and equipment	50	54
Interest expenses	2,226	1,452
Interest income	87	1
Foreign exchange differences	(1,278)	(1,021)

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**Consolidated Statement of Financial Position as at
30-Jun-15**

	Group		Company	
	As at		As at	
	30-Jun-15 RMB'000	31-Mar-15 RMB'000	30-Jun-15 RMB'000	31-Mar-15 RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	321,817	324,625	6	7
Investments in subsidiaries	-	-	1,444	1,444
Investments in an associate	87,408	85,104	-	-
Other receivables	39,070	40,664	-	-
Total non-current assets	448,295	450,393	1,450	1,451
Current assets				
Trade receivables	9,531	13,102	-	-
Other receivables	187,553	184,395	120,067	118,842
Bill receivables	-	350	-	-
Pledged bank deposits	-	50,190	-	-
Cash and cash equivalents	1,972	3,362	38	339
Total current assets	199,056	251,399	120,105	119,181
Total assets	647,351	701,792	121,555	120,632
EQUITY AND LIABILITIES				
Equity				
Share capital	109,707	109,707	109,707	109,707
Share premium	191,882	191,882	191,882	191,882
Warrant reserves	5,922	5,922	5,922	5,922
Accumulated losses	(262,213)	(262,380)	(190,397)	(190,221)
Equity attributable to equity holders of the parent	45,298	45,131	117,114	117,290
Total equity	45,298	45,131	117,114	117,290



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd).

	Group		Company	
	As at		As at	
	30-Jun-15 RMB'000	31-Mar-15 RMB'000	30-Jun-15 RMB'000	31-Mar-15 RMB'000
Non-current liability				
Borrowings	124,000	124,000	-	-
Current liabilities				
Trade payables	15,235	16,712	-	-
Other payables	268,982	273,350	4,441	3,342
Bill payables	-	50,190	-	-
Borrowings	192,924	192,409	-	-
Current tax payable	912	-	-	-
Total current liabilities	478,053	532,661	4,441	3,342
Total liabilities	602,053	656,661	4,441	3,342
Total equity and liabilities	647,351	701,792	121,555	120,632



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- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:
- (A) the amount repayable in one year or less, or on demand;
 (B) the amount repayable after one year;
 (C) whether the amounts are secured or unsecured; and
 (D) details of any collaterals.

	30-Jun-15 RMB'000	31-Mar-15 RMB'000
Amount repayable due within one year		
Borrowings - secured 1	187,924	187,409
Borrowings - secured 3	5,000	5,000
Note payable - financing	-	50,190
	192,924	242,599
Amount repayable due after one year		
Borrowings - secured 2	124,000	124,000
	124,000	124,000
	316,924	366,599

The Group has no outstanding debt securities as at 30 June 2015.

Details of collaterals:-

As at 30 June 2015, the bank loans and borrowings of RMB316.92 million were secured as follows:-

Borrowings – secured

1. A finance lease contract signed between one of its subsidiaries, Renewable Energy Asia Solar Power (Jiuquan) Co., Ltd. (“**REAJQ**”) and AVIC International Leasing Company for a period of 6 years.
2. A loan facility from Industrial and Commercial Bank of China Ltd. (“**ICBC**”), and the facility is pledged by trade receivable from sale of electricity by Renewable Energy Asia Solar Power (Dunhuang) Co., Ltd. (“**READH**”).
3. A loan facility from SPD Bank for a period of a year.



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1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year (cont'd).

Notes payables

- i) Construction cost paid by China Hydropower Survey and Design Institute of Northwest Consulting Group Ltd. (中国水电顾问集团西北勘察设计研究院有限公司).
- ii) Prepaid of electronics usage of Samil Power Co., Ltd. (山亿新能源股份有限公司).
- iii) Bank guarantee to Hanwha SolarOne (Qidong) Co., Ltd. (韩华新能源(启东)有限公司).



