Transform and Regenerate

ANNUAL REPORT 2015

亚洲新能源集团
REA GROUP

Contents

01 Corporate Profile
02 Chairman's Statement
04 Operations and Financial Review
06 Board of Directors
07 Senior Management
08 Geographical Presence

This Annual Report has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this Annual Report.

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

The details of the contact person for the Sponsor are:-

Name : Mr Chew Kok Liang, Registered Professional, RHT Capital Pte. Ltd.
Address : Six Battery Road #10-01, Singapore 049909
Tel : +65 6381 6757

Corporate Profile

Renewable Energy Asia Group Limited ("**REA Group**") is a Singapore-based company engaged in the investment in and development of renewable energy projects in the People's Republic of China ("**PRC**"). REA Group believes in doing its part in changing the way energy is generated and consumed, in order to achieve sustainable environmental development. To this end, the Group harnesses the rich renewable energy resources in the PRC, such as wind and solar energy, to generate electricity to meet the rising demand for electrical power within the country.

Through concessions secured from local governments in the PRC, REA Group invests in, develops and operates wind farms, photovoltaic power stations and solar thermal power stations. These resources are located mainly in the northern and north-eastern part of the PRC.

REA Group is listed on the SGX-ST Catalist.

Chairman's Statement

Dear Shareholders,

The financial year ended 31 March 2015 ("**FY2015**") proved to be extremely challenging for the Group as we worked hard to stabilise our renewable energy business even as we faced operating challenges that set back efforts we have made to forge ahead.

Financial Review

Our solar power generation business recorded RMB8.1 million in revenue in FY2015, a 40.6% decline compared to RMB13.6 million in the financial year ended 31 March 2014 ("**FY2014**"). The revenue was contributed by our 9MW solar farm in Dongdongtan Photovoltaic Industrial District in Jiuquan, Gansu Province ("**Dongdongtan**"), as well as our 20MW solar farm in Dunhuang in the same province, which commenced operations at the end of December 2014. The revenue decline was partly due to non-recognition of the subsidy from second phase 20MW solar power plant in Dongdongtan. We have applied for the Renewable Energy Subsidy Certification (可再生能源补贴) upon commencement of operations of the second phase 20MW solar power plant in Dongdongtan, but did not receive the certification. Consequently, the subsidy amounting to RMB7.3 million will only be recognised in the current financial year's accounts once the certification has been received.

Cost of operations rose 29.1% to RMB7.2 million, from RMB5.6 million in FY2014. The increase was driven by higher maintenance and cleaning costs incurred in FY2015 for the 9MW Dongdongtan solar farm and takes into account the fact that minimal maintenance cost was incurred in FY2014 as the plant was then newly commissioned. Taking into consideration the lower revenue and higher operating cost, gross margin fell to 10.3% on gross profit of RMB0.8 million in FY2015, compared to gross margin of 58.7% on gross profit of RMB8.0 million a year ago.

We recorded a RMB134,000 increase in other income for FY2015, compared to RMB9,000 recorded for the previous year, mainly due to a payout under the Wage Credit Scheme in Singapore, along with interest income received during the financial year.

Finance costs were significantly higher at RMB25.5 million, compared to RMB7.7 million in FY2014. This was largely due to loan interest payment relating to borrowings by the Group's subsidiaries, Renewable Energy Asia Solar Power (Jiuquan) Co., Ltd. ("**REAJQ**") and Renewable Energy Asia (Dunhuang) Solar Power Co., Ltd. ("**READH**"). The borrowings were drawn down by these subsidiaries to finance the construction of our 20MW solar farms at Dongdongtan and Dunhuang respectively.

We recorded other loss of RMB10.3 million in FY2015, compared to a RMB0.2 million gain in the previous year. The loss was largely attributed to net exchange loss during FY2015.

Meanwhile, our share of profit from the 49.5MW joint-venture wind farm in Baotou, Inner Mongolia was RMB2.6 million compared to RMB3.3 million in FY2014. This wind farm is 49%-owned by REA Group, through our associate company, Datang Baotou Asia Electricity Co., Ltd. ("**DTBT**") The farm recorded lower profit as changes in seasonal wind patterns had affected the amount of electrical power generated and sold during the period. This was further compounded by an increase in maintenance cost. However, the profit of RMB2.6 million was netted off against loss of RMB0.3 million on dilution of four former subsidiaries during the year.

Factoring in the above, the Group registered a FY2015 loss attributable to shareholders of RMB45.9 million, versus a loss of RMB7.2 million for FY2014 for continuing operations. Loss per share was 6.0 RMB cents, versus a loss per share of 3.0 RMB cents the year before.

Year in Review

Our 9MW solar farm in Jiuquan's Dongdongtan Photovoltaic District continued to contribute positively to our results. We have made good progress with development of the 20MW solar farm in Dunhuang, which we began constructing in June 2014. The solar farm was commissioned in December 2014

Chairman's Statement

and became fully operational in January 2015, providing us with a new revenue stream with effect from the fourth quarter of FY2015. We are looking forward to a maiden full-year contribution from this farm, along with our 9MW solar farm at Dongdongtan for the current financial year.

The Group has also been working hard on the construction of an 18.8MW solar farm in Jinhu, Jiangsu Province and a 20MW solar farm in Dongdongtan during the year. We had initially hoped to commission the Jinhu farm and part of the 20MW Dongdongtan farm by June 2015. However, issues faced by the contractor and funding have hampered the progress of both farms, and we are working closely with the contractor to mitigate the impact and push ahead with the construction.

Meanwhile, we continue to receive positive returns from our 49% stake in the 49.5MW wind farm in Baotou, Inner Mongolia. We are nevertheless mindful that changes in weather conditions may affect power generation, while noting that the facilities may require more maintenance as they experience more wear and tear over time.

On 13 February 2015, the Group entered into a share subscription agreement with Renewable Energy Asia (China) Co., Ltd. ("**REAC**"), which will see us reduce our 100% stakes in four indirect subsidiaries to minority ones.

Under the agreement, REAC will subscribe for new shares in Renewable Energy Asia (Jinhu) Solar Power Co., Ltd. ("**REAJH**"), Renewable Energy Asia (Zhenglanqi) Co., Ltd. ("**REAZLQ**"), Renewable Energy Asia Da An Co., Ltd. ("**READA**"), Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd. ("**REAZL**"). The four companies are dormant entities that will cease to be subsidiaries of the Group once shareholder approval has been obtained.

Shareholder approval for these transactions will be required at an extraordinary general meeting, as they are considered interested-party transactions on the basis of my deemed interest of 89.2% in REAC. REAC is the holding company of the Group's former manufacturing and engineering, procurement and construction operations prior to the divestment in March 2014. The Company has also appointed an independent financial advisor to provide an opinion on the commercial terms reached under the subscription agreement and whether the transactions will be prejudicial to the interests of the Company and its minority shareholders.

Once completed, the cash consideration arising from this exercise will be very useful in funding the development of renewable energy projects that the Group undertakes.

Looking Ahead

China will need to continue to rely on the development of renewable energy in order to reduce the country's reliance on traditional fossil fuels. It has remained focused on achieving its goal of having 15% of the country's power coming from renewable energy sources by 2020. While it still relies heavily on coal, China has shown its determination, as domestic coal consumption declined in 2014 for the first time in 15 years. We thus believe that China's focus on growing energy output via renewable energy sources will continue.

In the year ahead, the Group will proactively review its existing renewable energy operations and determine the best direction to take the Group forward and that will be of value to shareholders.

Acknowledgements

I am grateful to our shareholders, customers, business partners and working professionals for standing by us. My teams in China and Singapore have worked very hard to ensure the smooth operations of our business and for that, I am thankful. I would also like to express my appreciation of my fellow Board members for their valuable counsel and advice.

We will continue to work towards making REA Group a sustainable company capable of delivering value to our shareholders.

Xu Jian
Executive Chairman
13 July 2015

Operations & Financial Review

OVERALL BUSINESS REVIEW

The Group continues to generate its revenue from its solar power generation business.

However, revenue for the Group decreased by 40.6% or by RMB5.5 million to RMB8.1 million in FY2015, from RMB13.6 million in FY2014. This was partly due to lower energy output recorded in FY2015 compared to FY2014. In addition, the second phase of the Group's REAJQ solar power plant was not able to obtain its Renewable Energy Subsidy Certification in time before the close of FY2015.

The subsidy amounting of RMB7.3 million will be recognised once certification has been obtained.

In line with the decrease in revenue, gross profit declined to RMB0.8 million from RMB8.0 million in FY2014. Gross profit margin fell from 58.7% in FY2014 to 10.3% in FY2015 mainly due to non-recognition of Renewable Energy Subsidy attributed to Dongdongtan 20MW and maintenance and cleaning costs for both 9MW and 20MW power plants incurred FY2015. In contrast, minimal maintenance cost was incurred for only the 9MW power plant in FY2014 as it was then newly commissioned.

Other income increased mainly due to Renewable Energy Asia Power Pte. Ltd. ("**REAPOWER**") receiving funds under the Wage Credit Scheme from Inland Revenue Authority of Singapore and interest received from the bank for FY2015.

Other loss increased by RMB10.5 million from a gain of RMB0.2 million in FY2014 to RMB10.3 million in FY2015 due mainly to net exchange loss in FY2015.

Higher finance costs of RMB25.5 million was mainly due to loan interest payment in respect of the construction of the READH and REAJQ solar farm.

The Company's associate company, DTBT, contributed share of profit of RMB2.6 million in FY2015 as compared to a share of profit of RMB3.3 million in FY2014. This was due to changes in seasonal wind patterns which affected the energy output, as well as higher maintenance cost.

Overall, the Group recorded a loss of RMB45.9 million in FY2015, compared to a loss of RMB20.2 million in FY2014.

STATEMENTS OF FINANCIAL POSITION

Non-current assets

The Group's property, plant and equipment increased 49.2% or RMB107.1 from RMB217.5 million in FY2014 to RMB324.6 million in FY2015. This was mainly due to progressive asset recognition on the construction of the second phase of the REAJQ 20MW solar plant and the READH solar farm projects during the year.

Investment in an associate increased from RMB49.6 million in FY2014 to RMB85.1 million in FY2015, mainly due to the dilution of the four subsidiaries resulting in the reclassification to associate companies.

Current assets

Other receivables in non-current assets increased from RMB21.5 million in FY2014 to 40.7 million in FY2015 mainly due to the reclassification of deposits for financial lease loans of the REAJQ solar power plant, from non-current asset to current assets during the current year netted off against a reclassification of VAT recoverable.

Other receivables decreased 44.0% or RMB155.0 million, from RMB352.5 million in FY2014 to RMB197.5 million in FY2015, mainly due to the offset of outstanding balances of amounts due from the former subsidiaries and joint venture.

Operations & Financial Review

Current and non-current Liabilities

Borrowings increased to RMB316.4 million in FY2015 from RMB198.0 million in FY2014, as the Group obtained of 15–year floating interest rate loan facility from Industrial and Commercial Bank of China Limited ("**ICBC**") and another loan facility from Shanghai Pudong Development Bank ("**SPDB**") during the year.

Trade payables were lower at RMB16.7 million in FY2015 from RMB149.5 million in FY2014 after offsetting of amounts payable to Jiangsu Electric Power Construction No. 3 Engineering Company from the completion of the REAJQ solar power plant against due from other receivables.

Cash Flows

The Group recorded RMB39.1 million in net cash outflows from operating activities for FY2015, mainly due to an increase in trade and other receivables.

The Group recorded RMB153.2 million in net cash outflows from investing activities for FY2015, mainly due to the placement of pledged deposits and an increase in property plant and equipment arising from the completion of the READH solar power plant.

The Group recorded RMB194.3 million of net cash inflows from financing activities for FY2015, mainly due to net proceeds from borrowings and capital contribution for READH by a related party.

In view of the above, cash and cash equivalents increased from RMB1.4 million in FY2014 to RMB3.4 million in FY2015.

Operating Outlook

The completion of the READH 20MW Project in December 2014, should provide a stable income stream for the Group in the coming years as it explores avenues to kick start its other projects on hand.

In the year ahead, the Group expects to review its existing operations and seek a clearer direction to enhance its performance.

As of the date of this announcement, we have obtained confirmation from the REAC, not to recall the amount outstanding until such time where the Group has sufficient cash flows. The beneficial owner of REAC is Mr Xu Jian who is the Executive Chairman of REA Group.

The PRC continues to regard the development of power generation by renewable energy as a key priority, as the country maintains its push to establish reliable sources of alternative energy and reduce its reliance on coal. In this respect, the Group remains cautiously optimistic about its prospects in this industry and will actively seek to grow its business there.

Board of Directors

MR XU JIAN was appointed as Executive Chairman of the Group on 11 October 2010 and was last elected as a director on 29 August 2014. He is the founder of the Group's renewable energy business and is responsible for the overall strategic direction and corporate development of the Group. In August 2001, Mr Xu founded Shanghai Ruiqu Trading Co., Ltd. to trade in mechanical equipment metals and construction materials. In 2003, he jointly founded Nantong Jiaolong Heavy Industrial Development Co., Ltd. During his tenure as General Manager at Nantong Jiaolong, he gained valuable experience in wind energy and maritime engineering, manufacturing and maintenance, which laid the foundation for his later establishment of the Group.

DR ZHENG LEI was appointed as Deputy Chairman on 11 October 2010. He was appointed as Executive Director on 1 October 2010 and Chief Executive Officer on 7 October 2011 and was last re-elected as a director on 30 August 2013. He is responsible for the Group's renewable energy business development, management of the Group affairs and overall project management. Dr Zheng has many years of experience in business management, strategic planning, corporate finance and team development. Together with a strong academic background in business and engineering, he has been able to formulate strategies and manage the Group's affairs and operations. In recent years, he has been actively engaged in wind farm investment, financing, construction and management, and has accumulated a wealth of experience in renewable energy and integrated energy projects. Dr Zheng holds a Doctor of Philosophy in Systems Engineering and a Master of Business Administration from South East University, China, and a Master's Degree in Thermal Energy from Chongqing University, China.

MR LIEN KAIT LONG was appointed as Independent Director on 4 October 2011 and was last re-elected as a director on 31 July 2012. Mr Lien serves as a director on the boards of Singapore Exchange-listed companies including 8Telecom International Holdings Co., Ltd, China Jishan Holdings Limited, Hanwell Holdings Limited, Falcon Energy Group Limited, Tat Seng Packaging Group Ltd, Viking Offshore and Marine Ltd, IPC Corporation Limited and Pacific Healthcare Holdings Ltd. Mr Lien has diverse experience in listed companies that are involved in manufacturing, telecommunications, offshore and marine services, oil and gas service provision, stocklist-cum-trading, textile and food and beverage industries. He has held a number of senior management positions and executive directorships in various public and private corporations in Singapore, Hong Kong and China. He holds a Bachelor of Commerce degree from Nanyang University, Singapore, and is a Fellow of the Institute of Certified Public Accountants of Singapore since July 2004 and of CPA Australia since May 2004.

MR TAN SIN HUAT, DENNIS was appointed as Independent Director on 11 February 2010 and was last re-elected as a director on 30 August 2013. Mr Tan holds directorships in Singapore Exchange-listed companies including Chasen Holdings Limited and P99 Holdings Ltd. He possesses experience in listed companies that have businesses in manufacturing, oil and gas, logistics and supply chain, hotel services, and wind and solar renewable energy. He holds an MBA degree from Nanyang Technological University, Singapore, a Bachelor of Arts from National University of Singapore, and postgraduate certificates in Organisational Leadership from the Civil Service Institute, Singapore and Executive Coaching from Lancaster University Management School, United Kingdom, respectively.

MR WONG GANG was appointed as Independent Director on 16 August 2010 and was re-elected as a director on 29 August 2014. He has been a partner in law firm Shook Lin & Bok LLP since 2002, for which he has more than 15 years' professional experience advising on a wide range of corporate finance and securities transactions, including public listings, rights issues, securities regulation for public listed companies, mergers and acquisitions, joint ventures, as well as general corporate advisory work. He is also a member of Shook Lin & Bok LLP's China practice group and has advised multinational corporations and Singapore companies on cross border transactions in China, as well as on public offerings of securities in Singapore by companies from China. Mr Wong is a director of China Animal Healthcare Limited, JEP Holdings Ltd and Bowsprit Capital Corporation Limited, which are listed on the Singapore Exchange.

