RENEWABLE ENERGY ASIA GROUP LIMITED
(Company Registration No. 33437)

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RENEWABLE ENERGY ASIA GROUP LIMITED
(Company Registration No. 33437)

FULL YEAR 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.

	Group		
	Financial Year Ended		Variance
	31-Mar-14 RMB'000	31-Mar-13 RMB'000	%
Continuing operations			
Revenue	13,573	293	4,532.4
Cost of sales	(5,602)	(28)	19,907.1
Gross profit	7,971	265	2,907.9
Other income	9	50	(82.0)
Administrative expenses	(10,978)	(11,010)	(0.3)
Other gains and losses	165	1,404	(88.2)
Finance costs	(7,686)	-	n/m
Share of profit of an associate	3,309	1,567	111.2
Loss before tax	(7,210)	(7,724)	(6.7)
Tax expense	-	-	-
Loss for the year from continuing operations	(7,210)	(7,724)	(6.7)

n/m: Not Meaningful

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.

	Group		
	Financial Year Ended		Variance
	31-Mar-14 RMB'000	31-Mar-13 RMB'000	%
Discontinued operations			
Profit/(loss) for the year from discontinued operations	72,507	(48,900)	248.3
Profit/(loss) and total comprehensive income/(loss) for the year	65,297	(56,624)	215.3
Profit/(loss) for the year attributable to:			
Owners of the Company			
- Loss for the year from continuing operations	(7,210)	(7,724)	(6.7)
- Profit/(loss) for the year from discontinued operations	72,507	(48,900)	248.3
Profit/(loss) for the year attributable to owners of the Company	65,297	(56,624)	215.3

n/m: Not Meaningful

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:

	12 Months Ended	
	31-Mar-14 RMB'000	31-Mar-13 RMB'000
Depreciation of property, plant and equipment	4,115	229
Interest expense	7,686	0
Interest income	6	9

The comparative for FY2013 was reclassified with conform to current year presentation in arriving at the loss of RMB48.9 million. The following is the breakdown: -

	Year ended 31-Mar-13 RMB'000
Revenue	236,947.00
Cost of sales	(241,097.00)
Gross profit (loss)	(4,150.00)
Other income, other gains and losses	4,590.00
Distribution and selling expenses	(5,338.00)
Administrative expenses	(24,358.00)
Share of profit (loss) of a joint venture	480.00
Finance costs	(20,124.00)
Profit (loss) before taxation	(48,900.00)
Income tax expenses	0.00
Profit (loss) for the year from discontinued operations	(48,900.00)

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.

	Group		Company	
	As at		As at	
	31-Mar-14 RMB'000	31-Mar-13 RMB'000	31-Mar-14 RMB'000	31-Mar-13 RMB'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	235,000	196,871	14	7
Prepaid lease payments	-	37,887	-	-
Investments in subsidiaries	-	-	(1)	-
Investment in an associate	49,623	47,362	-	-
Interests in a jointly controlled entity	-	54,687	-	-
Other receivables	21,500	4,500	-	-
Total non-current assets	306,123	341,307	14	7
CURRENT ASSETS				
Inventories	-	50,996	-	-
Trade receivables	12,266	45,558	-	-
Other receivables	408,695	153,641	202,756	128,265
Bill receivables	-	8,842	-	-
Prepaid lease payments	-	792	-	-
Pledged bank deposits	-	122,829	-	-
Cash and bank balances	1,366	7,876	521	464
Total current assets	422,327	390,534	203,277	128,729
Total assets	728,450	731,841	203,291	128,736
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Share capital	109,707	106,268	109,707	106,268
Share premium	191,882	189,283	191,882	189,283
Share options reserve	-	840	-	840
Warrant reserves	5,923	5,923	5,923	5,923
Accumulated losses	(130,987)	(197,124)	(105,925)	(177,324)
Equity attributable to equity holders of the parent	176,525	105,190	201,587	124,990
Total equity	176,525	105,190	201,587	124,990

Note 1: This represents the investment in subsidiary in the Company at a cost of RMB10.