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- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows for the financial period ended 30 June 2015

	1st Quarter ended	
	30-Jun-15	30-Jun-14
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before tax	168	1,179
Adjustments for:		
Depreciation of property, plant and equipment	3,193	1,120
Finance costs recognized in profit or loss	548	-
Share of profit of an associate	(2,304)	(1,735)
Operating cash flows before movements in working capital	1,605	564
Decrease in trade and other receivables	1,974	34,826
(Decrease) in trade and other payables	(5,845)	(126,084)
Decrease/(increase) in bills receivable	350	(700)
Cash from (used in) operations	(1,916)	(91,394)
Income tax provision/refund/(paid)	911	456
Net cash used in operating activities	(1,005)	(90,938)
Cash flows from investing activities		
Purchases of property, plant and equipment	(385)	(525)
Release of pledged bank deposits	50,190	-
Net cash used in investing activities	49,805	(525)
Cash flows from financing activities		
Proceeds from borrowings	-	124,000
Repayments of borrowings	-	(2,675)
Repayments of bills payables	(50,190)	-
Net cash from financing activities	(50,190)	121,325
Net (Decrease)/Increase in cash and cash equivalents	(1,390)	29,862
Cash and cash equivalents at beginning of the year	3,362	1,366
Cash and cash equivalents at end of year, represented by bank balances and cash	1,972	31,228



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of changes in equity for the financial year ended 30 June 2015

The Group (RMB '000)	Share capital	Share premium	Share option reserve	Warrant reserve	Accumulated losses	Total
Balance as at 1 April 2014	109,707	191,882	-	5,922	(216,522)	90,989
Total comprehensive loss for the year	-	-	-	-	(45,858)	(45,858)
Issue of new shares	-	-	-	-	-	-
Lapsed and waived of share options	-	-	-	-	-	-
Balance as at 31 March 2015	109,707	191,882	-	5,922	(262,380)	45,131
Changes of equity for the period	109,707	191,882	-	5,922	(262,380)	45,131
Total comprehensive loss for the year	-	-	-	-	167	167
Balance as at 30 June 2015	109,707	191,882	-	5,922	(262,213)	45,298



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

The Company (RMB '000)	Share capital	Share premium	Share options reserve	Warrant reserve	Accumulated losses	Total
Balance as at 1 April 2014	109,707	191,882	-	5,922	(173,992)	133,519
Total comprehensive income for the year	-	-	-	-	(16,229)	(16,229)
Issue of new shares	-	-	-	-	-	-
Lapsed and waived of share options	-	-	-	-	-	-
Balance as at 31 March 2015	109,707	191,882	-	5,922	(190,221)	117,290
Changes of equity for the period	109,707	191,882	-	5,922	(190,221)	117,290
Total comprehensive income for the year	-	-	-	-	(176)	(176)
Balance as at 30 June 2015	109,707	191,882	-	5,922	(190,397)	117,114



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company			
	As At			
	30-Jun-15		30-Jun-14	
No of share	Share capital RMB	No of share	Share capital RMB	
Balance as at the beginning and end of the period	745,570,452	109,706,865	745,570,452	109,706,865

There is no movement in the total number of issued shares between 31 March 2015 and 30 June 2015.

As at 30 June 2015 and 30 June 2014, the Company has outstanding warrants, the conversion of which would result in the issue of 100,054,052 new ordinary shares representing 11.8% of the enlarged capital of the Company.

The details of the warrants are set out below.

Rights issue and warrants

On 3 July 2012, the Company allotted and issued 100,054,552 new ordinary shares (“Rights Shares”) at an issue price of S\$0.05 for each Rights Share and 100,054,552 free detachable warrants (“Warrants”) pursuant to a renounceable non-underwritten rights issue (“Rights Issue”).

Each Warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.05 for each new ordinary share and is exercisable during a three year period from the date of issue. As at 30 June 2015, 500 Warrants have been converted into 500 new ordinary shares. As at 30 June 2015, there were 100,054,052 Warrants that remained outstanding which will expire on the 9 July 2015.