Senior Management

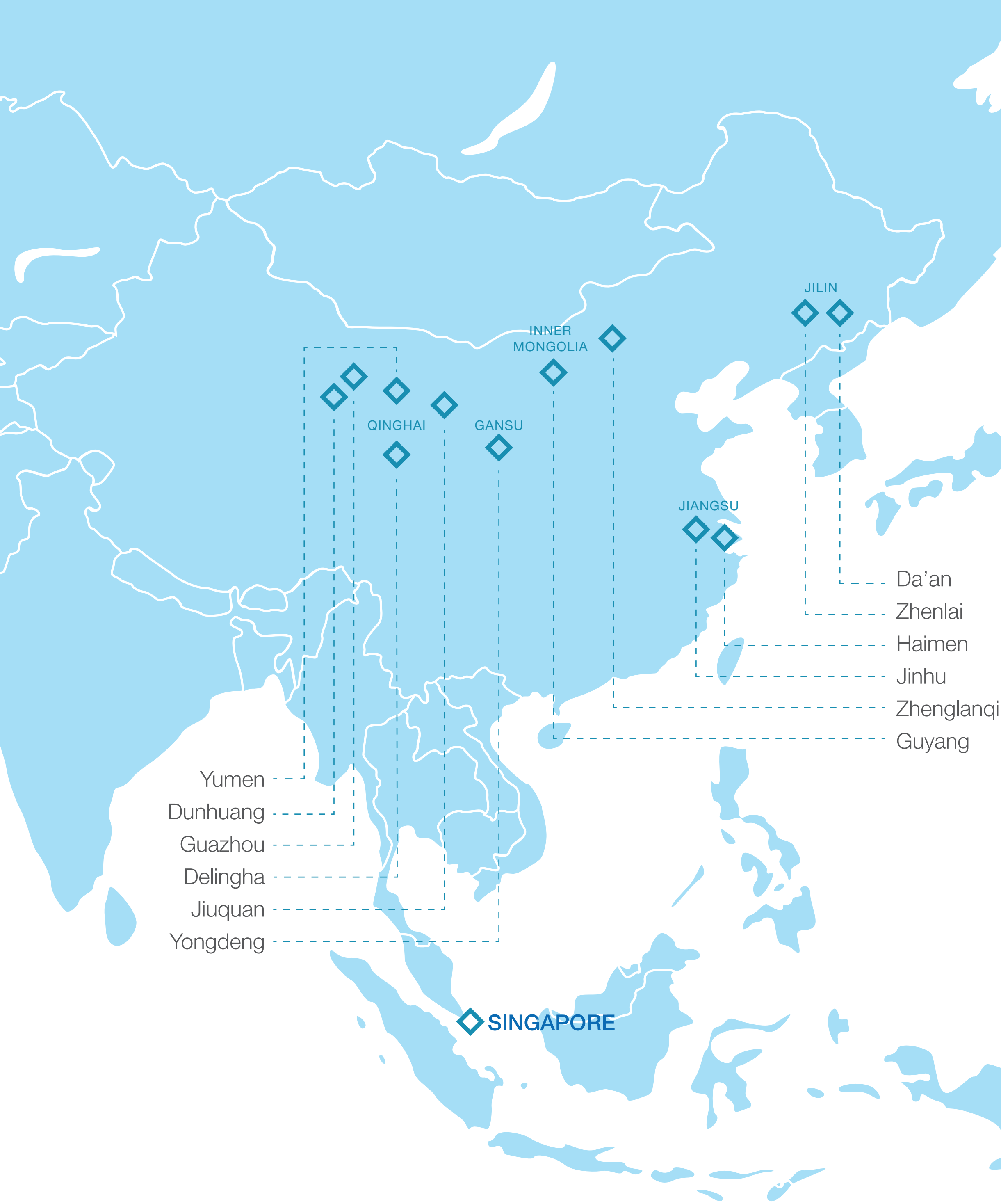
MR SOH YEOW HWA

Group Financial Controller

Mr Soh Yeow Hwa was appointed the Group Financial Controller in July 2011 and is responsible for the finance, compliance and reporting functions of the Group.

Mr Soh has over 20 years of experience in various capacities including audit, financial accounting and has worked in various SGX-ST Listed Companies.

He is a Certified Practicing Accountant of CPA Australia, a Certified Public Accountant and a non-practicing member of the Institute of Certified Public Accountants of Singapore and has obtained a Bachelor of Commerce from Griffith University, Australia in 1992.



Geographical Presence

PROJECTS

Jiuquan, Gansu Province
Guazhou, Gansu Province
Dunhuang, Gansu Province
Yumen, Gansu Province
Yongdeng, Gansu Province
Da’an, Jilin Province

Zhenlai, Jilin Province
Zhenglanqi, Inner Mongolia
Guyang Huaishuo, Inner Mongolia
Haimen, Jiangsu Province
Jinhu, Jiangsu Province
Delingha, Qinghai Province

OFFICES

Singapore
China Haimen City

Financial Contents

10 Corporate Governance Report
24 Report of the Directors
28 Statement by Directors
29 Independent Auditors' Report
31 Consolidated Statement of Profit or Loss and Other Comprehensive Income
32 Statements of Financial Position
33 Consolidated Statement of Changes in Equity
34 Consolidated Statement of Cash Flows
36 Notes to the Consolidated Financial Statements
80 Statistics of Shareholdings
82 Statistics of Warrantholdings
83 Notice of Annual General Meeting

The Board of Directors of RENEWABLE ENERGY ASIA GROUP LIMITED (the "**Company**") recognises the importance of and is committed to maintaining high standards of corporate governance so as to enhance corporate transparency and to protect the interests of the Company's shareholders.

This report describes the corporate governance framework and practices that the Company had adopted, with specific reference made to the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "**Code**") issued by the Corporate Governance Council and adopted by the SGX-ST.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board of Directors (the "**Board**") comprises the following members:

Xu Jian	Executive Chairman and Executive Director
Dr Zheng Lei	Deputy Chairman, Chief Executive Officer and Executive Director
Tan Sin Huat, Dennis	Independent Director
Wong Gang	Independent Director
Lien Kait Long	Independent Director

The Board effectively leads and controls the long-term vision and strategic direction of the Group.

Apart from its statutory duties and responsibilities, the Board oversees Management and affairs of the Group and approves the Group's corporate and strategic objectives. The Board considers the sustainability issues including environmental and social factors in the formulation of the Group's strategies. The Board is also responsible for implementing policies in relation to financial matters, which include compliance, risk management, and internal controls to safeguard the shareholders' interests and the Company's assets. The Board identify its key stakeholder groups and determine the Group's values and standards including ethical standards to ensure that obligations to its stakeholders are understood and met.

In addition, the Board reviews the financial performance of the Group, approves investment proposals, and approves the nomination of Directors to the Board, as well as the appointment of key management personnel. These functions are carried out either directly by the Board or delegate to its Board Committees such as the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"), which would make recommendations to the Board. Each Board Committees is governed by terms of reference which have been approved by the Board and play an important role in ensuring good corporate governance in the Company and within the Group.

Matters which are specifically reserved to the full Board for decision are those involving a conflict of interest for a substantial shareholder or a Director, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and dividends, and financial results and corporate strategies.

The Board meets at least once every quarter to discuss and review the strategic policies of the Group, significant business transactions, performances of the business and approve the release of the quarterly and year-end results. Ad-hoc meetings are convened as and when warranted by particular circumstances require. The Company's Bye-laws allow a Board meeting to be conducted by way of teleconference and videoconference.

During the financial year, the Board held four (4) meetings and the attendance of each Director at every Board and Board Committee meeting is summarised as follows:-

Name	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of Meetings held	No. of Meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Xu Jian	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Dr Zheng Lei	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Tan Sin Huat, Dennis	4	3	4	2	1	1	1	1
Wong Gang	4	4	4	4	1	1	1	1
Lien Kait Long	4	4	4	4	1	1	1	1

The Board also communicates frequently through informal meetings and teleconference to discuss the Group's strategies and businesses. All the Directors exercise due diligence and independent judgment, and are obliged to act in good faith and consider at all times the interest of the Company.

For newly appointed Director will be given a formal letter setting out his duties and obligation. The Board ensures that all incoming Directors will undergo an orientation program to be familiar with the Group's business strategies and operations. In addition, newly appointed Directors would be provided training in the roles and responsibilities of a listed company director if they do not have any prior experience. From time to time, the Directors also receive further relevant training, particularly on applicable new laws, regulations and changing commercial risks which are relevant to the business and operations of the Group. The Directors are also updated on the business of the Group through regular presentations and meetings. The costs of arranging and funding the training of the Directors will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Presently, the Board comprises two (2) Executive Directors and three (3) Independent Directors. This composition complies with the Code that at least half of the Board comprise of Independent Directors, where the Chairman is not an Independent Director.

The independence of each Director is reviewed annually by the NC. In its deliberation as to be independence of a Director, the NC adopts the Code's definition of what constitutes an independent Director in its review and considered whether a Director had business relationships with the Group, its related corporations, its 10% shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement with a view to the best interest of the Group.

The Independent Directors have confirmed that they do not have any relationship with the Group, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Group. In addition, there was no Director who has served on the Board beyond nine (9) years from the date of his first appointment. The Board is of the view that there is a good balance between the executive and non-executive Directors and a strong and independent element on the Board.

The Board regularly examines its size, with a view to determining the impact of the number on effective decision making. The composition of the Board and Board Committees are reviewed on an annual basis by the NC to ensure that the Board and Board Committees have the appropriate mix of expertise and experience and collectively possess the necessary core competence in business, investment, audit, accounting and tax matters for effective functioning and informed decision-making. When a vacancy arises under any circumstance, or where it is considered that the Board and Board Committees would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and select candidates with the appropriate expertise and experience for the position.

Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and rigorously examined and take account of the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business.

The Board, taking into account the nature of operations of the Company and the recommendation of the NC, considers its Independent Directors to be independent in character and judgement and of sufficient calibre and number and their views to be of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The Independent Directors have no financial or contractual interests in the Group other than by way of their fees as set out in the financial statements. The Board is of the view that its current size is adequate for effective decision making. Their combined diversity and wealth of experience enable them to contribute effectively to the strategic growth and governance of the Group. Key information regarding the Directors' academic and professional qualifications and other appointments is set out on page 6 of this annual report.

*CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("**CEO**")*

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear separation of the roles and responsibilities of the Executive Chairman and Deputy Chairman and CEO of the Group. The Executive Chairman, Mr Xu Jian, and the CEO, Dr Zheng Lei, are not related to each other, nor is there any business relationship between them.

Mr Xu Jian, the Executive Chairman, monitors the translation of the Board's decisions and directions into executive action. He ensures the complete, adequate and timeliness of information flow between Management to the Board and that the Board has sufficient opportunities for interaction and informal meetings with Management. He also works closely with Management of the Group to strategize the direction of the Group. Dr Zheng Lei, the Deputy Chairman, CEO and Executive Director, assists the Executive Chairman in the implementation of the strategy of the Group and implements the Board's decisions and assumes the executive responsibility of the day-to-day management of the Company, in accordance with the strategies, policies, budget and business plans approved by the Board.

The Executive Chairman and Deputy Chairman lead the Board and are responsible for the effective working of the Board including:

- scheduling of meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties while not interfering with the flow of the Group's operations;
- preparing the meeting agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- ensuring that Board meetings are held when necessary;
- promoting a culture of openness and debate at the Board;
- facilitating contributions from the Independent Directors and encouraging constructive relationships within the Board and between the Directors and Management;
- exercising control over the quality, quantity and timeliness of information flow to the Board, ensuring effective communication with the Company's shareholders;
- ensuring, fostering constructive and effective communication with shareholders;
- facilitating the effective contribution of non-executive directors in particulars; and
- encouraging high standards of corporate governance.

As all major decisions made by the Executive Chairman are reviewed by the respective Board Committees, the Board is of the view that this arrangement does not undermine the accountability and capacity of the Board for independent decision making.

As the Board has demonstrated that if is able to exercise independent decision making, the Board feels that a lead independent director is not required.

NOMINATING COMMITTEE ("NC")

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises three (3) members, all are Independent Directors, namely Mr Tan Sin Huat, Dennis, Mr Wong Gang and Mr Lien Kait Long and is chaired by Tan Sin Huat, Dennis. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

The Company adopts a formal and transparent process of appointing new Directors and the re-appointment to the Board and ensures that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years.

The NC shall hold at least one (1) meeting per year. The Board has approved the written terms of reference of the NC. The NC performs the following functions:-

(a) reviewing and making recommendations to the Board on the appointment of all candidates nominated to the Board, taking into account the candidate's track record, age, experience, capabilities and other relevant factors;

(b) reviewing, assessing and recommending all candidates nominated for appointment or election as key management personnel;

(c) at least once every financial year, reviewing the Board structure, size and composition and nature of the operations and the core competencies of the directors as a group, taking into account the balance between executive and non-executive Directors and between independent and non-independent Directors, and having regard at all times to the principles of the Code;

(d) procuring that at least one-third (1/3) of the Board shall comprise independent Directors;

(e) making recommendations on the re-appointment to the Board on the continuation of service of any Director who has reached the age of 70 years;

(f) identifying and making recommendations to the Board as to the Directors who are to retire by rotation and to be put forward for re-election at each annual general meeting ("**AGM**") of the Company, having regard to the Directors' contribution and performance, including, if applicable, as independent Directors;

(g) annually, determining whether or not a Director is independent (taking into account the circumstances set out in the Code and other salient factors);

(h) developing a process for evaluation of the performance of the Board, its Board Committees, proposing objective performance criteria to evaluate the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board;

(i) reviewing Board succession plans for Directors, in particular for the Executive Chairman and CEO and the progressive renewal of the Board; and

(j) reviewing training and professional development programmes for the Board.

There is no alternate director on the Board.

The NC reviews and make recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees. In the process for selection and nomination, the NC taps on the Directors' resources to ensure the potential candidates possess relevant experience and have the caliber to contribute to the Group and its business, having regards to the attributes of the existing Board and the requirements of the Group. The potential candidate will go through a shortlisting process and thereafter, set up the interviews with the shortlisted candidates. A new Director can be appointed by way of a Board resolution, after the recommendation by the NC. Newly appointed Directors must put themselves for re-elections at the next AGM of the Company.

All Directors, other than the Managing Director, are subject to the provisions of the Company's Bye-laws whereby one-third (1/3) of the Directors are required to retire and subject themselves to re-election by shareholders at every AGM.

The Directors retiring by rotation pursuant to Bye-Law 104 of the Company's Bye-Laws at the forthcoming AGM are Dr Zheng Lei and Mr Lien Kait Long. The NC had reviewed and recommended the re-election of the two (2) Directors at the forthcoming AGM to be held on 29 July 2015. The Board had accepted the recommendation and the retiring Directors will be offering themselves for re-election.

In making the recommendation, the NC had considered the Directors' overall contribution and performance.

The NC had reviewed the multiple board representations held presently by the Directors do not impede their performance in carrying their duties to the Company. Although some of the Board members have multiple board representations, the NC had ascertained that for the period under review, the Directors had devoted sufficient time and attention to the Group's affairs. Further, the Board is also of the view that such multiple board representations of the Independent Directors benefit the Group, as the Independent Directors are able to bring with them the experience and knowledge obtained from such board representations in other companies. Accordingly, it is not necessary at this stage to set a maximum limit on the number of listed board representations and other principal commitments but would assess each Director on a case by case basis.

Key information regarding the Directors is provided on page 6 of the Annual Report.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

For the year under review, the NC evaluated the Board's and Board Committees' performance as a whole. The assessment process adopted both quantitative and qualitative criteria, such as return of equity, the success of the strategic and long-term objectives set by the Board and the effectiveness of the Board and Board Committees' in monitoring Management's performance against the goals that had been set by the Board.

The Board and Board Committees performance evaluation, led by the NC, is conducted by means of a confidential questionnaire designed to assess the state of affairs of corporate governance matters in the Company. The assessment is separately completed by each Director to elicit his individual input. In assessing, the Directors' input are collated and reviewed by the NC. Areas where the Board's and Board Committees' performance and effectiveness could be enhanced and recommendations for improvement are then submitted to the Board for discussion and for implementation. No individual director's evaluation was made during the year as the the size of the Board is small. Therefore, the effectiveness of the Board is not affected by any individual but collectively. Such individual evaluation will only be considered in the future if there are any material changes.

The NC had ascertained that the Board and Board Committee had contributed effectively and had demonstrated full commitment to their role. No external facilitator had been engaged by the Board for this purpose.