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	
	31-Mar-14 RMB'000	31-Mar-13 RMB'000	31-Mar-14 RMB'000	31-Mar-13 RMB'000
NON-CURRENT LIABILITIES				
Borrowings	170,453	19,613	-	-
CURRENT LIABILITIES				
Trade payables	149,517	60,993	-	-
Other payables	204,360	239,526	1,653	2,645
Bills payables	-	159,000	-	-
Borrowings	27,544	146,418	-	-
Shareholder's loan	-	1,050	-	1,050
Tax payables	51	51	51	51
Total current liabilities	381,472	607,038	1,704	3,746
Total liabilities	551,925	626,651	1,704	3,746
Total equity and liabilities	728,450	731,841	203,291	128,736

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.

	31-Mar-14 RMB'000	31-Mar-13 RMB'000
Amount repayable due within one year		
Borrowings - secured 1	27,544	-
Borrowings - secured 2	-	69,000
Borrowings - secured 3	-	23,926
Borrowings – unsecured	-	53,492
Bills payables	-	159,000
	27,544	305,418
Amount repayable due after one year		
Borrowings –secured 1	170,453	-
Borrowings - secured 2	-	19,613
	170,453	19,613
Total	197,997	325,031

The Group has no outstanding debt securities as at 31 March 2014.

Details of collaterals:-

For FY2014, the bank loans and borrowings of RMB209.8 million were secured as follows:-

Borrowings – secured 1

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.

For FY2013, the bank loans and borrowings of RMB271.4 million were secured as follows:-

Short-term bank loan – secured 2

1. Personal guarantees by the controlling shareholder Mr Xu Jian and his family member, Mr Xu Guo Hua;

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

2. Corporate guarantees by certain companies in which the controlling shareholder, Mr Xu Jian, has substantial interest, namely Nantong Jiaolong Industrial Shipbuilding Co., Ltd, Nantong Jiaolong Heavy Industrial Development Co., Ltd and Oceantec Industry Company Ltd;
3. Corporate guarantee by a third party, Nantong Zhongrui Heavy Industries Technology Co., Ltd (南通中瑞重工科技有限公司); and
4. Corporate guarantee by a subsidiary of the company, Nantong Huaishou Investment Co., Ltd.

Short-term bank loan – secured 3

1. Certain of the Group's property, plant and equipment; and
2. Pledged bank deposits.

Bills payables

1. Pledged bank deposits;
2. Personal guarantees by the controlling shareholder Mr Xu Jian and his family members, Mr and Mrs Xu Guo Hua;
3. Corporate guarantees by certain companies in which the controlling shareholder, Mr Xu Jian, has substantial interest, namely Nantong Jiaolong Industrial Shipbuilding Co., Ltd, Nantong Jiaolong Heavy Industrial Development Co., Ltd and Oceantec Industry Company Ltd; and
4. Certain of the Group's property, plant and equipment.

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 year ended 31 March 2014

	FY2014	FY2013
	RMB'000	RMB'000
Cash flows from operating activities		
Profit/(loss) before tax	65,297	(56,624)
Adjustments for:		
Allowances recognized in respect of inventories	-	12,186
Depreciation of property, plant and equipment	13,251	9,400
Finance costs recognized in profit or loss	33,624	20,124
Gains on disposals of property, plant and equipment	518	101
Interest income recognized in profit or loss	(2,635)	(4,108)
Loss on disposal of Manufacturing and EPC business	(69,740)	-
Recognition of equity-settled share-based payments	-	(145)
Release of prepaid lease payments	792	792
Share of profit of a jointly controlled entity	251	(480)
Share of profit of an associate	(3,309)	(1,567)
Operating cash flows before movements in working capital	38,049	(20,321)
Increase/(decrease) in inventories	(10,934)	23,331
Decrease (increase) in trade and other receivables	(56,414)	745
Increase in trade and other payables	17,966	2,270
Decrease (increase) in notes receivable	(8,546)	(8,842)
Increase (decrease) in bills payable	45,000	(50)
Cash from (used in) operations	25,121	(2,867)
Interest paid	(33,624)	(20,124)
Net cash used in operating activities	(8,503)	(22,991)

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).