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Subscription shares

There are no new shares issued during the period.

Treasury shares

No treasury shares were held by the Company as at 30 June 2015 and 30 June 2014.

Share options

There are no share options issued during the period.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

There is no movement in the total number of issued shares as at end of current financial period and as at end of the immediately preceding year.

No treasury shares were held by the Company as at 30 June 2015 and 30 June 2014.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There was no treasury shares sold, transferred, disposal, cancelled or use during the financial period ended 30 June 2015.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures have not been audited nor reviewed by the auditors.



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3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as those applied in the financial statements for the financial period ended 30 June 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no changes in the accounting policies and methods of computation.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

Earnings/(Loss) per ordinary share

Basic and diluted

- Based on the weighted average number of ordinary shares in issue

Group	
As at	
30-Jun-15 RMB cents	30-Jun-14 RMB Cents
0.02	0.16



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Earnings/(loss) per ordinary share

The computation of the basic earnings/(loss) per share were computed based on the profit/(loss) for the three months financial period ended 30 June 2015 (1QFY2016) of RMB167,000 (1QFY2015: RMB1,179,000) and the weighted average number of ordinary shares outstanding of 745,570,452 (1QFY2016) (1QFY2015: 745,570,452) during the year.

The weighted average number of ordinary shares for the purpose of computing basic earnings per share has been adjusted for the Subscription Shares issued and Warrants pursuant to the subscription by the Subscriber and exercise of Warrants in July and August 2013 respectively.

Diluted earnings/(loss)per share has not been presented for both periods as the ordinary shares to be issued from the exercise of the Company's outstanding Options and Rights Issue would have an anti-dilutive effect in the earnings/(loss)per share.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Jun-15 RMB cents	31-Mar-15 RMB cents	30-Jun-15 RMB cents	31-Mar-15 RMB cents
Net asset value per share	6.1	6.1	15.7	15.7

The net asset value per share is calculated based on 745,570,452 ordinary shares as at 30 June 2015 and 31 March 2015.



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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of comprehensive income

Revenue increased 61.5% to RMB6.73 million for first quarter ended 30 June 2015 ("1QFY2016") from RMB4.16 million in the corresponding period ("1QFY2015") last year due to additional solar energy output contributions from 20MW solar farm in READH, however, READH production has not reached its maximum designed capacity and is expected to increase in electricity production gradually over the next few months.

This resulted in an increase of the cost of sales of 184.6% from RMB1.48 million in 1QFY2015 to RMB4.20 million in 1QFY2016 mainly due to plant additional fixed cost taken up for READH during the period.

Due to the above, the overall gross profit for 1QFY2016 decreased 6.0% to RMB2.53 million from RMB2.69 million in 1QFY2015.

Administration expenses rose 15.0% to RMB3.24 million in 1QFY2016, from RMB2.82 million in 1QFY2015, mainly due to higher consultancy fees, travelling expenses and rental expenses.

The Group recorded other gains of RMB1.28 million in 1QFY2016 compared to other gain of RMB1.02 million in 1QFY2015 as a result of the foreign exchange appreciation of RMB against SGD.

Finance costs increased 92.3% to RMB2.79 million in 1QFY2016 from RMB1.45 million in 1QFY2015 mainly due to additional loan interest payment for the Group's subsidiary, READH in 1QFY2016 which was not included in the corresponding period in 1QFY2015.

The Company's associated company, Datang Baotou Asia Electricity Co. Ltd ("Datang Baotou"), contributed share of profit of RMB2.42 million in 1QFY2016 as compared to a share of profit of RMB1.74 million in 1QFY2015 due mainly to higher revenue generated during the period.

Taking into account of the above, the Group recorded a profit attributable to shareholders of RMB0.17 million in 1QFY2016 as compared to RMB1.18 million in the 1QFY2015.