The Board and the NC will endeavour to ensure that Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business, so as to enable the Board to make sound and well-considered decisions.

ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors receive a regular flow of information from management about the Group so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers are prepared for each meeting of the Board. The Board papers include sufficient information from Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. Information provided include background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and internal financial statements.

All Directors have unrestricted access to the Company's records and information and receive detailed financial and operational reports from senior management during the year to enable them to carry out their duties. Directors also liaise with senior management as required, and may consult with other employees and seek additional information on request.

All Directors have separate and independent access to the company secretaries, who provides the Board with regular updates on the requirements of the rules and regulations of the SGX-ST. At least one of the company secretaries or their representative(s) attended all Board and Board Committee meetings and prepared minutes of Board and Board Committee meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and all rules and regulations applicable to the Company, including requirements of the relevant Bye-Laws and the Rules of Catalist of the SGX-ST, are complied with. The appointment and removal of the company secretaries is subject to the approval of the Board.

If any of the Directors require independent professional advice in the furtherance of their duties, the cost of such professional advice will be borne by the Company.

(B) REMUNERATION MATTERS

REMUNERATION COMMITTEE ("RC")

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises three (3) members, all are Independent Directors, namely Mr Wong Gang, Mr Tan Sin Huat, Dennis and Mr Lien Kait Long, and is chaired by Mr Wong Gang. Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

The RC shall hold at least one (1) meeting per year. The Board has approved the written terms of reference of the RC. The functions of the RC are as follows:-

(a) reviewing and recommending to the Board, a general framework of remuneration for the Board and the key management personnel of the Company covering all aspects of remuneration, including without limitation, Director's fees, salaries, allowances, bonuses, options, share based incentives and awards, and benefits-in-kind;

(b) proposing to the Board, appropriate and meaningful measures for assessing the Executive Directors' performance;

(c) determining the specific remuneration package and service contracts/terms of employment for each Director and key management personnel;

(d) considering the eligibility of Directors for benefits under long-term incentive schemes;

(e) considering and making recommendations to the Board concerning the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration, and details of the specific remuneration packages of the Directors and executives of the Company to those required by law or by the Code: and

(f) considering the obligations arising in the event of termination of the Executive Directors and key management personnel's contacts of services, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

In discharging its functions, the RC may obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice shall be borne by the Company. During the year, the Company did not obtain any services from any remuneration consultant as there were no changes to the remuneration package of Board and key management personnel.

The members of the RC shall not participate in any decision concerning their own remuneration, except for providing information and documents specifically requested by the RC to assist it in its deliberations. No Director will be involved in determining his own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

The Independent Directors do not have any service agreement with the Company and they receive Directors' fees, in accordance with their level of contributions, taking into account factors such as effort and time spent, and responsibilities of the Directors. The Company recognizes the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised. Directors' fees are recommended by the Board and will be subject to Shareholders' approval at the Company's AGM.

The Executive Directors had renewed their service agreements with the Company on 1 April 2014 under the same terms and conditions. The service agreements cover for a period of three (3) years and are subject to a yearly review by the RC. All Executive Directors are paid based on their service agreements with the Company. The remuneration for the executive Directors and the key management personnel comprise a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance.

The compensation of the executive Directors and key management personnel is reviewed annually by the RC to ensure that the respective remuneration commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Company sets remuneration packages, which are competitive and sufficient to attract, retain and motivate Directors and key management personnel with adequate experience and expertise to manage the business and operations of the Group.

The remuneration paid to the Directors and key management personnel for services rendered for the financial year ended 31 March 2015 are as follows:-

Names	Salary %	Performance Bonus %	Directors' Fees %	Total %
Directors				
Below SGD250,000 (equivalent to approximately RMB1,133,125)				
Xu Jian	100	–	–	100
Dr Zheng Lei	100	–	–	100
Tan Sin Huat, Dennis	–	–	100	100
Wong Gang	–	–	100	100
Lien Kait Long	–	–	100	100
Key Management Personnel				
Below SGD250,000 (equivalent to approximately RMB1,133,125)				
Soh Yeow Hwa	92	8	–	100

The Board believes that it is in the best interest of the Company and the Group to disclose the Director's remuneration in bands of SGD250,000 rather in full, due to its confidentiality and sensitivity of remuneration packages. The Company also decided not to disclose information on the remuneration of the top 5 Key Management Personnel in dollars terms because of its confidentiality and the Company's concern over poaching of these Key Management Personnel by competitors.

For the financial period under review, the RC had recommended Directors' fees of S$182,000 for the Directors, which will be tabled by the Board at the forthcoming AGM for the shareholders' approval. Directors' fees comprise a basic retainer fee, fees in respect of service on Board Committees and attendance fees.

There are no employees whose remuneration exceeds SGD50,000 (equivalent to approximately RMB226,625) during the year who are immediate family members of any Director or the CEO.

(C) ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Company provides information pertaining to the operations, performance and financial position of the Group to all shareholders through SGXNET and the Company's Annual Report. The Board reviews and approves the results as well as any announcements before its release.

In presenting the annual financial statements and quarterly results announcements to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. Management currently provides the Board with management accounts of the Group's performance, position and prospects on a quarterly basis and as the Board may require from time to time.

The Board reviews report from Management to ensure compliance with all the Group's policies, operational practices and procedures and relevant legislative and regulatory requirements. The Directors may seek independent professional advice and receive relevant training wherever applicable so as to maintain continuing standards and vigilance.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for the overall internal control framework, but acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational and compliance risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss and assets are safeguarded.

Relying on the reports from the external auditors and management representation letters, the AC carried out assessment of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls were reported to the AC. The AC will also follow up on the actions taken by the Management on the recommendations made by the internal and external auditors.

Materials associates and joint ventures which the Company does not control, are not dealt with for the purposes of this statement.

During the year, internal controls review was conducted for Renewable Energy Asia Solar Power (Jiuquan) Co., Ltd. ("**REAJQ**") and draft report was issued in May 2015 is still pending Management comments as at the date of this annual report.

Based on the current internal controls in place, the reports from the external auditors, reviews conducted by the Management, the Board with the concurrence of the AC, is of the opinion that the Company has to strengthen the internal controls of to address the operational, financial and compliance risks of the Group.

During the past 12 months, it has received assurance from the CEO and the CFO (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; (b) regarding the effectiveness of the Company's risk management and internal control systems.

Ernst & Young ("**E&Y**") has highlighted to the Company there are internal control weaknesses in some key areas of REAJQ mainly relating to policies and procedures, cash flow forecast and payments process and controls over project management and company seals. The management has confirmed to the Company that they have taken note of the recommendations of E&Y and will implement the same.

The Board is also exploring avenues to address the risk of the Group which includes restructuring the Group business to minimize the possibility of similar future recurrence for issues identified. During the year, the Board noted that four (4) of its wholly-owned subsidiaries (named below and each a "**Restructured Company**") have each separately entered into a share subscription agreement (each an "**Agreement**") (增资扩股协议书) on 25 January 2015 with Renewable Energy Asia (China) Co., Ltd. ("**REAC**") (亚洲新能源(中国)有限公司), in which REAC will subscribe for new shares ("**New Shares**") in each of the four (4) Restructured Companies (each a "**Capitalisation**" and collectively, the "**Capitalisations**").

These Restructured Companies are as follows:-

(i) Renewable Energy Asia (Jinhu) Solar Power Co., Ltd. ("**REAJH**") (亚洲新能源(金湖)太阳能发电有限公司);

(ii) Renewable Energy Asia (Zhenglanqi) Co., Ltd. ("**REAZLQ**") (亚洲新能源(正蓝旗)有限公司);

(iii) Renewable Energy Asia Da An Co., Ltd. ("**READA**") (亚洲新能源大安有限公司); and

(iv) Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd. ("**REAZL**") (亚洲新能源(镇赉)太阳能发电有限公司).

By virtue of Rule 904 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST, Oceantec Industries Co., Ltd. is deemed an interested person under Chapter 9 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST. on an aggregated basis, such transactions had exceeded 5% of the Group's latest audited net tangible assets ("**NTA**").

Pursuant to Chapter 9 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST, transaction between an interested person and a listed issuer are interested person transactions ("**IPTs**"). Accordingly, under the requirements of Chapter 9 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST, the Company is required to make an immediate announcement of any IPT of a value equal to or exceeding 3% of the Group's latest audited NTA and to seek shareholders' approval for all IPTs of a value equal to or exceeding 5% of the Group's latest audited NTA. The Company had not sought Shareholders' approval for the Past Recurrent IPTs and will be seeking to ratify such transactions at a special general meeting to be convened by the Company in due course. For details on the IPT, please refer to the Notes 18 and 19 of Consolidated Financial Statements.

The Board also notes that all internal control systems and risk managements systems contain inherent limitations and no system of internal controls or risk management system could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

As the Group is amidst a disposal of its non-productive assets which includes REAJH, REAZLQ, READA and REAZL. During the year, the Board will continue to review and take appropriate steps to strengthen the Group's overall systems of internal control and risk management as the Group evolves.

*AUDIT COMMITTEE ("**AC**")*

Principle 12: The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

The AC comprises three (3) members, all are Independent Directors, namely Mr Lien Kait Long, Mr Tan Sin Huat, Dennis and Mr Wong Gang and is chaired by Mr Lien Kait Long. Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The Board is of the view that the members of the AC, including the AC Chairman are appropriately qualified in that they have recent and relevant accounting or related financial management expertise and experiences to discharge the AC's function.

The AC comprise members who have sufficient experience in finance, legal and business fields.

The AC assists the Board in discharging their responsibility to safeguard the Group's assets, maintain adequate accounting records, and in developing and maintaining effective systems of risk management and internal control.

The Board has approved the written terms of reference of the AC. The AC performs the following functions:-

(a) reviewing with the external auditors the audit plan, their evaluation of the system of internal accounting controls and their audit report;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls;

(c) reviewing any formal announcements of results before submission to the Board for approval;

(d) reviewing the assistance given by Management to the external auditors;

(e) reviewing any significant unresolved differences between the external auditors, internal auditors and Management;

(f) reviewing the nature and extent of non-audit services provided by the external auditors to the Company to ensure that the external auditors' independence or objectively is not impaired;

(g) making recommendation to the Board on selection, appointment, re-appointment, removal and resignation of the external auditors;

(h) reviewing external audit fees and recommend it for approval by the Board;

(i) reviewing interested person transactions; and

(j) undertaking such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The AC meets at least four (4) times a year and also holds informal meetings and discussions with Management from time to time.

The AC has explicit authority to investigate any matters within its terms of reference, been given full access to and co-operation by the Company's Management and full discretion to invite any director or executive director to attend its meetings, and reasonable resources to enable it to discharge its function. In addition, the AC has independent access to both internal and external auditors. The AC meets with the external auditors, without the presence of management, at least annually. The AC has reasonable resources to enable it to discharge its functions properly. The internal and external auditors have direct and unrestricted access to the Chairman of the AC and the Chairman of the Board.

During the financial year, the external auditors did not render any non-audit services to the Group, and is of the opinion that the external auditors' independence has not been compromised. The AC has reviewed the performance of the external auditors and recommended to the Board the re-appointment of the external auditors at the forthcoming AGM. The aggregate audit fees paid and payable to the external auditors, Messrs Deloitte Touche Tohmatsu Certified Public Accountants LLP, for the financial year ended 31 March 2015 are set out on page 57 of this annual report.

The Group has appointed different auditors for its significant associated companies. The Board and the AC are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Group. The Company confirmed that Rule 712, Rule 715 and Rule 716 of the Listing Manual - Section B: Rules of Catalist of the SGX-ST has been complied with.

The AC has put in place a whistle-blowing policy and procedures to provide employees with well-defined and accessible channels within the Group for reporting suspected fraud, corruption, dishonest practices, or similar matters or raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions.

The aim of the policy is to encourage the reporting of such matters in good faith with confidence that employees making such reports will be treated fairly and to the extent possible, be protected from repulse. Where appropriate, an independent third party may be appointed to assist in the investigation.

In addition to the activities undertaken to fulfill its responsibilities, the AC is kept abreast by the Management, external and internal auditors on changes of accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The management had engaged E&Y to conduct a review on the internal controls of the Group's principal subsidiary REAJQ in 2015. E&Y had concluded in their review that the internal controls were inadequate and had proposed recommendations to improve the internal control processes.

The AC will continue to monitor the implementation of the proposed recommendation, its operating company's major internal controls and procedures, based on its review of the results of the work submitted by the internal audit function, the reporting by external auditors, the reporting by E&Y and any other matters that it considers necessary.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights. Furthermore, the Company continually reviews and updates such governance arrangement. Shareholders are informed of changes in the Company's businesses that are likely to materially affect the value of the Company's shares.

All shareholders of the Company will receive the annual report and/or circular and the notice of the AGM and/or special general meeting within the time notice period prescribed by the regulations. The notice is also advertised in a local newspaper and made available on SGXNET. The Company encourages shareholders' participation effectively in and vote at general meetings and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairman of each of the Board Committees.

The Company's Bye-laws allow corporations and members of the Company to appoint one (1) or two (2) proxies to attend and vote at general meetings. Central Provident Fund investors of the Company's securities may attend shareholders' meetings as observers provided they have submitted to do so with the agent banks within the specified time frame. The external auditors are also present to assist the Directors in addressing any relevant queries from the shareholders.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

In line with the continuous obligations of the Company pursuant to the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. Other than announcements made via SGXNET in accordance with the requirements of the Listing Manual, the Company has issued additional announcements and press releases to update shareholders on the activities of the Group so as to ensure that all shareholders have access to material information at the same time. In addition, the Company's website www.reagrp.com, where shareholder can access more information of the Company and the Corporate Profile of the Company.

The Company recognises that effective communication can highlight transparency and enhance accountability to its shareholders. The Company provides information to its shareholders via SGXNET announcements and news releases. The Company ensures that price-sensitive information is publicly released, and is announced on an immediate basis where required under the Rules of Catalist of the SGX-ST. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that shareholders and the public have fair access to the information.

The Company currently does not have a dividend policy. The form, frequency and amount of dividend declared each year will take into consideration the Group's profit growth, cash position, positive cash flows generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

Shareholders have the opportunity to participate effectively and to vote in general meetings either in person or by proxy. Resolutions on each distinct issue are tabled separately at general meetings.

All Directors, including the chairman of the AC, NC and RC are present at the general meetings to address shareholders' queries. External Auditors will also be present at such meeting to assist the Directors to address any relevant queries from the shareholders, if necessary.

The Company Secretary prepares minutes of general meetings relating to the agenda of the meeting, and makes this minutes, subsequently approved by the Board. These minutes will be available to shareholder upon their request.

Due to the high cost in employing electronic polling and relatively small number of shareholders who turn up for the general meetings, the voting process of the Company is done via a show of hands unless a poll is demanded.

MATERIAL CONTRACTS
(Rule 1204(8) of the Listing Manual - Section B: Rules of Catalist of the SGX-ST)

Other than disclosed in the audited financial statements and the service agreements between the Executive Directors and the Company, there was no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Chairman, CEO or any Directors or controlling shareholders.

For Interested Person Transactions, please refer to page 18 and Notes 18 and 19 for more details.

DEALINGS IN SECURITIES
(Rule 1204(19) of the Listing Manual - Section B: Rules of Catalist of the SGX-ST)

In line with Rule 1204(19) of the Listing Manual - Section B: Rules of Catalist of the SGX-ST, the Company has adopted a policy with respect to dealings in securities by Directors and officers of the Group. Directors, Management and officers of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares for the period of two (2) weeks prior to the announcement of the Company's quarterly results and one (1) month prior to the announcement of the full year results as the case may, ending on the date of announcement of the relevant results. Directors and employees who are in possession of unpublished material price-sensitive information of the Group should not deal in the Company's securities on short term consideration. Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period. To provide further guidance to employees on dealing in the Company's shares, the Company has adopted a code of conduct on transactions in the Company's shares. The code of conduct is modeled after the SGX-ST's best practices with respect to dealings in securities by the Directors and officers of the Group.

INTERESTED PERSON TRANSACTIONS

(Rule 907 and 920 of the Listing Manual - Section B: Rules of Catalist of the SGX-ST)

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are on an arm's length basis.