	FY2014	FY2013
	RMB'000	RMB'000
Cash flows from investing activities		
Amount repaid from third parties	57,700	20,289
Amounts advances to related parties	(481,441)	(228,789)
Amounts advances to third parties	(67,000)	(62,010)
Amounts repaid by related parties	238,450	199,642
Dividend received from an associate	1,048	7,932
Interest received	2,635	4,108
Placement of pledged bank deposits	(262,930)	(277,479)
Proceeds on disposals of property, plant and equipment	2,707	109
Purchases of property, plant and equipment	(30,279)	(34,239)
Release of pledged bank deposits	273,243	224,399
Net cash outflows from disposal of Manufacturing and EPC business	(5,771)	-
Net cash inflows from disposal of Fastening Group	-	986
Net cash used in investing activities	(271,638)	(145,052)
Cash flows from financing activities		
Proceeds from borrowings	422,903	186,031
Repayments of borrowings	(217,032)	(85,000)
Proceeds from bills payables	246,000	377,000
Repayments of bills payables	(276,000)	(334,000)
Proceeds from issuance of new shares	6,038	-
Repayment of loan from a shareholder	(1,050)	-
Payment of obligation under finance lease loan	(21,500)	-
Amounts advances from related parties	114,908	4,550
Amounts repaid to related parties	(636)	(2,456)
Advance from third party	-	4,000
Proceeds from issuance of rights shares	-	4,114
Net cash from financing activities	273,631	154,239
Net decrease in cash and cash equivalents	(6,510)	(13,804)
Cash and cash equivalents at beginning of the year	7,876	21,680
Cash and cash equivalents at end of year, represented by bank balances and cash	1,366	7,876

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 31 March 2014

Group	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Warrant reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 April 2012	92,561	184,984	985	-	(140,500)	138,030
Loss for the year	-	-	-	-	(56,624)	(56,624)
Total comprehensive loss for the year	-	-	-	-	(56,624)	(56,624)
Issuance of Rights Shares and Warrants	13,707	4,299	-	5,923	-	23,929
Reversal of equity-settled share-baseed payments	-	-	(145)	-	-	(145)
As at 31 March 2013	106,268	189,283	840	5,923	(197,124)	105,190
Profit for the year	-	-	-	-	65,297	65,297
Total comprehensive income for the year	-	-	-	-	65,297	65,297
Issuance of new shares	3,439	2,599	-	-	-	6,038
Lapsed and waived of share options	-	-	(840)	-	840	-
As at 31 March 2014	109,707	191,882	-	5,923	(130,987)	176,525

Note:
The Company issued and allotted 500 new ordinary shares on 2 August 2013 pursuant to the exercise of 500 warrants at the exercise price of S$0.05 per warrant for a total consideration of RMB67.93. However, the amount is immaterial to be reflected in the statement of changes in equity of the Company.

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).

Company	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Warrant reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 April 2012	92,561	184,984	985	-	(89,453)	189,077
Loss for the year	-	-	-	-	(87,871)	(87,871)
Total comprehensive loss for the year	-	-	-	-	(87,871)	(87,871)
Issuance of Rights Shares and Warrants	13,707	4,299	-	5,923	-	23,929
Reversal of equity-settled share-baseed payments	-	-	(145)	-	-	(145)
As at 31 March 2013	106,268	189,283	840	5,923	(177,324)	124,990
Profit for the year	-	-	-	-	70,559	70,559
Total comprehensive income for the year	-	-	-	-	70,559	70,559
Issuance of new shares	3,439	2,599	-	-	-	6,038
Lapsed and waived of share options	-	-	(840)	-	840	-
As at 31 March 2014	109,707	191,882	-	5,923	(105,925)	201,587

Note:
The Company issued and allotted 500 new ordinary shares on 2 August 2013 pursuant to the exercise of 500 warrants at the exercise price of S$0.05 per warrant for a total consideration of RMB67.93. However, the amount is immaterial to be reflected in the statement of changes in equity of the Company.

