



RENEWABLE ENERGY ASIA GROUP LIMITED

(Company Registration No. 33437)

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

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

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

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

Renewable Energy Asia Group Limited
Consolidated Statement of Comprehensive Income for the financial period ended
30-Sep-14

	2nd Quarter			Cumulative Quarter		
	Quarter ended			Year to date ended		
	30-Sep-14 RMB'000	30-Sep-13 RMB'000	Variance %	30-Sep-14 RMB'000	30-Sep-13 RMB'000	Variance %
Revenue	3,482	2,755	26.4	7,647	6,776	12.9
Cost of goods sold	(1,528)	(1,236)	23.6	(3,004)	(2,729)	10.1
Gross profit	1,954	1,519	28.6	4,643	4,047	14.7
Other income	79	3	2,533.3	80	6	1,233.3
Administration expenses	(3,269)	(2,769)	18.1	(6,084)	(5,054)	20.4
Other gains/(losses)	(3,378)	526	(742.2)	(2,358)	(4,715)	(50.0)
Finance costs	(1,624)	(1,517)	7.1	(3,075)	(1,987)	54.8
Share of profit/(loss) of an associate	(255)	706	(136.1)	1,481	3,666	(59.6)
Profit for the period from continuing operations	(6,493)	(1,532)	323.8	(5,313)	(4,037)	31.6
Discontinued operations						
Profit/(loss) for the period from discontinued operations	-	(9,320)	n/m	-	(17,716)	n/m
Profit/(loss) for the period	(6,493)	(10,852)	(40.2)	(5,313)	(21,753)	(75.6)
Total comprehensive loss for the period, net of tax	(6,493)	(10,852)	(40.2)	(5,313)	(21,753)	(75.6)
Total comprehensive profit/(loss) for the year attributable to:						
Owners of the Company	(6,493)	(10,852)	(40.2)	(5,313)	(21,753)	(75.6)
	(6,493)	(10,852)		(5,313)	(21,753)	

n/m: Not Meaningful



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

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

	Current Quarter		Cumulative Quarter	
	2QFY2015 RMB'000	2QFY2014 RMB'000	1HFY2015 RMB'000	1HFY2014 RMB'000
Depreciation of property, plant and equipment	54	69	108	138
General bank expenses	1,624	1,517	3,075	1,987
Interest income	(79)	(3)	(80)	(6)
Foreign exchange differences	3,378	(526)	2,358	4,715



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

Renewable Energy Asia Group Limited
Consolidated Statement of Financial Position as at
30-Sep-14

	Group		Company	
	As at		As at	
	30-Sep-14	31-Mar-14	30-Sep-14	31-Mar-14
	RMB'000	RMB'000	RMB'000	RMB'000
<u>ASSETS</u>				
Non-current assets				
Property, plant and equipment	227,198	217,532	11	14
Investments in an associate	51,103	49,622	-	-
Other receivables	21,500	21,500	-	-
Total non-current assets	299,801	288,654	11	14
Current assets				
Trade receivables	17,652	12,266	-	-
Other receivables	264,497	340,234	131,487	134,295
Bill receivables	450	-	-	-
Cash and cash equivalents	92,423	1,366	398	521
Total current assets	375,022	353,866	131,885	134,816
Total assets	674,823	642,520	131,896	134,830
<u>EQUITY AND LIABILITIES</u>				
Equity				
Share capital	109,707	109,707	109,707	109,707
Share premium	191,882	191,882	191,882	191,882
Warrant reserves	5,923	5,923	5,923	5,923
Accumulated losses	(221,837)	(216,523)	(178,895)	(173,993)
Equity attributable to equity holders of the parent	85,675	90,989	128,617	133,519
Total equity	85,675	90,989	128,617	133,519



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

	Group		Company	
	As at		As at	
	30-Sep-14	31-Mar-14	30-Sep-14	31-Mar-14
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current liability				
Borrowings	283,938	170,453	-	-
Current liabilities				
Trade payables	1,453	149,516	-	-
Other payables	266,599	203,967	3,228	1,260
Bill payables	3,000	-	-	-
Borrowings	33,733	27,544	-	-
Current tax payable	425	51	51	51
Total current liabilities	305,210	381,078	3,279	1,311
Total liabilities	589,148	551,531	3,279	1,311
Total equity and liabilities	674,823	642,520	131,896	134,830



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

	Secured	
	As at	
	30-Sep-14 RMB'000	31-Mar-14 RMB'000
Amount repayable due within one year		
Borrowings - secured 1	28,733	27,544
Borrowings - secured 3	5,000	-
Note payable - financing	3,000	-
	36,733	27,544
Amount repayable after one year		
Borrowings - secured 1	159,938	170,453
Borrowings - secured 2	124,000	-
	283,938	170,453
	320,671	197,997

The Group has no outstanding debt securities as at 30 September 2014.