The disclosure according to Rule 907 of the Listing Manual – Section B: Rules of Catalist of SGX-ST in respect of interested person transactions for the financial year ended 31 March 2015 is stated in the table below:-

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 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
		FY2015 RMB'000	FY2014 RMB'000	FY2015 RMB'000	FY2014 RMB'000
(1) Oceantec Industries Company Ltd.	Rental	–	10,000	–	–
	Advances	–	227,812	–	–
(2) Nantong Jiaolong Industrial Development Co., Ltd.	Sales	–	–	–	2,248
	Advances	–	140,041	–	–
	Non-trading financing	–	60,000	–	–
	Sub-contracting	–	–	–	–
(3) Jiangsu Maritime Engineering Services Co., Ltd.	Sub-contracting	–	6,868	–	–
(4) Nantong Zhongneng International Trading Co., Ltd.	Non-trading financing	–	50,000	–	–
	Advances	–	138,750	–	–
(5) REA Power Pte. Ltd.	Advances	–	138,750	–	–
	Rental	523	–	–	–
(6) Renewable Energy Asia (China) Co., Ltd.	Share Issue	130,000	–	–	–

NON-SPONSOR FEES

(Rule 1204(21) of the Listing Manual - Section B: Rules of Catalist of the SGX-ST)

There was no non-sponsor fee paid to the sponsor by the Company for the financial year ended 31 March 2015. However, the total amount of fees paid / to be payable to the affiliate of RHT Capital Pte. Ltd., namely RHTLaw Taylor Wessing LLP and RHT Corporate Advisory Pte. Ltd. for legal and corporate secretarial work done for the financial year ended 31 March 2015 was approximately RMB679,834 (equivalent to SGD139,377).

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Renewable Energy Asia Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 March 2015, the statement of financial position of the Company as at 31 March 2015.

1. DIRECTORS

The directors of the Company in office at the date of this report are:

Mr Xu Jian
Dr Zheng Lei
Mr Lien Kait Long
Mr Tan Sin Huat, Dennis
Mr Wong Gang

In accordance with the Bye-Law 104 of the Bye-Laws of the Company, Dr Zheng Lei and Mr Lien Kait Long retire and being eligible, offer themselves for re-election.

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except as described in paragraph 5 below, neither at the end of the financial year nor any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of share or debenture of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors Shareholdings kept by the Company except as follows:

	Shareholding registered in name of director			
	Direct		Indirect	
Name of director and corporation In which interests are held	**At beginning of the year or date of appointment, if later**	**At end of year**	**At beginning of the year or date of appointment, if later**	**At end of year**
Ordinary shares				
Mr Xu Jian				
- Ordinary shares of the Company	5,406,250	8,126,250	6,250,000	6,250,000
- Ordinary shares of Renewable Energy Asia Corporation Limited	–	–	390,000,000	390,000,000
- Ordinary shares held by Oceantec Industry International Pte. Ltd.			2,504,000	2,504,000
Ordinary share				
Dr Zheng Lei				
- Ordinary shares of the Company	250,000	–	–	–

Mr Xu Jian is deemed to be interested in 390,000 Shares in the capital of the Company which are held by Renewable Energy Asia Corporation Limited (formerly known as Jiaolong Heavy Industrial Development Co., Ltd.). He holds more than 20% of the issued and paid up capital of Blue Ocean Holdings Limited which owns 100% of the issued and paid up capital of Renewable Energy Asia Corporation Limited.

Mr Xu Jian is deemed interested in 6,250,000 Shares in the Capital of the Company which are held by his nominee, Maybank Kim Eng Securities Pte. Ltd. Mr Xu Jian is also deemed to be interested in 2,504,000 shares held by Oceantec Industry International Pte. Ltd. He holds more than 20% of the issued and paid up share capital of Nantong Blue Ocean Construction Project Management Co., Ltd. which is the ultimate holding company of Oceantec Industry International Pte. Ltd.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of the related companies, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under section 201 of the Singapore Companies Act by a reason of a contract made by the Company or a related company with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5. SHARE PLAN

(a) Superior Employee Share Option Scheme

On 27 October 2003, the shareholders of the Group approved a share option scheme known as the Superior Employee Share Option Scheme (the "**ESOS**"). The ESOS is administered by the Remuneration Committee comprising Mr Wong Gang, Mr Lien Kait Long and Mr Tan Sin Huat, Dennis, directors of the Group. The Remuneration Committee comprises directors who may be participants of the ESOS. A member of the Remuneration Committee who is a participant of the ESOS is prohibited from being involved in the Remuneration Committee's deliberation in respect of the options to be granted to him.

The ESOS will provide eligible participants, such as the executive directors, non-executive directors and employees of the Group who are not controlling shareholders or their associates with an opportunity to participate in the equity of the Group. The aggregate number of shares over which the Remuneration Committee may grant options on any date shall not exceed 15% of the issued shares of the Company on the date immediately preceding the offer date of the options.

During the financial year, no share options have been granted under the ESOS and the Scheme was expired on 27 October 2013.

Since the commencement of the ESOS till the end of the financial year:

(i) No options have been granted to the controller shareholders of the Company or their associates.

(ii) No participant under the ESOS has been granted 5% or more of the total options under the ESOS.

(iii) No options have been granted at a discount.

(iv) No options have been exercised.

Since the expiry of the ESOS, there was no new scheme proposed. During the financial year, no new share option was granted.

(b) **Employee share awards scheme**

On 31 July 2006, the shareholders of the Company approved a share-based incentive scheme known as the Superior Fastening Technology Share Plan (the "**Plan**"). The Plan is administered by the Remuneration Committee comprising Mr Wong Gang, Mr Lien Kait Long and Mr Tan Sin Huat, Dennis, directors of the Group. The Plan will provide eligible participants, such as the non-executive directors and employees of the Group who are not controlling shareholders or their associates, with an opportunity to participate in the equity of the Group and to motivate them to greater dedication, loyalty and higher standards of performance.

Under the Plan, awards are granted to eligible participants. Awards represent the conferred by the Company on a participant to be issued or transferred shares in the Company, free of charge in accordance with the rules as set out in Chapter 8 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST.

The aggregate number of shares over which the Remuneration Committee may grant awards on any date, when added to the number of new shares issued and issuable in respect of all shares granted under the Plan and other existing share ESOSs or share option ESOSs implemented or to be implemented by the Company, shall not exceed 15% of the issued share capital of the Company on the date preceding that date.

The Company had not granted any share award to the eligible participants.

6. AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr Lien Kait Long, an independent director, and includes Mr Wong Gang and Mr Tan Sin Huat, Dennis, both are independent directors of the Company.

The Audit Committee has met 4 times since the last AGM and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

a) the audit plans of the external auditor;

b) the Group's financial and operating results and accounting policies;

c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;

d) the quarterly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

e) the co-operation and assistance given by the management to the Group's external auditors; and

f) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte Touche Tohmatsu Certified Public Accoutants LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

7. INDEPENDENT AUDITORS

The independent auditors, Deloitte Touche Tohmatsu Certified Public Accountants LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Dr Zheng Lei
Deputy Chairman,
Chief Executive Officer
and Executive Director

13 July 2015

Statement by Directors

In the opinion of the directors,

(i) The statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 31 to 79 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015 and the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date, and

(ii) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

Dr Zheng Lei
Deputy Chairman,
Chief Executive Officer
and Executive Director

13 July 2015

Independent Auditors' Report

To The Members of Renewable Energy Asia Group Limited (Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Renewable Energy Asia Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 31 to 79, which comprise the consolidated and the Company's statements of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as the management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Expect for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with International Standards on Auditing issued by the International Federation of Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

However, because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

We draw attention to note 2 to the financial statements which mentions that the Group incurred a net loss of RMB45,858,000 during the financial year ended 31 March 2015 and, as of that date, the Group's current liabilities exceeded its current assets by RMB281,262,000. As at 31 March 2015 a loan amount of RMB24,208,473 (inclusive of accrued interest of RMB3,956,780 and overdue charges of RMB1,924,584), has been overdue since September 2014. On 29 May 2015, the Group has obtained an undertaking from a related party, Renewable Energy Asia (China) Co., Ltd., for not to demand repayment of its advances due by the Group amounting to RMB209,593,673 within the next 12 months from 1 April 2015.

Against this background, together with the management of the Group's belief that sufficient additional bank loan can be obtained, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the related party failed to fulfil its undertaking for not demand repayment of the aforementioned advances within next 12 months from 1 April 2015 or failure to obtain sufficient additional bank loan.

There is a significant uncertainty relating to the ability of the related party to fulfil its undertaking for not demand repayment of the aforementioned advances within next 12 months from 1 April 2015 as well as sufficient additional bank loan can be obtained by the Group. As a result of these matters, in view of the extent of the uncertainty relating to the ability of the Group to meet its financial obligations as they fall due, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Independent Auditors' Report

To The Members of Renewable Energy Asia Group Limited (Incorporated in Bermuda with limited liability)

Opinion

Because of the significance of the material uncertainty relating to the going concern basis as described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the financial statements.

Deloitte Touche Tohmatsu Certified Public Accountants LLP
Shanghai, PRC

13 July 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2015

	NOTES	2015 RMB'000	2014 RMB'000
Continuing operations			
Revenue	8	**8,063**	13,573
Cost of sales		**(7,232)**	(5,602)
Gross profit		**831**	7,971
Other income	9	**134**	9
Administrative expenses		**(13,296)**	(10,978)
Other gains and losses	10	**(10,344)**	165
Share of profit of an associate		**2,286**	3,309
Finance costs	11	**(25,469)**	(7,686)
Loss before taxation	12	**(45,858)**	(7,210)
Income tax expense	13	**–**	–
Loss for the year from continuing operations		**(45,858)**	(7,210)
Discontinued operations			
Loss for the year from discontinued operations	14	**–**	(13,028)
Loss for the year		**(45,858)**	(20,238)
Other comprehensive loss for the year,net of income tax	14	**–**	–
Total comprehensive loss for the year		**(45,858)**	(20,238)
Loss per share	16		
- From continuing and discontinued operations			
- Basic and diluted (RMB cents)		**(0.06)**	(0.03)
- From continuing operations			
- Basic and diluted (RMB cents)		**(0.06)**	(0.01)

Statements of Financial Position

As at 31 March 2015

	NOTES	The Group 2015 RMB'000	The Group 2014 RMB'000	The Company 2015 RMB'000	The Company 2014 RMB'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	17	**324,625**	217,532	**7**	14
Investments in subsidiaries	18	**–**	–	**1,444**	–
Interest in associates	19	**85,104**	49,622	**–**	–
Other receivables	20	**40,664**	21,500	**–**	–
Total non-current assets		**450,393**	288,654	**1,451**	14
CURRENT ASSETS					
Trade and other receivables	20	**197,497**	352,500	**118,842**	134,295
Bills receivables	20	**350**	–	**–**	–
Pledged bank deposits	21	**50,190**	–	**–**	–
Cash and bank balances	22	**3,362**	1,366	**339**	521
Total current assets		**251,399**	353,866	**119,181**	134,816
Total assets		**701,792**	642,520	**120,632**	134,830
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	23	**109,707**	109,707	**109,707**	109,707
Share premium and reserves	24	**(64,576)**	(18,718)	**7,583**	23,812
Total equity		**45,131**	90,989	**117,290**	133,519
NON-CURRENT LIABILITIES					
Borrowings	27	**124,000**	170,453	**–**	–
Total non-current liabilities		**124,000**	170,453	**–**	–
CURRENT LIABILITIES					
Trade and other payables	25	**290,062**	353,483	**3,342**	1,260
Bills payables	26	**50,190**	–	**–**	–
Borrowings	27	**192,409**	27,544	**–**	–
Current tax liabilities		**–**	51	**–**	51
Total current liabilities		**532,661**	381,078	**3,342**	1,311
Total liabilities		**656,661**	551,531	**3,342**	1,311
Total equity and liabilities		**701,792**	642,520	**120,632**	134,830

The consolidated financial statements on page 31 to 79 were approved and authorised for issue by the board of directors on 13 July 2015 and are signed on its behalf by:

DIRECTOR

DIRECTOR

Consolidated Statement of Changes in Equity

Year ended 31 March 2015

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000 (note 28)	Warrant reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 April 2013	106,268	189,283	840	5,923	(197,124)	105,190
Loss for the year	–	–	–	–	(20,238)	(20,238)
Other comprehensive loss for the year	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(20,238)	(20,238)
Issuance of new shares (note 23)	3,438	2,599	–		–	6,037
Exercise of warrants (note 23)	1	–	–	(1)	–	–
Lapsed share options (note 28)	–	–	(840)	–	840	–
As at 31 March 2014	109,707	191,882	–	5,922	(216,522)	90,989
Loss for the year	–	–	–	–	(45,858)	(45,858)
Other comprehensive loss for the year	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(45,858)	(45,858)
As at 31 March 2015	109,707	191,882	–	5,922	(262,380)	45,131

Consolidated Statement of Cash Flows

Year ended 31 March 2015

	NOTES	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Loss for the year		**(45,858)**	(20,238)
Adjustments for:			
Finance costs recognised in profit or loss		**25,469**	33,614
Interest income recognised in profit or loss		**(60)**	(2,635)
Share of profit of an associate		**(2,286)**	(3,309)
Share of profit (loss) of a joint venture		**–**	252
Depreciation of property, plant and equipment		**5,411**	13,251
Release of prepaid lease payments		**–**	792
Loss on disposal of property, plant and equipment		**–**	518
Gain on disposal of Manufacturing and EPC Business	14	**–**	(22,423)
Operating cash flows before movements in working capital		**(17,324)**	(178)
(Increase) decrease in inventories		**–**	(10,934)
(Increase) decrease in trade and other receivables		**(7,298)**	12,363
(Decrease) increase in trade and other payables		**2,144**	(29,766)
(Increase) decrease in bills receivables		**(350)**	(8,842)
Increase in bills payables		**–**	45,000
Cash (used in) from operations		**(22,828)**	7,643
Interest paid		**(16,319)**	(33,614)
Net cash used in operating activities		**(39,147)**	(25,971)
Cash flows from investing activities			
Increase in pledged bank deposits		**(50,190)**	(262,930)
Purchase of property, plant and equipment		**(110,671)**	(12,811)
Withdrawals of pledged bank deposits		**–**	273,243
Dividends received from an associate		**3,102**	1,048
Interest received		**60**	2,635
Proceeds from disposal of property, plant and equipment		**–**	2,707
Cash outflow from lose control of four entities		**(120)**	–
Advances to related parties		**–**	(481,441)
Advances to non-related parties		**–**	(67,000)
Advances repaid by related parties		**–**	238,450
Advances repaid by non-related parties		**–**	57,700
Net proceeds from disposal of Manufacturing and EPC Business	14	**4,650**	(5,771)
Net cash used in investing activities		**(153,169)**	(254,170)

Consolidated Statement of Cash Flows

Year ended 31 March 2015

	2015 RMB'000	2014 RMB'000
Cash flows from financing activities		
Deposits paid for obligation under finance leases	–	(21,500)
Repayments of bills payables	–	(276,000)
Repayments of borrowings	**(12,488)**	(217,032)
Repayment of loan from the ultimate controlling shareholder	–	(1,050)
Proceeds from bills payables	–	246,000
Proceeds from borrowings	**129,000**	422,903
Advances from related parties	**77,800**	114,909
Repayments to related parties	–	(636)
Proceeds from issue of New Shares	–	6,037
Net cash from financing activities	**194,312**	273,631
Net increase (decrease) in cash and cash equivalents	**1,996**	(6,510)
Cash and cash equivalents at beginning of the year	**1,366**	7,876
Cash and cash equivalents at end of year, represented by		
Cash and bank balances	**3,362**	1,366

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

1. GENERAL INFORMATION

Renewable Energy Asia Group Limited (the "Company") was incorporated in Bermuda on 12 March 2003 as an exempted company with limited liability and its shares are listed on the Singapore Exchange Securities Trading Limited ("SGX"). The immediate holding company of the Company is Renewable Energy Asia Corporation Limited ("REA", formerly named as Jiaolong Heavy Industries Corporation Limited), a private limited liability company incorporated in the Cayman Islands. The ultimate holding company of the Company is Blue Ocean Holdings Limited, a private limited liability company incorporated in Hong Kong. Mr Xu Jian is the ultimate controlling shareholder and Chairman of the Company.

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The Company acts as an investment holding company and provides corporate management services to group companies. During last year, the Company has disposed of certain subsidiaries which are principally engaged in the manufacturing and production of wind turbine components and systems, and engineering, procurement, construction and maintenance of wind farm ("Manufacturing and EPC Business") and these operations are presented as discontinued operations. Details of the disposal of subsidiaries and discontinued operations are set out in note 14. After the Company completed the transaction, the Group is mainly engaged in solar power generation business and operation (including through investment in an associate).