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Statement of financial position

The Group's property, plant and equipment decreased RMB2.81 million to RMB321.82 million as at 30 June 2015, from RMB324.63 million as at 31 March 2015 mainly due to depreciation charges during the period.

Investment in an associate increased from RMB85.10 million as at 31 March 2015 to RMB87.41 million as at 30 June 2015, mainly due to the profit contribution from its associate company, Datang Baotou for the period.

Trade receivables decreased by 27.3% from RMB13.10 million as at 31 March 2015 to RMB9.53 million as at 30 June 2015 due to the payment of subsidy by Government for the DDT Phase 1 & 2 projects.

Borrowings increased to RMB316.92 million as at 30 June 2015 from RMB316.41 million as at 31 March 2015, as the Group had obtained a 15-years floating interest rate loan facility from Industrial and Commercial Bank of China Ltd. (ICBC).

Current tax payable increased to RMB0.91 million as at 30 June 2015 mainly due to tax payable from the Group's subsidiaries, REAJQ and READH.

Consolidated Statement of Cash Flows

The Group recorded an operating cash outflow of RMB1.01 million in 1QFY2016 compared to an operating cash outflow of RMB90.94 million in 1QFY2015. This was mainly due to the completion of the current projects and settlement of payables as compared to the corresponding period last year.

Net cash used in investing activities was RMB49.81 million at the close of 1QFY2016, compared to RMB0.53 million at the close of 1QFY2015 mainly due to release of pledged bank deposits during the period on settlement of bills payable in 1QFY2016.

This resulted in net cash outflows from financing activities for the Group for 1QFY2016 was RMB50.19 million compared to RMB121.33 million in 1QFY2015.

Overall, there was a net cash outflow for the 1QFY2016 of RMB1.39 million from 31 March 2015 and RMB31.25 million over the corresponding period in 1QFY2015.



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9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The actual results are in line with the general prospects commentary previously disclosed in the full year financial and related announcement FY2015.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As announced on 28 July 2015 the Company's shares are currently suspended from trading. The Board is exploring various options to (i) raise funds to resolve the going concern issues which was the reason why the trading of shares was suspended, and (ii) to seek out viable business opportunities to enable the Company to resume trading on the SGX-Catalist.

11. **If a decision regarding dividend has been made:**

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

None.

- (b)(i) **Amount per share in cents**

Not applicable.

- (b)(ii) **Previous corresponding period in cents**

None.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) **The date the dividend is payable.**

Not applicable.



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- (e) **The date on which Register able Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

- 12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended.



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13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of Such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has obtained, a statement to that effect.

Name of Interested Person	Nature of transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
(1) Datang Jiuquan Renewable Energy Asia Solar Power Co., Ltd. (大唐酒泉新能源太阳能发电有限公司)	Expenses paid on behalf	RMB'000 1	RMB'000 Nil
(2) Renewable Energy Asia (Yinchuan) Solar Power Co., Ltd. (亚洲新能源(尹川)太阳能发电有限公司)	Expenses paid on behalf	967	Nil
(3) Datang Weiwu Solar Power Co., Ltd. (大唐武威太阳能发电有限公司)	Expenses paid on behalf	58	Nil



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14. Negative Assurance Confirmation on Interim Financial Results under Listing Manual of Catalyst Rule 705(5)

We, Mr Xu Jian and Dr Zheng Lei, being two directors of Renewable Energy Asia Group Limited (the “Company”) do hereby confirm on behalf of the directors of the company that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Company (comprising the consolidated statements of financial positions, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows (together with their accompanying notes) for the first quarter ended 30 June 2015 and results of the business, changes in equity and cash flows of the Group for the 3 months ended on that date, to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Mr Xu Jian
Executive Chairman

Dr Zheng Lei
Deputy Chairman and
Chief Executive Officer

BY ORDER OF THE BOARD

Dr Zheng Lei
Chief Executive Officer and Executive Director

14 August 2015