Details of collaterals:-

As at 30 September 2014, the bank loans and borrowings of RMB320.67 million were secured as follows:-

Borrowings – secured

1. A finance lease contract signed between one of its subsidiaries, Renewable Energy Asia Solar Power (Jiuquan) Co., Ltd (“Jiuquan”) and AVIC International Leasing Company for a period of 6 years.
2. A loan facility from Industrial and Commercial Bank of China Ltd. (ICBC), and the facility is pledged by trade receivable from sale of electricity. This borrowing is carried at floating interest rate with a tenor of 15 years.
3. A loan facility from SPD Bank for a period of a year.

Notes payables – financing

- i) Construction cost paid by China Hydropower Survey and Design Institute of Northwest Consulting Group Ltd (中国水电顾问集团西北勘察设计研究院有限公司).



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

Consolidated statement of cash flows for the financial period ended 30 September 2014

	Quarter ended		Year to date	
	2QFY2015	2QFY2014	1HFY2015	1HFY2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit/(loss) before tax for continuing operations	(6,493)	(1,532)	(5,313)	(4,037)
Profit/(loss) before tax for discontinued operations	-	(9,320)	-	(17,716)
Profit/(loss) for the period	(6,493)	(10,852)	(5,313)	(21,753)
Adjustments for:				
Allowances recognized in respect of inventories	-	(25)	-	96
Depreciation of property, plant and equipment	1,120	3,460	2,240	7,136
Finance costs recognized in profit or loss	-	5,995	-	14,457
Loss/(Gains) on disposals of property, plant and equipment	-	118	-	118
Interest charges recognized in profit or loss	-	(960)	-	(1,502)
Property, plant and equipment written off	-	605	-	1,005
Exchange difference	-	125	-	(67)
Release of prepaid lease payments	-	198	-	396
Share of (profit)/loss of a jointly controlled entity	-	(584)	-	2,189
Share of (profit)/loss of an associate	255	(707)	(1,481)	(3,666)
Operating cash flows before movements in working capital	(5,118)	(2,627)	(4,554)	(1,591)
Decrease/(Increase) in inventories	-	(17,296)	-	(29,955)
Decrease/(increase) in trade and other receivables	35,524	(2,944)	70,350	(88,936)
Increase/(decrease) in trade and other payables	40,652	64,516	(85,432)	90,248
Decrease/(increase) in bills receivable	250	-	(450)	8,842
Increase/(decrease) in bills payable	3,000	-	3,000	-
Cash from (used in) operations	74,308	41,649	(17,086)	(21,392)
Interest paid	-	(6,614)	-	(15,509)
Income tax provision	(82)	-	374	-
Net cash used in operating activities	74,226	35,035	(16,712)	(36,901)



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

	Quarter ended		Year to date	
	2QFY2015	2QFY2014	1HFY2015	1HFY2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from investing activities				
Dividend received from an associate	-	1,048	-	1,048
Interest received	-	960	-	1,502
(Placement)/withdrawals of pledged bank deposits	-	(9,988)	-	(12,929)
Proceeds on disposals of property, plant and equipment	-	705	-	705
Purchases of property, plant and equipment	(11,381)	(16,900)	(11,905)	(19,039)
Net cash used in investing activities	(11,381)	(24,175)	(11,905)	(28,713)
Cash flows from financing activities				
Proceeds from borrowings	5,000	34,635	129,000	174,193
Repayments of borrowings	(6,650)	(66,942)	(9,325)	(122,246)
Proceeds from bills payables	-	79,000	-	159,000
Repayments of bills payables	-	(69,000)	-	(149,000)
Net proceeds from issuance of subscription shares	-	6,038	-	6,038
Net cash from financing activities	(1,650)	(16,269)	119,675	67,985
Net Increase in cash and cash equivalents	61,195	(5,409)	91,057	2,371
Cash and cash equivalents at beginning of the period	31,228	15,656	1,366	7,876
Cash and cash equivalents at end of year, represented by bank balances and cash	92,423	10,247	92,423	10,247



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

Consolidated statement of changes in equity for the financial year ended 30 June 2014