The principal activities of the subsidiaries of the Company are set out in note 18.

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

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the management has given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of RMB45,858,000 during the financial year ended 31 March 2015 and, as of that date, the Group's current liabilities exceeded its current assets by RMB281,262,000. As at 31 March 2015, a loan amount of RMB24,208,473 (inclusive of accrued interest of RMB3,956,780 and overdue charges of RMB1,924,584), has been overdue for payment since September 2014, and as such the total borrowings of RMB187,409,000 were accounted for current liability as at 31 March, 2015.

In order to improve the Group's financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the management has taken the following measures:

On 29 May 2015, the Group has obtained an undertaking from a related party, Renewable Energy Asia (China) Co., Ltd., for not to demand repayment of the amounts due by the Group amounting to RMB209,593,673 within the next 12 months.

In May 2015, the Group obtained a cooperation agreement with Industrial and Commercial Bank of China. In the cooperation agreement, the bank agreed to provide financial support to the Group, for building construction, operating the new energy projects and replacing the Group's finance projects from a third party if such kind of support meets the requirement of national policies, laws, regulations and regulatory requirement.

The management is of the opinion that, taking into account the above measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and revised standards and interpretations applied in the current year

In the current year, the Group has applied a number of amendments to IFRSs and a new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtains funds from one or more investors for the purpose of providing them with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity, the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities for the first time in the current year*. The amendments to IAS clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of currently has a legally enforceable right of set-off and simultaneous realization and settlement.

As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosure or on the amounts recognized in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognized in the Group's consolidated financial statements.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year*. The amendments to IAS 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 applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact of the financial statement.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued

New and revised standards and interpretations applied in the current year-continued

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC 21 Levies

The Group has applied IFRIC 21 Levies for the first time in the current year IFRIC 21 addresses the issue of when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.IFRIC 21 has been applied retrospectively. The application of this interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised standards and interpretations issued but not yet effective

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

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to IAS 1	Disclosure Initiative[5]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation And Amortisation[5]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[6]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[5]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[5]
Amendments to IAS 27	Equity Method in Separate Financial Statements[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[5]

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued

New and revised standards and interpretations issued but not yet effective - continued

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for first annual IFRS financial statements beginning on or after 1 January 2016

3 Effective for annual periods beginning on or after 1 January 2017

4 Effective for annual periods beginning on or after 1 July 2014

5 Effective for annual periods beginning on or after 1 January 2016

6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

In July 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The management of the Company anticipate that the application of IFRS 15 in the furture may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

The management of the Company anticipate that the application of the other new and revised IFRSs will have no material effect on the Group's consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB.

The consolidated financial statements have been prepared on the historical cost basis 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 or services.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognise as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in a joint venture or an associate.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments in associates - continued

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowance.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sales of electricity is recognised when the electricity has been delivered on grid and is measured based on the price agreed with the lcoal State Grid.

The electricity sales price is comprised of local sales price and Renewable energy Feed-in-Tariff. Renewable energy Feed-in-Tariff needs to be approved by the government and it is recognized as revenue only when it's approved by the government.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance lease are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy on "Borrowing costs").

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxation - continued

Deferred tax - continued

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit plan, including state-managed retirement benefits schemes is charged as expenses when employees have rendered service entitling them to the contributions.

Share based payment transactions

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for its intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement on an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in profit or loss.

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets

The financial assets of the Group only include loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bills receivables, pledged bank deposits and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit terms of the customers, observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets - continued

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities (including trade and other payables, bills payables and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

(a) Estimated impairment of trade and other receivables

As explained in note 4, trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The identification of bad and doubtful debts on trade and other receivables requires the use of estimates of expected future cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise. The management is satisfied that no allowance for doubtful debts was required to be recognised during the current financial year. As at 31 March 2015, the carrying amounts of trade and other receivables are approximately RMB197,497,000 (2014: RMB352,500,000).

(b) Useful life, residual value and impairment of property, plant and equipment

The management determines the residual value, useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual residual value and useful lives of property, plant and equipment of similar nature and functions and may vary significantly as a result of technical innovation and keen competition from competitors, resulting in higher depreciation charge and/or write-off or write-down of technically obsolete assets when residual value or useful lives are less than previously estimated.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

(b) Useful life, residual value and impairment of property, plant and equipment-continued

In addition, management assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the recoverable amount which requires significant judgements, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows. As at 31 March 2015, the carrying amounts of property, plant and equipment are approximately RMB324,625,000 (2014: RMB217,532,000).

(c) Deferred tax assets

The management considers that it is not probable that taxable profit will be available in which the deductible temporary differences on impairment loss of assets and tax losses can be utilised and accordingly, no deferred tax assets in relation to the impairment loss of assets and the tax losses have been recognised in the consolidated statements of financial position during the financial year. In cases where the actual future profits generated are more than expected, a material recognition of deferred taxation may arise, which would be recognised in profit and loss for the financial year in which such recognition takes place. Details of the unprovided deferred tax assets in respect of the tax losses are described in note 13.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group entities will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes borrowings and net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings.

The management reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through raising of new borrowings or the repayment of existing borrowings.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 RMB'000	2014 RMB'000
The Group		
Financial assets		
- *Loan and receivables:*		
- Trade and other receivables	**169,510**	313,584
- Bills receivables	**350**	–
- Pledged bank deposits	**50,190**	–
- Cash and cash equivalents	**3,362**	1,366
Financial liabilities		
-*Liabilities measured at amortised cost:*		
- Trade and other payables	**280,666**	353,335
- Bills payables	**50,190**	–
- Borrowings	**316,409**	197,997

	2015 RMB'000	2014 RMB'000
The Company		
Financial assets		
- *Loan and receivables:*		
- Other receivables	**118,393**	133,961
- Cash and cash equivalents	**339**	521
Financial liabilities		
- Liabilities measured at amortised cost:		
- Other payables	**3,342**	1,260

(b) Financial risk management objectives and polices

The Group's major financial instruments include trade and other receivables, bills receivables, pledged bank deposits, cash and cash equivalents, trade and other payables, bills payables and borrowings. The Company's major financial instruments include other receivables, cash and cash equivalents and other payables. Details of these financial instruments are disclosed in respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's and Company's overall strategy remains unchanged from prior year.

(c) Market risk

The Group's activities expose it primarily to the market risks including interest rate risk (note 7(c)(i)) and foreign currency risk (note 7(c)(ii)). The Company's activities expose it primarily to the market risks including foreign currency risk (note 7(c)(ii)).

There has been no change to the Group's and Company's manner in which it manages and measures the risks from prior year.

7. FINANCIAL INSTRUMENTS - continued

(c) Market risk - continued

(i) Interest rate risk management

The Group is exposed to fair value interest rate risk, relating primarily to its fixed rate borrowings, as well as cash flow interest rate risk relating to its variable rate borrowings (note 27)

The Group is also exposed to cash flow interest rate risk through the impact of rate changes on variable interest bearing financial assets and liabilities, mainly bank balances and bank borrowing which carried at prevailing market interest rates.

The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk.

A change of 100 basis points in interest rates applicable to variable rate bank borrowings at the reporting date would have (increased)/decreased loss for the year by the amounts shown below:

	Profit or (loss)	
	100 bp increase	100 bp decrease
	RMB'000	RMB'000
31 March 2015		
Variable rate bank borrowings	(1,240)	1,240

(ii) Foreign currency risk management

Foreign currency risk is the risk that the holding of monetary assets and liabilities and entering into transactions denominated in foreign currencies which will affect the Group's and Company's financial position and performance as a result of a change in foreign currency exchanges rates. At the end of the financial year, certain trade and other receivables and cash and cash equivalents of the Group and the Company are denominated in foreign currencies, details of which are set out in respective notes, expose the Group and Company to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		**Liabilities**		**Net assets**	
	2015	2014	**2015**	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Singapore Dollars ("SGD")	**118,823**	130,074	**1,833**	267	**116,990**	129,807

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		**Liabilities**		**Net assets**	
	2015	2014	**2015**	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Singapore Dollars ("SGD")	**118,732**	129,833	**1,630**	267	**117,102**	129,566

The Group and the Company are mainly exposed to the currency of the SGD.

7. FINANCIAL INSTRUMENTS - continued

(c) Market risk - continued

(ii) Foreign currency risk management - continued

The following table details the Group's and the Company's sensitivity to a 5% (2014: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% (2014: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity has been changed to 5% in view of the expectation of the management on the changes of foreign currencies in the coming year.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the financial year ended for a 5% (2014: 5%) change in foreign currency rates.

A negative number below indicates an increase in post-tax loss where RMB strengthen 5% (2014: 5%) against the relevant foreign currencies.

The Group

	2015	2014
	RMB'000	RMB'000
Post-tax loss would (increase) decrease by:		
- SGD	**(5,850)**	(6,490)

The Company

	2015	2014
	RMB'000	RMB'000
Post-tax loss would (increase) decrease by:		
- SGD	**(5,855)**	(6,478)

For a 5% (2014: 5%) weakening of the RMB against the relevant foreign currencies, there would be an equal and opposite impact on the profit after taxation.

In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures at the end of the reporting period do not reflect the exposure during the financial year.

(d) Credit risk management

In order to minimize the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management reviews the recoverability of each trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management considers that the Group's credit risk is significantly reduced.

After disposal of Manufacturing and EPC Business, the Group has concentration of credit risk as the Group's trade receivables of approximately RMB13,102,000 (2014: RMB12,229,000), representing 100% (2014: 100%) of total trade receivables, were derived from the PRC national power grid in Gansu province, the People's Republic of China (the "PRC").

Other than the concentration of credit risk on trade receivable which were derived from one customer and the other receivables from a related party of the Company, the Group does not has any other significant concentration of credit risk.

7. FINANCIAL INSTRUMENTS - continued

(d) Credit risk management - continued

The Company has concentration of credit risk as the Company's other receivables of approximately RMB118,393,000 (2014: RMB129,064,000) due from REA Power Pte. Ltd. ("**REAP**"), a related party.

Other than the concentration of credit risk on other receivable which were derived from a related party, the Company does not has any other significant concentration of credit risk.

In order to minimize the credit risk, the management continuously monitors the level of exposure to ensure that follow up actions and/or corrective actions are taken promptly to lower exposure or even to recover the overdue debts.

The Group has concentration of credit risk on liquid funds which are deposited mainly with several banks in the PRC. However, the credit risk on bank balances is limited because the majority of the counterparties are banks with good reputation.

(e) Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of borrowings and ensures compliance with loan covenants. However there are loans amounting to RMB24,208,473 which has been overdue since September 2014 (note 27(b)).

As at 31 March 2015, the Group has net current liabilities of approximately RMB281,262,000 and is exposed to liquidity risk of being unable to raise sufficient funds to meet its financial obligations when they fall due. As explained in note 2, the management is seeking to improve the financial position of the Group and after taking into account the undertaking from a related party obtained by the Group and the cooperation agreement with Industrial and Commercial Bank of China, the management considers that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due during the period of the next twelve months commencing from 1 April 2015.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows.

7. FINANCIAL INSTRUMENTS - continued

(e) Liquidity risk management - continued

Non-derivative financial liabilities

The Group

	Weighted average interest rate %	On demand or less than 3 months RMB'000	3 months to 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	5 to 15 years RMB'000	Total undiscounted cash flows RMB'000
As at 31 March 2015							
Trade and other payables	–	280,666	–	–	–	–	280,666
Bill payables	–	49,590	600	–	–	–	50,190
Borrowings	9.17	217,864	5,155	13,253	45,806	133,667	415,745
		548,120	5,755	13,253	45,806	133,667	746,601
As at 31 March 2014							
Trade and other payables	–	353,335	–	–	–	–	353,335
Borrowings	10.49	11,904	35,711	47,614	142,843	27,406	265,478
		365,239	35,711	47,614	142,843	27,406	618,813

The Company

	Weighted average interest rate %	On demand or less than 3 months RMB'000	3 months to 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	5 to 15 years RMB'000	Total undiscounted cash flows RMB'000
As at 31 March 2015							
Other payables	–	3,342	–	–	–	–	3,342
		3,342	–	–	–	–	3,342
As at 31 March 2014							
Other payables	–	1,260	–	–	–	–	1,260
		1,260	–	–	–	–	1,260

The carrying amounts of the Group's non-derivative financial assets which have maturity within one year approximate to their undiscounted contractual cash flow of such financial assets including interest that will be earned on those assets.

(f) Fair value of financial instruments

The fair value of financial assets and financial liabilities, are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

8. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue from continuing operations represents the net amounts received and receivable for the sales of electricity to the national power grid in Gansu province, the PRC during the financial year.

An analysis of the Group's revenue from continuing operations during the financial year is as follows:

	2015	2014
	RMB'000	RMB'000
Revenue from:		
- External sales	**4,973**	4,973
- Tariff subsidy	**3,090**	9,204
	8,063	13,573

Note:

As at 31 March 2015, following solar farms have been in operation:

- Phase 1 of Jiuquan solar farm which provides a power generation capacity of 9 Megawatts ("MW"), and of which Renewable energy Feed-in-Tariff has been approved by the government.
- Phase 2 of Jiuquan solar farm of which a power generation capacity of 2.5 Megawatts have been in operation which made up of approximately 12.5% of the total expected capacity of 20 Megawatts, and of which Renewable energy Feed-in-Tariff has not yet been approved by the government.
- Dunhuang solar farm which provides a power generation capacity of 20 Megawatts, and of which Renewable energy Feed-in-Tariff has not yet been approved by the government.

Based on the purchase and sales contract signed with the State Grid of Gansu province, the electricity sales price is comprised of following 2 parts:

Solar farm project	**Local electricity price (RMB/KWH)**	**Renewable energy Feed-in-Tariff (RMB/KWH)**	**Total (RMB/KWH)**
The 9WM solar farm of Jiuquan	0.32	0.68	1.00
The 20WM solar farm of Jiuquan	0.32	0.68	1.00
The 20WM solar farm of Dunhuang	0.33	0.57	0.90

The management will apply for Renewable energy Feed-in-Tariff after the solar farm is in operation. Renewable energy Feed-in-Tariff is recognized as revenue only after the government approval has been obtained.

(b) Segment information

Information about segment revenues and results from continuing operations

As a result of the disposal of the Manufacturing and EPC Business (see note 14) during the financial year ended 31 March 2014, the management has focused, in respect of the Group's continuing operations, on its solar power generation business and operation as a whole, including through its investment in associates, ("Solar Power Generation Business") for the purpose of resource allocation and assessment of segment performance. Accordingly, the Group has only one reportable and operating segment in its continuing operations and no segment information is presented other than entity-wide disclosure.

8. REVENUE AND SEGMENT INFORMATION - continued

(b) Segment information - continued

Geographical information

The Group's revenue from the continuing operations is from the sale of electricity which is mainly generated from the production facilities located in PRC. More than 99% of the Group's non-current assets are located in PRC and thus, no geographical information has been presented.

The following table provides an analysis of the Group's revenue by geographical location of customers:

	2015 RMB'000	2014 RMB'000
Analysed by:		
PRC	**8,063**	13,573

Information about major customers

All the Group's revenue from continuing operations for both years were earned from sales to one customer.

9. OTHER INCOME

	2015 RMB'000	2014 RMB'000
Other income from continuing operations comprise of:		
Interest income	**60**	6
Sundry income	**74**	3
	134	9

Note:

During the financial year ended 31 March 2015, interest income is mainly received/receivable from the bank balances.