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			
	31-Mar-14		31-Mar-13	
	Number of shares	Share capital RMB	Number of shares	Share capital RMB
Balance at beginning of the financial year	720,169,952	106,268,200	620,115,400	92,561,315
Issue of rights shares at $0.05 each	-	-	100,054,552	13,706,885
Issue of subscription shares at $0.05 each	25,400,000	3,438,597	-	-
Exercise of warrant at $0.05 each	500	68	-	-
Balance at the end of the financial year	745,570,452	109,706,865	720,169,952	106,268,200

As at 31 March 2014, the company has no outstanding rights share.

As at 31 March 2013, the Company has outstanding warrants, the conversion of which would result in the issue of 100,054,052 new ordinary shares representing 11.8% of the enlarged capital of the Company.

The details of the share options and 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 31 March 2014, 500 Warrants have been converted into 500 new ordinary shares. As at 31 March 2013, there were 100,054,522 Warrants that remained outstanding.

Subscription shares

The Company has on 15 July 2013 issued and allotted 25,400,000 new ordinary shares ("Subscription Shares") at a subscription price of S$0.05 for each Subscription Share to Grand Sea International Limited ("Subscriber") pursuant to a subscription agreement dated 29 April 2013 entered into by the Company with the Subscriber.

Treasury shares

No treasury shares were held by the Company as at 31 March 2014 and 31 March 2013.

Share options

The Company has an employee share option scheme for eligible employees of the Group. On 9 July 2010, the Company granted to eligible participants an aggregate 7,500,000 share options (the "Options") to subscribe for ordinary shares of HK$0.17 each in the share capital of the Company, at an exercise price of S$0.26 per share.

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 of grant or the remaining 50% of the options granted. As at 31 March 2013, there were 1,500,000 share options that remained outstanding. Both sets of options have expired on 27 October 2013. All unexercised options have been lapsed upon the expiry of the exercise period. As at 31 March 2014, there are no share options that remained outstanding.

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.

	Company	
	31-Mar-14 Number of shares	31-Mar-13 Number of shares
Balance at beginning of the financial year	720,169,952	620,115,400
Issue of rights shares at $0.05 each	-	100,054,552
Issue of subscription shares at $0.05 each	25,400,000	-
Exercise of warrant at $0.05 each	500	-
Balance at the end of the financial year	745,570,452	720,169,952

No treasury shares were held by the Company as at 31 March 2014 and 31 March2013.

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 year ended 31 March 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.

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 year ended 31 March 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).

	Group	
	FY2014 RMB Cents	**FY2013 RMB Cents**
Earnings/(loss) per ordinary share		
From continuing and discontinued operations		
Basic and diluted		
- Based on the weighted average number of ordinary share in issue	8.8	(7.9)
From continuing operations		
Basic and diluted		
- Based on the weighted average number of ordinary share in issue	(1.0)	(1.1)

Earnings/(loss) per ordinary share
The computation of the basic earnings/(loss) per share for FY2014 and FY2013 were computed based on the profit/(loss) attributable to equity holders of the Company of RMB65,297,000 (FY2013: loss of RMB56,624,000) and the weighted average number of ordinary shares outstanding of 738,263,434 (FY2013: 697,836,641) during the year.

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

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

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

	Group		Company	
	31-Mar-14 RMB Cents	31-Mar-13 RMB Cents	31-Mar-14 RMB Cents	31-Mar-13 RMB Cents
Net asset value per share	23.7	14.6	27.0	17.4

The net asset value per share is calculated based on 745,570,452 and 720,169,952 ordinary shares as at 31 March 2014 and 31 March 2013 respectively.

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) Background

Pursuant to the (i) sale and purchase agreement dated 13 July 2013 (as varied by a supplemental agreement dated 7 March 2014) entered into between Mr Xu Jian, the controlling shareholder, and the Company and (ii) the circular to shareholders dated 14 March 2014 to approve the disposal of the entire issue and paid up share capital of REA Power Pte. Ltd. and certain of its subsidiaries (the "Disposal") to Mr Xu Jian, the Disposal was approved by shareholders on 31 March 2014 via a special general meeting. The Disposal involved REA Power Pte. Ltd., an investment holding company and its subsidiaries, principally engaged in the manufacturing and production of wind turbine and components and systems and Engineering procurement, construction and maintenance ("EPC") business.