	Attributable to owners of the					
	Share capital	Share premium	Warrant reserve	Accumulated losses	Company Total	Total equity
The Group (RMB '000)						
Balance as at 1 April 2014	109,707	191,882	5,922	(216,522)	90,989	90,989
Total comprehensive loss for the year	-	-	-	1,179	1,179	1,179
Issue of new shares	-	-	1	-	1	1
Balance as at 30 June 2014	109,707	191,882	5,923	(215,343)	92,169	92,169
Changes of equity for the period	109,707	191,882	5,923	(215,343)	92,169	92,169
Total comprehensive loss for the year	-	-	-	(6,494)	(6,494)	(6,494)
Balance as at 30 September 2014	109,707	191,882	5,923	(221,837)	85,675	85,675



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

The Company (RMB '000)	Share capital	Share premium	Warrant reserve	Accumulated losses	Total
Balance as at 1 April 2014	109,707	191,882	5,923	(173,993)	133,519
Total comprehensive income for the year	-	-	-	(62)	(62)
Balance as at 30 June 2014	109,707	191,882	5,923	(174,055)	133,457
Changes of equity for the period	109,707	191,882	5,923	(174,055)	133,457
Total comprehensive income for the year	-	-	-	(4,840)	(4,840)
Balance as at 30 September 2014	109,707	191,882	5,923	(178,895)	128,617



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

	Company			
	As At			
	30 September 2014		30 September 2013	
	No of share	Share capital RMB	No of share	Share capital RMB
Balance as at the beginning and end of the period	745,570,452	109,706,865	720,169,952	106,268,200
Issue of subscription shares at S\$0.05 each	-	-	25,400,000	3,438,597
Exercise of warrant at S\$0.05 each	-	-	500	68
Balance as at the end of the period	745,570,452	109,706,865	745,570,452	109,706,865

There is no movement in the total number of issued shares between 31 March 2014 and 30 September 2014.

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

As at 30 September 2013, the Company has outstanding shares options and warrants, the conversion of which would result in the issue of 101,554,552 new ordinary shares representing 13.6% of the enlarged capital of the Company.

The details of the warrants are set out below.

Rights issue and warrants

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

Each Warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.05 for each new ordinary share and is exercisable during a three year period from the date of issue. As at 30 June 2014, 500 Warrants have been converted into 500 new ordinary shares with 100,054,052 Warrants remained outstanding.



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

Subscription shares

There are no new shares issued during the period.

Treasury shares

No treasury shares were held by the Company as at 30 September 2014 and 30 September 2013.

Share options

There are no share options issued during the period.

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

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

No treasury shares were held by the Company as at 30 September 2014 and 30 September 2013.

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

There was no treasury shares sold, transferred, disposal, cancelled or use during the financial period ended 30 September 2014.

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

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



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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as those applied in the financial statements for the financial period ended 30 September 2014.

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

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

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

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

Loss per ordinary share

Basic and diluted

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

Group			
Current Quarter		Cumulative Quarter	
2QFY2015	2QFY2014	1HFY2015	1HFY2014
RMB cents	RMB Cents	RMB cents	RMB Cents
(0.87)	(1.46)	(0.71)	(2.92)



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6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**
(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

Loss per ordinary share

The computation of the basic loss per share for 2QFY2015 and 1HFY2015 were computed based on the loss for the three months and six months financial period ended 30 September 2014 of RMB6,493,000 and RMB5,313,000 respectively (2QFY2014 and 1HFY2014: RMB10,852,000 and RMB21,753,000) and the weighted average number of ordinary shares outstanding of 745,570,452 during these period.

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

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

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

	Group		Company	
	2QFY2015 RMB cents	2QFY2014 RMB cents	2QFY2015 RMB cents	2QFY2014 RMB cents
Net asset value per share	11.5	12.2	17.3	17.9

The net asset value per share is calculated based on 745,570,452 ordinary shares as at 30 September 2014 and 30 September 2013 respectively.



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

Statement of comprehensive income

(i) Second Quarter

Revenue increased 26% to RMB3.48 million for second quarter ended 30 September 2014 ("2QFY2015") from RMB2.76 million in the previous corresponding period ("2QFY2014"). This was due to higher solar energy output from the Group's 9MW solar farm in the Dongdongtan Photovoltaic District in Jiuquan, Gansu Province, which resulted in an increase in electricity sold.

Cost of operations increased 23% from RMB1.24 million in 2QFY2014 to RMB1.53 million in 2QFY2015 mainly driven by scheduled plant maintenance cost, which was not incurred in 2QFY2014 as the plants were then newly commissioned.

Gross profit for 2QFY2015 recorded a 28% improvement to RMB1.95 million, compared to RMB1.52 million in 2QFY2014.