10. OTHER GAINS AND LOSSES

	2015 RMB'000	2014 RMB'000
Other gains and losses from continuing operations comprise of:		
Net foreign exchange (loss)/gain	**(10,344)**	90
Others	**–**	75
	(10,344)	165

11. FINANCE COSTS

	2015 RMB'000	2014 RMB'000
Finance costs from continuing operations comprise of:		
Interest on borrowings wholly repayable within five years	**23,337**	7,686
Interest on borrowings wholly repayable after five years	**2,132**	–
	25,469	7,686

12. LOSS BEFORE TAXATION

	2015 RMB'000	2014 RMB'000
Loss before taxation from continuing operations has been arrived at after charging (crediting):		
Staff cost, including directors' emoluments (note below)		
- Salaries and other benefits	**4,383**	3,876
- Retirement benefit scheme contributions	**387**	102
	4,770	3,978
Depreciation of property, plant and equipment	**5,411**	3,982
Auditors' remuneration:		
- Auditor of the Company	**1,000**	1,637
- Other auditors	**400**	1,128
	1,400	2,765

Note:

	2015 RMB'000	2014 RMB'000
Directors' emoluments :	**1,399**	1,874

13. INCOME TAX EXPENSE

	2015 RMB'000	2014 RMB'000
Income tax expense from continuing operations comprise of:		
Current tax		
- Singapore income tax	**–**	–
- PRC Enterprise Income Tax ("EIT")	**–**	–
	–	–

The subsidiaries of the Company incorporated in Singapore are subject to Singapore income tax rate of 17% (2014: 17%). No provision for Singapore income tax has been made as the Group did not derive any taxable income in Singapore for both years.

The subsidiaries of the Company established in the PRC are subject to the PRC EIT of 25% (2014: 25%). No provision for PRC EIT has been made as those PRC subsidiaries incurred losses for both years.

13. INCOME TAX EXPENSE - continued

The tax charge can be reconciled to the loss before taxation from continuing operations per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 RMB'000	2014 RMB'000
Loss before taxation from continuing operations	(45,858)	(7,210)
Tax at PRC EIT rate of 25% (note below)	(11,465)	(1,803)
Tax effect of share of profit of an associate	(572)	(827)
Tax effect of expenses that are not deductible for tax purpose	575	1,761
Tax effect of tax losses not recognised	11,462	869
Tax charge	–	–

Note: The PRC EIT rate of 25% for the financial year (2014: 25%) represents the statutory tax rate of the subsidiaries because the Group's operations are conducted substantially in the PRC throughout the financial year.

As at 31 March 2015, the Group has unused tax losses of RMB54,388,000(2014: RMB8,540,000) available for offsetting against future profits. No deferred tax assets have been recognized as these subsidiaries have been loss making for several years and it is not considered probable that taxable profits will be available against which the tax losses can be utilized. Tax loss will expire in the following years:

	The Group	
	2015 RMB'000	2014 RMB'000
Until 31 March 2017	2,808	2,808
Until 31 March 2018	2,255	2,255
Until 31 March 2019	3,477	3,477
Until 31 March 2020	45,848	–
	54,388	8,540

At the end of the reporting period, the Group has deductible temporary difference of RMB68,068,000 (2014:RMB68,068,000) in respect of the allowances on trade and other receivables (note 20). No deferred tax assets has been recognised in relation to such deductible temporary differences as it is not certain that taxable profit will be available against which the deductible temporary differences can be utilized.

14. DISCONTINUED OPERATIONS

As set out in Group's annual report for the financial year ended 31 March 2014 dated 6 August 2014, the Company entered into a purchase and sales agreement (the "Manufacturing and EPC Business Disposal Agreement") with Mr Xu Jian, the ultimate controlling shareholder of the Company, on 13 July 2013, and pursuant to which, the Company agreed to dispose certain subsidiaries engaged in (a) manufacturing and production of wind turbine components and systems, and (b) engineering, procurement, construction and maintenance of wind farms (hereinafter collectively referred to as the "Manufacturing and EPC Business" (the existing loss-making and negative cash flow operation and business)) to Mr Xu Jian and/or its nominee for a total consideration of RMB4.5 million. And according to the supplemental agreement signed between the Company and Mr Xu Jian on 7 March 2014, the total consideration increased and finalized at RMB9.6 million. The disposal was completed on 31 March 2014 when it was approved by the shareholders of the Company. The control of Manufacturing and EPC Business was passed to the acquirer on 31 March 2014.

Up to the date of approval for issuance of these consolidated financial statements, the Company has received consideration of RMB4.95 million from Mr Xu Jian, and the rest of consideration has been received during the current year.

14. DISCONTINUED OPERATIONS - continued

The loss for last year from the disposed subsidiaries is set out below.

	2014 RMB'000
Loss of the Manufacturing and EPC Business for the year	(35,451)
Gain on disposal of the Manufacturing and EPC Business	22,423
Loss for the year from discontinued operations	(13,028)
Attributable to:	
- Owners of the Company	(13,028)
	(13,028)

The results of the Manufacturing and EPC Business for the year from 1 April 2013 to 31 March 2014, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Year ended 31 March 2014 RMB'000
Revenue	216,598
Cost of sales	(211,325)
Gross profit	5,273
Other income, other gains and losses	5,415
Distribution and selling expenses	(1,365)
Administrative expenses	(18,594)
Share of loss of a joint venture	(252)
Finance costs	(25,928)
Loss before taxation	(35,451)
Income tax expenses	–
Loss for the year from discontinued operations	(35,451)

Loss for the year from discontinued operations included the following:

	2014 RMB'000
Depreciation and amortisation	9,269
Loss on disposal of property, plant and equipment	518
Employee benefit expenses	45,088
Interest income	2,629
Government grant	1,271

14. DISCONTINUED OPERATIONS - continued

The cash flows relating to the Manufacturing and EPC Business for the year which have been included in the Group's consolidated statement of cash flows were as follows:

	2014 RMB'000
Operating cash inflows	14,998
Investing cash outflows	(97,635)
Financing cash inflows	85,593
Total cash inflows	2,956

Analysis of assets and liabilities regarding Manufacturing and EPC Business over which control was lost:

	RMB'000
Property, plant and equipment	83,462
Prepaid lease payments (current portion)	792
Prepaid lease payments (non-current portion)	37,095
Interest in a joint venture	54,435
Other non-current assets	4,500
Inventories	61,930
Trade and other receivable	521,275
Bills receivables	17,388
Pledged bank deposits	112,516
Cash and bank balances	9,564
Trade and other payables (Note)	(569,032)
Bills payables	(174,000)
Bank borrowings	(173,905)
Net liabilities disposed of	(13,980)
Expense incurred directly attributable to the disposal	1,157
Gain on disposal of Manufacturing and EPC Business	22,423
Total consideration	9,600

Note:

Trade and other payables of the Manufacturing and EPC Business included an amount of RMB296,647,000 owed to the remaining entities of the Group (which did not include an amount of RMB68,068,000 owed to the Company which had been fully provided with provision by the Company in prior year).

14. DISCONTINUED OPERATIONS - continued

An analysis of the consideration transferred is as follows:

During the financial year ended 31 March 2014:	
- Cash consideration received	4,950
- Outstanding amount recorded as other receivables as at 31 March 2014	4,650
Total consideration	9,600

An analysis of net cash outflows in respect of disposal of Manufacturing and EPC business is as follows:

- Consideration received in cash	4,950
- Cash and bank balances disposed of	(9,564)
- Expense paid directly attributable to the disposal	(1,157)
	(5,771)

15. DIVIDENDS

No dividend has been paid, declared or proposed by the Company during the financial year nor has any dividend been proposed since the end of the reporting period (2014: nil).

16. LOSS PER SHARE

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

	Continuing and discontinued operations		Continuing operations	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Loss attributable to owners of the Company	**(45,858)**	(20,238)	**(45,858)**	(7,210)

	Weighted average number of shares			
	2015	2014	**2015**	2014
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**745,570,452**	737,637,131	**745,570,452**	737,637,131

The computation of diluted loss per share does not assume the exercise of the Company's warrants and share options because the exercise price of those warrants and share options was higher than the average market price for shares for 2014.

The computation of diluted loss per share does not assume the exercise of the Company's warrants because the exercise price of those warrants was higher than the average market price for shares for 2015.

The basic and diluted loss per share from the discontinued operations for the financial year ended 31 March 2014 was RMB0.02 per share, based on the loss for the year from the discontinued operations of RMB13,028,000 and the denominators detailed above for both basic and diluted loss per share.

17. PROPERTY, PLANT AND EQUIPMENT

	The Group							The Company
	Buildings	Plant and machinery and moulds	Motor vehicles	Office equipment, furniture and fixtures	Solar farm	Construction in progress	Total	Office equipment, furniture and fixtures
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST								
As at 1 April 2013	7,717	81,428	2,076	6,318	94,649	35,897	228,085	68
Additions	353	952	138	361	132	118,664	120,600	12
Transfer in	5,244	2,074	–	–	–	(7,318)	–	–
Disposals	–	(3,808)	–	–	–	–	(3,808)	–
Eliminated on disposals of Manufacturing and EPC Business	(8,856)	(80,646)	(574)	(6,190)	–	(26,444)	(122,710)	–
As at 31 March 2014	4,458	–	1,640	489	94,781	120,799	222,167	80
Additions	–	29	152	147	–	117,533	117,861	–
Transfer in	–	–	–	–	217,648	(217,648)	–	–
Eliminated on lost control of four subsidiaries (note 19(b))	–	–	(318)	(246)	–	(5,158)	(5,722)	–
As at 31 March 2015	4,458	29	1,474	390	312,429	15,526	334,306	80
DEPRECIATION AND IMPAIRMENT								
As at 1 April 2013	283	26,929	401	3,601	–	–	31,214	61
Provided for the year	1,046	5,960	246	2,459	3,540	–	13,251	5
Disposals	–	(582)	–	–	–	–	(582)	–
Eliminated on disposals of Manufacturing and EPC Business	(1,021)	(32,207)	(194)	(5,726)	–	–	(39,248)	–
As at 31 March 2014	308	–	453	334	3,540	–	4,635	66
Provided for the year	615	2	199	63	4,532	–	5,411	7
Eliminated on lost control of four subsidiaries (note 19(b))	–	–	(141)	(224)	–	–	(365)	–
As at 31 March 2015	923	2	511	173	8,072	–	9,681	73
CARRYING VALUES								
As at 31 March 2015	3,535	27	963	217	304,357	15,526	324,625	7
As at 31 March 2014	4,150	–	1,187	155	91,241	120,799	217,532	14

Notes:

The above items of property, plant and equipment, other than construction in progress, after taking into account of their estimated residual values, are depreciated on a straight-line basis over the following useful lives:

Buildings	20 to 25 years
Plant , machinery and moulds	3 to 10 years
Solar farm	25 years
Motor vehicles	10 years
Office equipment, furniture and fixtures	3 to 5 years

17. PROPERTY, PLANT AND EQUIPMENT - continued

As at 31 March 2015, the management conducted an impairment review of the Group's property, plant and equipment, which are mainly solar farm situated in Jiuquan amounting to RMB138,057,000, having regard to the recurring losses of the relevant operation. The management is satisfied that no impairment loss for these property, plant and equipment was required to be recognised. The recoverable amount of the Solar Farm situated in Jiuquan, which is a cash generating unit, has been determined on the basis of discounted cash flow.

The basis of the recoverable amounts of the solar farm situated in Jiuquan and their major underlying assumptions are summarized below:

- The recoverable amount of the solar farm has been determined based on a value in use calculation. The cash flow projection is based on the financial budget approved by management covering a 5-year period and discount rate of 10%. According to the relevant industry experience, the cost and expense are relatively stable and predictable, the management forecasted the cash flow for 24 years are extrapolated using a 0% growth rate.

- The management believes that the Renewable energy Feed-in-Tariff of the phase 2 solar farm in Jiuquan will be approved by the government no later than June 2017.

- The revenue income is based on the 90% of the solar farm's capacity in the first 12 years and decreased 1% annually later. This revenue amount is based on the relevant industry performance statistics and does not exceed the average statistics for the relevant industry.

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the solar farm to exceed the aggregate recoverable amount of the solar farm.

The solar farm, which is situated in Jiuquan, is built on a piece of land provided by the local government at nil consideration. As at 31 March 2015, the Group has pledged its solar farm equipment and other facilities and construction in process in Jiuquan with carrying values of approximately RMB200,081,000 (2014: RMB203,018,000) to secure for other borrowings granted to the Group (note 27(b)).

18. INVESTMENTS IN SUBSIDIARIES

Particulars of the Company's subsidiaries as at the end of the reporting period are as follows:

Name of the company	Place of incorporation/ establishment and operation	Paid up share capital/ registered capital	Attributable equity interest held by the Company as at 31 March 2015	2014	Principal activities
			%	%	
Directly held by the Company					
Renewable Energy Asia Power Pte. Ltd. (REAP2)	Singapore	SGD300,000.00	**100***	100*	Investment holding
Indirectly held by the Company					
亚新电力(南通)有限公司 (Renewable Energy Asia Power (Nantong) Co., Ltd.#)	PRC	USD2,000,000***	**100***	100*	Investment holding
亚洲新能源南通有限公司 (Renewable Energy Asia Nantong Co., Ltd.#)	PRC	RMB5,000,000	**100***	100*	Investment holding
亚洲新能源太阳能发电(酒泉)有限公司 (Renewable Energy Asia Solar Power (Jiuquan) Co., Ltd.#)	PRC	RMB36,000,000	**100**	100	Solar power generation business and operations
南通怀朔投资有限公司 (Nantong Huaishuo Investment Co., Ltd.#, "Nantong Huaishuo")	PRC	RMB43,000,000	**100**	100	Investment holding
亚洲新能源电力(瓜州)有限公司 (Renewable Energy Asia Power (Guazhou) Co., Ltd.#)	PRC	RMB6,000,000	**100**	100	Dormant
亚洲新能源(敦煌)有限公司 (Renewable Energy Asia (Dunhuang) Solar Power Co., Ltd.#)	PRC	RMB63,800,000	**100**	100	Solar power generation business and operations
亚洲新能源(德令哈)太阳能发电有限公司 (Renewable Energy Asia (Delingha) Solar Power Co., Ltd.#)	PRC	RMB5,000,000	**100**	100	Dormant
亚洲新能源(玉门)太阳能发电有限公司 (Renewable Energy Asia (Yumen) Solar Power Co., Ltd.#)	PRC	RMB5,000,000	**100**	100	Dormant
亚洲新能源(海门)风力发电有限公司 (Renewable Energy Asia (Haimen) Wind Power Co., Ltd.#)	PRC	RMB5,000,000***	**100***	100*	Dormant
亚洲新能源(永登)太阳能发电有限公司 (Renewable Energy Asia (Yongdeng) Solar Power Co., Ltd.#)	PRC	RMB5,000,000	**100***	100*	Dormant

18. INVESTMENTS IN SUBSIDIARIES - continued

Name of the company	Place of incorporation/ establishment and operation	Paid up share capital/ registered capital	Attributable equity interest held by the Company as at 31 March 2015	2014	Principal activities
			%	%	
Lost control of the Company					
亚洲新能源大安有限公司 (Renewable Energy Asia Da An Co., Ltd.#)	PRC	RMB35,000,000	**100****	100	Dormant
亚洲新能源(正蓝旗)有限公司 (Renewable Energy Asia (Zhenglanqi) Co., Ltd.#)	PRC	RMB35,000,000	**100****	100	Dormant
亚洲新能源(金湖)太阳能发电有限公司 (Renewable Energy Asia (Jinhu) Solar Power Co., Ltd.#)	PRC	RMB66,000,000	**100****	100	Dormant
亚洲新能源(镇赉)太阳能发电有限公司 (Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd.#)	PRC	RMB35,000,000	**100****	100	Dormant

\# The English names are for identification purpose only.

* These companies were incorporated during the financial year ended 31 March 2014.

** The Group lost control for the four entities during the financial year ended 31 March 2015 and details are disclosed in note 19.

*** The registered capital of these companies has not been paid yet.

Notes:

(a) The statutory financial statements of REAP2 for the financial year were audited by Deloitte & Touche LLP, Public Accountant and Charted Accountants in Singapore.

(b) Other than REAP2, Deloitte Touche Tohmatsu Certified Public Accountants LLP, the auditor of the Company which was registered in the PRC, has undertaken independent audit procedures on the financial statements of the other subsidiaries for the financial year, which have been prepared in accordance with IFRSs for consolidation purposes.

19. INTEREST IN ASSOCIATES

	2015 RMB'000	2014 RMB'000
The Group		
Cost of investment in associates	**84,032**	47,734
Share of result and other comprehensive income less dividend received	**1,072**	1,888
	85,104	49,622

19. INTEREST IN ASSOCIATES - continued

Particulars of the Company's associates as at the end of the reporting period are as follows:

Name of company	Place of establishment and operation	Registered capital	Attributable equity interest held by the Company as at 31 March 2015	2014	Principal activities
			%	%	
大唐包头亚能电力有限公司 (Datang Baotou Asia Electricity Co., Ltd.#, "Datang Baotou")	PRC	RMB86,880,000	**49% (note a)**	49%	Wind power generation business and operations
亚洲新能源大安有限公司 (Renewable Energy Asia Da An Co., Ltd.#, "READA")	PRC	RMB35,000,000	**100% (note b)**	100%	Dormant
亚洲新能源(正蓝旗)有限公司 (Renewable Energy Asia (Zhenglanqi) Co., Ltd.#, "REAZLQ")	PRC	RMB35,000,000	**100% (note b)**	100%	Dormant
亚洲新能源(金湖)太阳能发电有限公司 (Renewable Energy Asia (Jinhu) Solar Power Co., Ltd.#, "REAJH")	PRC	RMB66,000,000	**100% (note b)**	100%	Dormant
亚洲新能源(镇赉)太阳能发电限公司 (Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd.#, "REAZL")	PRC	RMB35,000,000	**100% (note b)**	100%	Dormant

\# The English name is for identification purpose only.

Notes:

(a) Pursuant to the Articles of Datang Baotou, two out of five directors of Datang Baotou are appointed by the Group. A valid board resolution requires more than half of the total votes. The Group does not have the power to control or jointly control Datang Baotou. Therefore, Datang Baotou is accounted for as an associate of the Group.

The statutory financial statements of Datang Baotou for the financial year ended 31 December 2014 were audited by PricewaterhouseCoopers Zhong Tian LLP.

(b) READA, REAZL, REAZLQ and REAJH (wholly owned subsidiaries of the Group) entered into a share subscription agreement on 25 January 2015 with Renewable Energy Asia (China) Co., Ltd. ("**REAC**", a fellow subsidiary of the Company) respectively, in which REAC will subscribe for new capital in each of the entities. After injection of new capital, the attributable equity interest held by the Group on READA, REAZL, REAZLQ and REAJH will be diluted to 14.29%, 14.29%, 17.14% and 37.88% respectively.

Pursuant to the Articles of READA, REAZL, REAZLQ and REAJH, signed on 25 January, 2015, one out of three directors of each entity is appointed by the Group from 1 January 2015 onwards. A valid board resolution requires equal or more than two third of the total votes. The Group does not have the power to control or jointly control READA, REAZL, REAZLQ and REAJH, and has lost its control since January 2015. Therefore, READA, REAZL, REAZLQ and REAJH are accounted for as associates of the Group since January 2015, and REAC became the substantial shareholder of these four entities.

Pursuant to the Articles of READA, REAZL, REAZLQ and REAJH, signed on 25 January 2015, REAC should pay RMB30,000,000, RMB30,000,000, RMB29,000,000 and RMB41,000,000 to READA, REAZL, REAZLQ and REAJH respectively, on or before 31 December 2015 for REAJH, and on or before 31 December 2016 for each of READA, REAZL and REAZLQ.

However, as at 31 March 2015, none of the share capital of RMB130,000,000 in total of these four entities has been paid by REAC, the Group still holds 100% of attributable equity interest of the four entities.

19. INTEREST IN AN ASSOCIATE - continued

(i) Datang Baotou

The summarised financial position in respect of Datang Baotou at the end of the reporting year is set out below:

	2015 RMB'000	2014 RMB'000
Total current assets	**70,898**	89,476
Total non-current assets	**293,677**	312,087
Total current liabilities	**(27,605)**	(27,766)
Total non-current liabilities	**(238,320)**	(274,058)
Net assets	**98,650**	99,739
The Group's share of net assets	**48,337**	48,872
Goodwill arising from the acquisition	**750**	750

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 RMB'000	2014 RMB'000
Net assets of Datang Baotou	**98,650**	99,739
Proportion of the Group's ownership interests in the associate	**49%**	49%
Goodwill	**750**	750
Carrying amount of the Group's interest in an associate	**49,087**	49,622

The summarised revenue and results in respect of Datang Baotou during the financial year is set out below:

	2015 RMB'000	2014 RMB'000
Revenue	**51,378**	54,731
Profit and total comprehensive income for the financial year	**5,240**	6,753
The Group's share of profit and total comprehensive income for the financial year	**2,568**	3,309

(ii) READA

The summarised financial position in respect of READA at the end of the reporting year is set out below:

	2015 RMB'000
Total current assets	**19,402**
Total non-current assets	**633**
Total current liabilities	**(17,877)**
Net assets	**2,158**
The Group's share of net assets	**2,158**

19. INTEREST IN AN ASSOCIATE - continued

(ii) READA - continued

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 RMB'000
Net assets of READA	2,158
Proportion of the Group's ownership interests in the associate	100%
Carrying amount of the Group's interest in an associate	2,158

The summarised revenue and results in respect of READA from 1 January 2015 to 31 March 2015 is set out below:

	2015 RMB'000
Revenue	–
Profit and total comprehensive income from the period	(88)
The Group's share of profit and total comprehensive income from the period	(88)

(iii) REAZLQ

The summarised financial position in respect of REAZLQ at the end of the reporting year is set out below:

	2015 RMB'000
Total current assets	24,770
Total non-current assets	1,133
Total current liabilities	(21,083)
Net assets	4,820
The Group's share of net assets	4,820

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 RMB'000
Net assets of REAZLQ	4,820
Proportion of the Group's ownership interests in the associate	100%
Carrying amount of the Group's interest in an associate	4,820

19. INTEREST IN AN ASSOCIATE - continued

(iii) REAZLQ - continued

The summarised revenue and results in respect of REAZLQ from 1 January 2015 to 31 March 2015 is set out below:

	2015 RMB'000
Revenue	–
Profit and total comprehensive income from the period	(21)
The Group's share of profit and total comprehensive income from the period	(21)

(iv) REAZL

The summarised financial position in respect of REAZL at the end of the reporting year is set out below:

	2015 RMB'000
Total current assets	22,697
Total non-current assets	340
Total current liabilities	(18,070)
Net assets	4,967
The Group's share of net assets	4,967

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 RMB'000
Net assets of REAZL	4,967
Proportion of the Group's ownership interests in the associate	100%
Carrying amount of the Group's interest in an associate	4,967

The summarised revenue and results in respect of REAZL from 1 January 2015 to 31 March 2015 is set out below:

	2015 RMB'000
Revenue	–
Profit and total comprehensive income from the period	(5)
The Group's share of profit and total comprehensive income from the period	(5)

19. INTEREST IN AN ASSOCIATE - continued

(v) REAJH

The summarised financial position in respect of REAJH at the end of the reporting year is set out below:

	2015 RMB'000
Total current assets	63,519
Total non-current assets	3,312
Total current liabilities	(42,759)
Net assets	24,072
The Group's share of net assets	24,072

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 RMB'000
Net assets of REAJH	24,072
Proportion of the Group's ownership interests in the associate	100%
Carrying amount of the Group's interest in an associate	24,072

The summarised revenue and results in respect of REAJH from 1 January 2015 to 31 March 2015 is set out below:

	2015 RMB'000
Revenue	–
Profit and total comprehensive income from the period	(168)
The Group's share of profit and total comprehensive income from the period	(168)

20. TRADE AND OTHER RECEIVABLES

	NOTES	The Group 2015 RMB'000	The Group 2014 RMB'000	The Company 2015 RMB'000	The Company 2014 RMB'000
Trade receivables	(a)	**13,102**	12,229	**–**	–
Advance to suppliers		**344**	1,354	**–**	–
Value added tax receivable		**5,694**	37,203	**–**	–
Deposit	(b)	**21,500**	–	**–**	–
Prepayments		**449**	359	**449**	334
Amounts due from related parties	(c)	**156,260**	301,297	**118,393**	133,714
Amounts due from subsidiaries		**–**	–	**–**	247
Others		**148**	58	**–**	–
		197,497	352,500	**118,842**	134,295
Bills receivables		**350**	–	**–**	–
Non-current assets:					
Deposits	(b)	**–**	21,500	**–**	–
Value added tax receivable		**38,764**	–	**–**	–
Others		**1,900**	–	**–**	–
		40,664	21,500	**–**	–

Notes:

(a) Trade receivables

Trade receivables as at 31 March 2015 comprise amounts receivable from the sales of electricity. No interest is charged on the trade receivables.

The Group generally allows a credit period ranging from 30 days to 90 days to its trade customers.

Aging of trade receivables which are past due but not impaired,

	2015 RMB'000	2014 RMB'000
Less than 90 days	**–**	7,790
91 to 365 days	**924**	303
Over 365 days	**8,093**	–
Total	**9,017**	8,093

The Group did not provide any allowance on the trade receivables as, in the opinion of the management, there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances. Up to the date of approval for issuance of these consolidated financial statements, all the past due trade receivables as at 31 March 2015 were subsequently settled.

As at 31 March 2015, the Group has pledged its trade receivable amounting to RMB309,000 to secure for the bank borrowings (note 27(c)).

20. TRADE AND OTHER RECEIVABLES - continued

(b) Deposits

RMB21,500,000 of deposits (2014: RMB21,500,000) represent the deposits to secure against the borrowing of RMB187,409,000 (2014: RMB197,997,000) to the Group (note 27), which can be used to repay certain installments of borrowing near maturity. The deposits has been accounted for as current assets as at 31 March 2015 as the principal amount is overdue (note 27).

(c) Amounts due from related parties

The amounts as at 31 March 2015 and 2014 are unsecured, interest-free and repayable on demand. In the opinion of the management, the amounts are expected to be settled within twelve months from the end of the reporting period.

Amounts due from related parties denominated in currencies other than the functional currency of the relevant group companies were as follows:

	2015 RMB'000	2014 RMB'000
Currency:		
- SGD	118,395	129,311

21. PLEDGED BANK DEPOSITS

	2015 RMB'000	2014 RMB'000
As pledged for bills payables	50,190	–

22. CASH AND CASH EQUIVALENTS

An analysis of the balance of cash and cash equivalents is set out below:

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Cash at bank and cash in hand	53,552	1,366	339	521
Less: pledged bank deposits	50,190	–	–	–
Cash and cash equivalents	3,362	1,366	339	521

Cash and cash equivalents comprise cash in bank with an original maturity of three months or less.

As at 31 March 2015, the bank balances carry market interest rates ranging from 0.01% to 1.85% (2014: from 0.01% to 1.49%) per annum.

Cash and bank balances denominated in currencies other than the functional currency of the relevant group companies were as follows:

	2015 RMB'000	2014 RMB'000
Currency:		
- SGD	428	763

23. SHARE CAPITAL

Ordinary shares, HKD0.17 each

	The Group and Company	
	Number of shares	Share capital RMB'000
Issued and fully paid		
As at 31 March 2013	720,169,952	106,268
Issue of new shares on 23 July 2013	25,400,000	3,438
Exercise of Warrants on 2 August 2013	500	1
As at 31 March 2014 and 31 March 2015	745,570,452	109,707

On 23 July 2013, the Company issued 25,400,000 shares to an investor Grand Sea international Ltd., an independent third party, at an issue price of SGD0.05(equivalent to RMB0.24), and details of which are set out in the Company's announcement on 15 July 2013.

On 2 August 2013, 500 warrants were exercised and increase 500 shares of capital.

All of the shares issued by the Company during the financial year ended 31 March 2014 rank pari passu with the existing shares in all respects.

The Company has 100,054,052 warrants outstanding as at 31 March 2015 (2014: 100,054,052) and the expiry date for exercise will be 10 July 2015. The warrants was issued at 12 July 2012, each warrant carrying the right to subscribe for one new ordinary share of the Company at an exercise price of SGD0.05(equivalent to RMB0.24).

24. RESERVES OF THE COMPANY

	Share premium RMB'000	Share option reserve RMB'000 (note (a))	Warrant reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 April 2013	189,283	840	5,923	(177,324)	18,722
Issuance of New Shares (note 23 and note (b))	2,599	–	–	–	2,599
Exercise of Warrants (note 23)	–	–	(1)	–	(1)
Profit for the year	–	–	–	2,492	2,492
Lapsed of share option (note 28)	–	(840)	–	840	–
As at 31 March 2014	191,882	–	5,922	(173,992)	23,812
Loss for the year	–	–	–	(16,229)	(16,229)
As at 31 March 2015	191,882	–	5,922	(190,221)	7,583

Notes:

(a) The share option reserve represents the reserve arising from the Group's employee share option scheme for eligible employees of the Group, and all employee share option lapsed in last year.

(b) The movements of share premium during the financial year ended 31 March 2014 represent the reserve arising from the issuance of new shares (as defined in Note 23).

25. TRADE AND OTHER PAYABLES

	NOTES	The Group 2015 RMB'000	The Group 2014 RMB'000	The Company 2015 RMB'000	The Company 2014 RMB'000
Payables for construction of a solar farm:	(a)	**16,712**	149,516	**–**	–
Accrued expenses		**9,396**	148	**–**	–
Amounts due to related parties	(b)	**260,271**	202,233	**–**	–
Other payables		**3,683**	1,586	**3,342**	1,260
		290,062	353,483	**3,342**	1,260

Notes:

(a) Amounts payables for construction of a solar farm represent the amounts due to suppliers for purchasing plant and machinery of solar farm, which are unsecured, interest-free and repayable on demand.

(b) The amounts due to related parties are unsecured, interest-free and repayable on demand.

(c) Trade and other payables denominated in currencies other than the functional currency of the relevant group companies were as follows:

	2015 RMB'000	2014 RMB'000
Currency:		
- SGD	**1,833**	267

26. BILLS PAYABLES

	2015 RMB'000	2014 RMB'000
The Group		
Bills payables	**50,190**	–

27. BORROWINGS

	NOTES	2015 RMB'000	2014 RMB'000
The Group			
Current:			
- Bank borrowing guaranteed by a related party	(a)	**5,000**	–
- Other borrowings secured by the solar farm and deposit	(b)	**187,409**	27,544
Sub-total		**192,409**	27,544
Non-Current:			
- Other borrowings secured by the solar farm and deposit	(b)	**–**	170,453
- Bank borrowing secured by account receivables	(c)	**124,000**	–
		316,409	197,997

27. BORROWINGS - continued

The effective interest rate was as follows:

	2015	2014
	RMB'000	RMB'000
- Bank borrowing guaranteed by a related party	**8.70%.**	N/A
- Other borrowings secured by the solar farm and deposit	**10.32% -10.69%**	10.32% -10.69%
- Bank borrowing secured by account receivables	**6.88%**	N/A

Notes:

(a) Bank borrowing guaranteed by a related party

Bank borrowing of RMB5,000,000 (2014: Nil) is guaranteed by Renewable Energy Asia (China) Co., Ltd. (REAC, a fellow subsidiary of the Company), which will be repaid by August 2015 at a fixed interest rate of 8.70% per annum.

(b) Other borrowings secured by the solar farm and deposit

The Group has obtained financing of the project through sale and lease back arrangements with a finance lease company. Such borrowing was secured against the assets of the solar farm and deposit. At the end of the reporting period, the Group's solar farm equipment and construction in process in Jiuquan amounted to a total of RMB200,081,000 (2014:RMB203,018,000) and deposit of RMB21,500,000 (2014:RMB21,500,000) were pledged to secure for the borrowings. The loan tenure is for six years with a fixed interest rate of 10.32% and 10.69% (2014:10.32% and 10.69%) per annum. The loan amount of RMB24,208,473 as at 31 March 2015 (inclusive of interest RMB3,956,780 and overdue charges RMB1,924,584), has remained outstanding since September 2014, and as such the total borrowings of RMB187,409,000 were accounted for as current liability as at 31 March 2015.

(c) Non-current bank borrowings

RMB124,000,000 (2014: Nil) of borrowings are carrying at variable rate and their interest rates are determined based on the benchmark rate promulgated by the People's Bank of China on a periodical basis. The bank borrowings were secured by the Group's trade receivables from the sales of electricity to the national power grid in Gansu province, the PRC.

28. SHARE OPTION SCHEME

The Group has a share option scheme for its superior employees. On 9 July 2010, the Group granted to eligible employees 7,500,000 share options (the "Options") to subscribe for ordinary shares of HKD0.17 each in the share capital of the Company, at an exercise price of SGD0.26 per share.

The share options shall vest after a period of one year for 50% of the options granted, and for a period of two years for the remaining 50% of the options granted. The exercise period shall commence on the first anniversary of the date of grant for the 50% of the options granted, and commence on the second anniversary of the date for grant or the remaining 50% of the options granted. Both sets of options will be expired on 27 October 2013. All unexercised option shall lapse upon the expiry of the exercise period.