Other income rose to RMB0.08 million in 2QFY2015 from RMB0.01 million in 2QFY2014 mainly due to interest income received during the period.

Administration expenses rose 18% to RMB3.27 million in 2QFY2015, from RMB2.77 million in 2QFY2014, mainly due to higher staff salaries and related cost.

The Group recorded other losses of RMB3.38 million in 2QFY2015 compared to other gains of RMB0.53 million in 2QFY2014 in view of the appreciation of RMB against SGD.

Finance costs increased 7% to RMB1.62 million in 2QFY2015 from RMB1.52 million in 2QFY2014 in tandem with the higher borrowings drawn down by the Group's subsidiaries, Jiuquan & Renewable Energy Asia (Dunhuang) Solar Power Co., Ltd. in 2QFY2015.

The Group's associated company, Datang Baotou Asia Electricity Co. Ltd ("Datang Baotou"), contributed share of loss of RMB0.25 million in 2QFY2015 as compared to a share of profit of RMB0.71 million in 2QFY2014, mainly due to seasonal wind patterns, which resulted in lower revenue generated during this quarter.



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Taking the above into account, the Group recorded a RMB6.5 million loss attributable to shareholders in 2QFY15, compared to RMB10.9 million in the 2QFY14.

(ii) Half Year

Revenue increased 13% to RMB7.65 million for the six months ended 30 September 2014 (“1HFY2015”) from RMB6.78 million in the corresponding period (“1HFY2014”) last year due to higher solar energy output from the Group’s 9MW solar farm in the Dongdongtan Photovoltaic District in Jiuquan, Gansu Province, and the resulting increase in electricity sold during the period.

Cost of operations increased 10% from RMB2.73 million in 1HFY2014 to RMB3.00 million in 1HFY2015 mainly due to scheduled plant maintenance cost, which was not required last year when the plants were newly commissioned.

Gross profit for 1HFY2015 improved by 15% to RMB4.64 million, compared to RMB4.05 million in 1HFY2014.

Other income rose to RMB0.08 million in 1HFY2015 from RMB0.01 million in 1HFY2014 as the Group recorded higher interest income received during this period.

Administration expenses rose 20% to RMB6.08 million in 1HFY2015, from RMB5.05 million in 1HFY2014, mainly due to higher staff salaries and related cost.

The Group recorded other losses of RMB2.36 million in 1HFY2015 compared to other losses of RMB4.72 million in 1HFY2014 in view of the currency exchange differences arising from SGD vs RMB.

Finance costs increased 55% to RMB3.08 million in 1HFY2015 from RMB1.99 million in 1HFY2014 mainly due to loan interest and processing charges relating to borrowings by the Group’s subsidiaries, Jiuquan and Renewable Energy Asia (Dunhuang) Solar Power Co., Ltd. in 1HFY2015.

The Company’s associated company, Datang Baotou Asia Electricity Co. Ltd (“Datang Baotou”), contributed share of gains of RMB1.48 million in 1HFY2015 as compared to a share of profit of RMB3.67 million in 1HFY2014 mainly due to seasonal wind patterns, which resulted in lower revenue generated in 1HFY2015.

Taking into account the above, the Group recorded a loss attributable to shareholders of RMB5.31 million in 1HFY2015, compared to a loss of RMB21.75 million which include loss of RMB17.72 million from discontinued operations incurred by the manufacturing and EPC business prior to its divestment on 31 March 2014.



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Statement of financial position

The Group's property, plant and equipment increased RMB9.67 million to RMB227.20 million as at 30 September 2014, from RMB217.53 million as at 31 March 2014 mainly due to the progressive recognition on the construction of solar farm projects and the purchase of office equipment during the period.

Investment in an associate rose from RMB49.62 million as at 31 March 2014 to RMB51.10 million as at 30 September 2014, mainly due to the profit contribution from its associate company, Datang Baotou for the period.

Trade receivables increased by 44% from RMB12.27 million as at 31 March 2014 to RMB17.65 million as at 30 September 2014. This was mainly due to credit terms extended to trade customers and some receivables balances not due towards the close of 1HFY2015.

Other receivables decreased by 21% to RMB286.00 million as at 30 September 2014 compared to RMB361.73 million as at 30 March 2014, which was mainly attributable to the offset of outstanding balances of amounts due from the former subsidiaries and joint venture.

Bill receivables amounting to RMB0.45 million reflected bill receivables assigned from Gansu Electric Power Company to one of its subsidiaries, Jiuquan.

Overall cash and bank balances increased by RMB91.06 million to RMB92.42 as at 30 September 2014 compared to RMB1.37 million as at 31 March 2014, mainly attributable to loans obtained during the period.