Details of the Options granted on 9 July 2010, and the movement thereon, during the financial year ended 31 March 2014, is as follows:

The movements during the financial year ended 31 March 2014

				Number of Options		
Grant date	Vesting period	Exercisable period	Exercise price	Outstanding as at 31 March 2013	Lapsed during the financial year	Outstanding as at 31 March 2014
			SGD		(note)	
9 July 2010	9 July 2010 -8 July 2012	9 July 2012 -27 October 2013	0.26	1,500,000	(1,500,000)	–

28. SHARE OPTION SCHEME - continued

Notes:

During the financial years ended 31 March 2014 all unexercised Options were expired on 27 October 2013, and accordingly 1,500,000 Options were lapsed (the "Lapsed").

At the end of 31 March 2014, the Group revised its estimates of the number of options that were expected to ultimately vest. The impact of the revision of the estimates, if any, was recognized in profit or loss, with a corresponding adjustment to the share option reserve.

During the financial year ended 31 March 2014, the Company transferred share option reserve of RMB840,000 to accumulated losses relating to the Lapsed of 1,500,000 that were incurred after the vesting period.

29. OPERATING LEASES

	2015 RMB'000	2014 RMB'000
The Group		
Minimum lease payments recognised as cost of sales and expenses during the financial year in respect of		
- Related parties (Note)	**523**	–
- Non-related parties	**48**	287
	572	287

Note : The lease payments to related parties were made by REAP2.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 RMB'000	2014 RMB'000
Not later than one year		
- Related parties	**523**	–
- Non-related parties	**–**	43
	523	43

Operating lease payments represent rentals payable by the Group for the Group's factory premises. Leases are negotiated for lease terms ranging from one to two years at inception.

30. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following outstanding capital commitments:

	2015 RMB'000	2014 RMB'000
The Group		
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**100,234**	7,374

31. RETIREMENT BENEFIT SCHEMES

The employees of the Group in the PRC/Singapore are members of state-managed retirement benefits schemes operated by the PRC/Singapore government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the specified contributions under the schemes.

The amounts of contributions made by the Group in respect of the retirement benefit schemes during the financial year ended are disclosed in notes 12.

32. RELATED PARTY TRANSACTIONS

(a) Related parties of the Company:

The management considers that the following persons/entities are related parties of the Group:

Name of related party	Relationship with the Company
Mr Xu Jian	Ultimate controlling shareholder and chairman of the Company
亚洲新能源科技工程有限公司 (Renewable Energy Asia Technology and Engineering Co., Ltd.#, "REATE")	A joint venture of the company until 31 March 2014 Thereafter a JV of the ultimate controlling party
REA Power Pte. Ltd. ("REAP")	A fellow subsidiary of the Company
亚洲新能源（中国）有限公司 (Renewable Energy Asia (China) Co., Ltd.#, "REAC")	A fellow subsidiary of the Company
海门亚新商务有限公司 (REA Business Services (Haimen) Co., Ltd.#, "REABS"))	A fellow subsidiary of the Company
海科工程股份有限公司 (Oceantec Engineering Co.,Ltd.#, formerly known as 瑞塔科股份有限公司 (REA TEC Co. Ltd.# "REATEC")	A fellow subsidiary of the Company
大唐酒泉新能源有限公司 (Renewable Energy Datang (Jiuquan) Solar Power Co., Ltd.#, "DTJQ"))	A fellow subsidiary of the Company
亚洲新能源(伊川)太阳能发电有限公司 (Renewable Energy Asia (Yichuan) Solar Power Co., Ltd.#, "REAYC"))	A fellow subsidiary of the Company

32. RELATED PARTY TRANSACTIONS - continued

(a) Related parties of the Company: - continued

The management considers that the following persons/entities are related parties of the Group: - continued

Name of related party	Relationship with the Company
亚洲新能源大安有限公司 (Renewable Energy Asia Da An Co., Ltd.#, "READA") (Note 1)	An associate of the Company
亚洲新能源（正蓝旗）有限公司 (Renewable Energy Asia (Zhenglanqi) Co., Ltd.#, "REAZLQ")) (Note 1)	An associate of the Company
亚洲新能源（金湖）太阳能发电有限公司 (Renewable Energy Asia (Jinhu) Solar Power Co., Ltd.#, "REAJH")) (Note 1)	An associate of the Company
亚洲新能源(镇赉)太阳能发电有限公司 (Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd.#, "REAZL")) (Note 1)	An associate of the Company

The English names are for identification purpose only.

Note1: These entities became associates in January 2015 (see Note 19).

(b) Significant related party transactions

	2015 RMB'000	2014 RMB'000
Rental:		
- REAP	**523**	–

	2015 RMB'000	2014 RMB'000
Consideration for the disposal of discontinued operations:		
- Mr Xu Jian	**–**	9,600

32. RELATED PARTY TRANSACTIONS - continued

(c) Significant balances with related parties

As disclosed in notes 20 and 25, the Group has significant balances with the following related parties as at the end of the reporting period:

	2015 RMB'000	2014 RMB'000
Amounts due from related parties:		
- Mr Xu Jian	–	4,650
- REATE	36,578	137,684
- REAP	118,393	129,064
- REAC	800	10,799
- REABS	–	19,100
- DTJQ	1	–
- REAYC	488	–
	156,260	301,297
Amount due to related parties:		
- REAC	214,795	189,779
- REATE	15,574	454
- REATEC	–	12,000
- READA	651	–
- REAZLQ	3,559	–
- REAJH	20,808	–
- REAZL	4,884	–
	260,271	202,233

(d) Compensation of key management personnel:

During the financial year, the Group had remuneration paid to the directors of the Company and other members of key management of the Group as follows:

	2015 RMB'000	2014 RMB'000
Salaries and other benefits	2,299	2,174
Contributions to retirement benefits schemes	69	159
	2,368	2,333

33. OFFSETTING OF BALANCE AS NON-CASH TRANSACTION

On 25 July 2014, the Group entered into agreements with its former subsidiaries and joint venture, being entities of the Manufacturing and EPC Business, and Jiangsu Electric Power Construction No. 3 Engineering Company, an independent third party supplier of plant and machinery for solar farm, to fully offset the Group's entire outstanding balances of amounts due from the former subsidiaries and joint venture as at 31 March 2014 against the amounts due to these related parties and certain amounts payable to Jiangsu Electric Power Construction No. 3 Engineering Company of RMB148,041,000 for acquisition of plant and machinery for solar farm.

Statistics of Shareholdings

As at 23 June 2015

Authorised share capital	:	HK$170,000,000
Issued and fully paid up capital	:	HK$126,746,976.85
Class of Shares	:	Ordinary Share of HK$0.17 each
Voting rights	:	One vote per ordinary share
Number of issued ordinary shares	:	745,570,452

Substantial shareholders of the company
(as recorded in the Register of Substantial Shareholders)

	No. of ordinary shares of HK$0.17 each			
Substantial Shareholder	**Direct Interest**	**%**	**Deemed Interest**	**%**
Renewable Energy Asia Corporation Limited	390,000,000	52.31	–	–
Blue Ocean Holdings Limited(1)	–	–	390,000,000	52.31
Xu Jian(2)	8,126,250	1.09	398,754,000(2)	53.48

Notes:

(1) Mr Xu Jian is deemed interested in 390,000,000 Shares in the capital of the Company which are held by Renewable Energy Asia Corporation Limited (formerly known as Jiaolong Heavy Industries Corporation Limited). He holds more than 20% of the issued and paid up share capital of Blue Ocean Holdings Limited which owns 100% of the issued and paid up share capital of Renewable Energy Asia Corporation Limited.

(2) Mr Xu Jian is deemed interested in 6,250,000 Shares in the capital of the Company which are held by his nominee, Maybank Kim Eng Securities Pte. Ltd. Mr Xu Jian is also deemed to be interested in 2,504,000 Shares in the capital of the Company which are held by Oceantec Industry International Pte. Ltd. He holds more than 20% of the issued and paid up share capital of Nantong Blue Ocean Construction Project Management Co., Ltd. which is the ultimate holding company of Oceantec Industry International Pte. Ltd.

FREE FLOAT

As at 23 June 2015, approximately 45.43% of the shareholdings in the Company was held in the hands of the public (on the basis of information available). The Company did not hold any treasury shares as at 23 June 2015.

Accordingly, the company has complied with Rule 723 of the Listing Manual - Section B: Rules of Catalist of the SGX-ST.

Statistics of Shareholdings

As at 23 June 2015

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	138	5.70	2,301	0.00
100 - 1,000	69	2.85	62,465	0.01
1,001 - 10,000	460	19.00	3,573,678	0.48
10,001 - 1,000,000	1,716	70.88	174,395,255	23.39
1,000,001 AND ABOVE	38	1.57	567,536,753	76.12
TOTAL	**2,421**	**100.00**	**745,570,452**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RENEWABLE ENERGY ASIA CORPORATION LIMITED	390,000,000	52.31
2	PHILLIP SECURITIES PTE. LTD.	48,811,100	6.55
3	MAYBANK KIM ENG SECURITIES PTE. LTD.	36,056,024	4.84
4	XU JIAN	8,126,250	1.09
5	UOB KAY HIAN PRIVATE LIMITED	7,080,200	0.95
6	LIM ENG CHONG (LIN RONGCANG)	5,798,200	0.78
7	TANG GAR KEOW @ANGIE TANG	5,366,000	0.72
8	CHEN LIPING	5,077,000	0.68
9	OCBC SECURITIES PRIVATE LIMITED	4,472,629	0.60
10	RAFFLES NOMINEES (PTE) LIMITED	4,262,750	0.57
11	CHEONG CHOONG KONG	3,667,000	0.49
12	TAN WEE LEE	3,467,000	0.47
13	CHARLES EDWARD ROWE	3,294,000	0.44
14	SIM PUAY SUANG	3,000,000	0.40
15	OCEANTEC INDUSTRY INTERNATIONAL PTE. LTD.	2,504,000	0.34
16	XIAO BEI	2,265,000	0.30
17	YU PEK LING	2,200,000	0.30
18	JIANG NING	2,000,000	0.27
19	XUE SONGSHOU	1,948,000	0.26
20	DBS VICKERS SECURITIES (SINGAPORE) PTE. LTD.	1,843,000	0.25
	TOTAL	**541,238,153**	**72.61**

Statistics of Warrantholdings

As at 23 June 2015

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 99	2	0.68	20	0.00
100 - 1,000	11	3.76	7,630	0.01
1,001 - 10,000	95	32.42	607,473	0.61
10,001 - 1,000,000	180	61.43	13,802,675	13.79
1,000,001 AND ABOVE	5	1.71	85,636,254	85.59
TOTAL	**293**	**100.00**	**100,054,052**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	RENEWABLE ENERGY ASIA CORPORATION LIMITED	78,000,000	77.96
2	EIO HOCK CHUAR	2,632,000	2.63
3	FOK CHEE CHEONG @ FOK CHEE CHIONG	2,348,000	2.35
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,575,004	1.57
5	XU JIAN	1,081,250	1.08
6	FAN BAOQI	994,000	0.99
7	GHOSH ANIMESH OR SAMANTA INDRANI	720,000	0.72
8	OCBC SECURITIES PRIVATE LIMITED	504,000	0.50
9	MAK YEOW SENG	500,000	0.50
10	TOH CHIN TECK	500,000	0.50
11	TEO CHIANG WEE	400,000	0.40
12	CHONG JIA LE KIMBERLY	394,000	0.39
13	SEAH SIN GUAN	333,000	0.33
14	HUANG BAOJIA	300,000	0.30
15	DBS VICKERS SECURITIES (SINGAPORE) PTE. LTD.	225,000	0.22
16	LIM BOON HENG	219,000	0.22
17	TAN KOK BIN	212,000	0.21
18	NG KIM MENG	209,000	0.21
19	TAY HEE THIAM	200,000	0.20
20	CHONG KOK HOONG	198,750	0.20
	TOTAL	**91,545,004**	**91.48**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Renewable Energy Asia Group Limited (the "**Company**") will be held at Royal Room 1 (Level 3), Hotel Royal, 36 Newton Road, Singapore 307964 on Wednesday, 29 July 2015 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group for the financial year ended 31 March 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$182,000 for the financial year ending 31 March 2016, to be paid on a quarterly basis in arrears. (2015: S$182,000). **(Resolution 2)**

3. To re-elect the following Directors of the Company who retire pursuant to Bye-Law 104 of the Bye-Laws of the Company:

   Dr Zheng Lei (Retiring under Bye-Law 104) **(Resolution 3)**
   Mr Lien Kait Long (Retiring under Bye-Law 104) **(Resolution 4)**

   [See Explanatory Note (i)]

4. To re-appoint Messrs Deloitte Touche Tohmatsu Certified Public Accountants LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Rule 806(2) of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited**

   That pursuant to Rule 806(2) of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

   (the "**Share Issue Mandate**")

provided that:

(1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual – Section B: Rules of Catalist of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)] **(Resolution 6)**

By Order of the Board

Soh Yeow Hwa
Loh Siew Lee
Company Secretaries

Singapore, 14 July 2015

Explanatory Notes:

(i) Dr Zheng Lei will, upon re-election as Director of the Company, remain as Deputy Chairman, Chief Executive Officer and Executive Director of the Company and will be considered as non-independent.

Mr Lien Kait Long will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee, a member of the Remuneration Committee and Nominating Committee and will be considered independent for the purpose of Rule 704(7) of the Listing Manual – Section B: Rules of Catalist of the SGX-ST.

(ii) Resolution 6 above, if passed, will empower the Directors of the Company from the date of this meeting until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to fi fty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

1. If a member of the Company, being a Depositor (as defined in the Bye-Laws of the Company) whose name appears in the Depository Register (as defined in the Bye-Laws of the Company) wishes to attend and vote at the AGM, then he/she/it should complete the proxy form and deposit the duly completed proxy form at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Road, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time of the AGM.

2. If a depositor wishes to appoint a proxy/proxies, then the proxy form must be deposited at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Road, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time of the AGM. Delivery of the proxy form shall not preclude him/her/them from attending and voting in person at the AGM and in such event, the proxy form shall be deemed to be revoked.

3. This notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor ("**Sponsor**"), RHT Capital Pte. Ltd. for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this notice including the correctness of any of the figures used, statements or opinions made.

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

   The details of the contact person for the Sponsor is:
   Name: Mr Chew Kok Liang, Registered Professional, RHT Capital Pte. Ltd.
   Address: Six Battery Road #10-01, Singapore 049909
   Tel: 6381 6757

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.

Corporate Information

BOARD OF DIRECTORS

Xu Jian
Executive Chairman and Executive Director

Zheng Lei
Deputy Chairman, Chief Executive Officer and Executive Director

Lien Kait Long
Independent Director

Tan Sin Huat, Dennis
Independent Director

Wong Gang
Independent Director

AUDIT COMMITTEE
Lien Kait Long - Chairman
Tan Sin Huat, Dennis
Wong Gang

NOMINATING COMMITTEE
Tan Sin Huat, Dennis - Chairman
Lien Kait Long
Wong Gang

REMUNERATION COMMITTEE
Wong Gang - Chairman
Lien Kait Long
Tan Sin Huat, Dennis

COMPANY SECRETARIES
Loh Siew Lee
Soh Yeow Hwa

REGISTERED OFFICE
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda
Tel: +1 441 2952244
Fax: +1 441 2928666

BUSINESS OFFICE
101 Thomson Road
#15-04 United Square
Singapore 307591
Tel: +65 6720 0123
Fax: +65 6720 0183
Email: mail@reagrp.com
Website: www.reagrp.com

SHARE REGISTRAR
Appleby Management (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

SINGAPORE SHARE TRANSFER AGENT
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: +65 6536 5355
Fax: +65 6536 1360

AUDITORS
Deloitte Touche Tohmatsu Certified Public Accountants LLP
30/F Bund Center
222 Yan An Road East
Shanghai 200002
PRC

AUDIT PARTNER-IN-CHARGE
Ms Jiang Qian Qian, Jane
Date of Appointment: 1 January 2013

COMPANY SPONSOR
RHT Capital Pte. Ltd.
Six Battery Road #10-01
Singapore 049909
Date of Appointment: 8 September 2011

亚洲新能源集团
REA GROUP

RENEWABLE ENERGY ASIA GROUP LIMITED
Registration number: 33437

101 Thomson Road #15-04
United Square Singapore 307591
Tel: (+65) 6720 0123
Fax: (+65) 6720 0183
Email: mail@reagrp.com