Borrowings increased to RMB317.67 million as at 30 September 2014 from RMB198.00 million as at 31 March 2014, as the Group had obtained a 15-years floating interest rate loan facility from Industrial and Commercial Bank of China Ltd. (ICBC) and an additional loan facility from SPD Bank during this quarter.

Trade payables was lower at RMB1.45 million in 1HFY2015, compared to RMB149.52 million in 1HFY2014 due to mainly attributable to the offset of amounts payable Jiangsu Electric Power Construction No3. Engineering Company.

Other Payables increased by 31% from RMB203.97 million as at 30 March 2014 to RMB266.60 million as at 30 September 2014 due to an increase in other operating expenses and staff costs accrued.

Current tax payable increased from RMB0.05 million as at 31 March 2014 to RMB0.43 million as at 30 September 2014 on tax payable from one of the Group's subsidiaries, Jiuquan.



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Consolidated Statement of Cash Flows

(i) Second Quarter

The year-on-year increase in net cash from operating activities of RMB35.05 million to RMB74.23 million in 2QFY2015 was mainly due to a decline in trade and other receivables and bill receivables, coupled with the presence of bills payable, partially offset by an increase in trade and other payable.

Net cash used in investing activities of RMB11.38 million in 2QFY2015 was lower than the RMB24.18 million used in 2QFY2014, due to no pledge deposits were made and recognition of work in process during the period.

The net cash outflows from financing activities for the Group for 2QFY2015 was RMB1.65 million compared to RMB16.27 million in 2QFY2014 mainly due to lower borrowings drawn down in 2QFY2015 as compared to 2QFY2014 which included the disposed group's shorter term and bills payable financing which required deposits to be pledged.

Overall, the Group recorded a RMB66.60 million net increase in cash and cash equivalents for 2HFY2015 as compared to 2QFY2014.

(ii) Half Year

The Group recorded an operating cash outflow of RMB16.71 million for 1HFY2015 compared to an operating cash outflow of RMB36.90 million for 1HFY2014. This was mainly due to a decline in trade and other receivables, trade payables and other payables, partially offset by an increase in bill receivables and tax payable.

Net cash used in investing activities was RMB11.91 million for 1HFY2015, compared to RMB28.71 million in 1HFY2014 due to no pledge deposits were made during this quarter and recognition of work in process.

The net cash inflows from financing activities for 1HFY2015 was RMB119.68 million compared to RMB67.99 million in 1HFY2014, mainly due to disbursements of the project financing secured in 1HFY2015 to finance Dunhuang solar power plant project after offsetting repayments of borrowings for the Group.

Overall, there was a net increase of RMB88.69 million in cash and cash equivalents for 1HFY2015 as compared to 1HFY2014.



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

The actual results are in line with the general prospects commentary previously disclosed in the full year financial and related announcement FY2014.

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

While construction work is on-going at its 18.8MW solar farm in Jinhua, Jiangsu and the 20MW solar farm in the Dongdongtan Photovoltaic Industrial District in Jiuquan, the Group is experiencing a delay these projects due to issues faced by the contractor, nevertheless we are forging ahead to complete these projects as soon as possible.

The Group have also embarked on the construction of a 20 MW solar farm in Dunhuang, Gansu Province, and hope to complete construction of the farm by the first quarter of 2015.

We will continue to work closely with local authorities on the other concessions in hand and at the same time actively review these concessions on hand and explore various avenues of cooperation to develop these concessions.

The development of power generation by renewable energy remains a key priority for China as it maintains its push to establish reliable sources of alternative energy and reduce its reliance on traditional power generation. In this respect, the Group remains cautiously optimistic about its prospects in this industry.

11. If a decision regarding dividend has been made:

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

None.

(b)(i) Amount per share in cents

Not applicable.

(b)(ii) Previous corresponding period in cents

None.



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

Not applicable.

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

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended.

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

The Group does not have any general mandate from Shareholders for Interested Person Transactions.



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

We, Xu Jian and Zheng Lei, being two directors of Renewable Energy Asia Group Limited (the “Company”) do hereby confirm on behalf of the directors of the company that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Company (comprising the consolidated statements of financial positions, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows(together with their accompanying notes) for the first quarter ended 30 June 2014 and results of the business, changes in equity and cash flows of the Group for the 3 months ended on that date, to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Xu Jian
Executive Chairman

Zheng Lei
Deputy Chairman and Chief
Executive Officer

BY ORDER OF THE BOARD

Dr. Zheng Lei
Chief Executive Officer and Executive Director

13 November 2014