(ii) Continuing operations

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

Revenue for the Group increased 4,539.9% or RMB13.3 million to RMB13.6 million for FY2014, from RMB0.3 million in FY2013. This was mainly due to solar energy generation from one of its

subsidiaries, Jiuquan which started only in late 2012, therefore only two months of revenue was recognised in FY2013 as compared with 12 months of revenue recorded in FY2014.

In line with the increase in revenue, gross profit increased to RMB7.7 million from RMB0.3 million in FY2013. Gross profit margin has, however, decreased by 31.7% from 90.4% in FY2013 to 58.7% in FY2014 mainly due to increase in regular maintenance and cleaning costs incurred for the FY2014 as compared to FY2013 when the plant was newly commissioned.

Other income decreased mainly due to Renewable Energy Asia Group receiving a late payment interest amounting RMB0.04 million for a fastening company in FY2013.

Other gains decreased RMB1.2 million from RMB1.4 million in FY2013 to RMB0.2 million in FY2014 due mainly to lesser exchange gain from loans to related parties.

Finance costs of RMB7.7 million due mainly to loan interest payment in respect of a finance loan from one of its subsidiaries, Jiuquan during the year.

The Company's associated company, Datang Baotou Asia Electricity Co. Ltd ("Datang Baotou"), contributed share of profit of RMB3.3 million in FY2014 as compared to a share of profit of RMB1.6 million in FY2013.

Loss for the year from continuing operations

As a result of the above factors, the loss for the year from continuing operations decreased by RMB0.5 million, from RMB7.7 million in FY2013 to RMB7.2 million in FY2014.

(iii) Discontinued operations

As mentioned in paragraph 8(i), the Manufacturing and EPC business was discontinued from 31 March 2014 after the Group disposed off the entire equity interests of REA Power Pte. Ltd. and its subsidiaries principally engaged in the Manufacturing and EPC business to Mr Xu Jian, the controlling shareholder. The net consideration sum from the Disposal amounted to RMB8.4 million after netting of expenses incurred for this disposal of business of approximately RMB1.2 million.

Profit from discontinued operations in FY2014 was RMB72.5 million, an increase of RMB121.4 million from a loss of RMB48.9 million in FY2013. The substantial increase was driven mainly by the gain of RMB69.7 million from the disposal of the subsidiaries.

(iv) Profit/(loss) for the year attributable to owners of the Company

Overall, the Group recorded a profit of RMB65.3 million in FY2014, reversing a loss of RMB56.6 million in FY2013, mainly attributed to the gain on disposal of the subsidiaries of RMB69.7 million.

Statement of financial position

The Group's property, plant and equipment increased 19.3% or RMB38.1 from RMB196.9 million to RMB235.0 million, mainly due to progressive asset recognition on the construction of its solar farm projects during the year, partially offset by the disposal of the subsidiaries.

Investment in an associate rose from RMB47.4 million in FY2013 to RMB49.6 million in FY2014, due mainly to the profit contribution from its associate company, Datang Baotou during the financial year.

Other receivables in non-current assets increased from RMB4.5 million in FY2013 to 21.5 million in FY2014 due mainly to deposits for financial lease loans of Jiuquan.

The following assets as at 31 March 2014 decreased due mainly to the Group's disposal of subsidiaries as mentioned in paragraph 8(i) above:

a. Inventories decreased from RMB51.0 million in FY2013 to Nil in FY2014;

b. Prepaid lease payments decreased from RMB0.8 million in FY2013 to Nil in FY2014;

c. Trade receivables decreased from RMB45.6 million in FY2013 to RMB12.3 million in FY2014;and

d. Pledged bank deposits decreased from RMB122.8 million in FY2013 to Nil in FY2014.

Other receivables has, however, increased RMB255.1 million or 166.0% from RMB153.6 million in FY2013 to RMB408.7 million in FY2014, mainly due to an increased in amounts due from disposed parties. Pursuant to the circular to shareholders dated 14 March 2014, the Company and Mr Xu Jian shall procure that the intra-group indebtedness between members of the Disposal Group and the members of the Remaining Group be fully settled, discharged or set-off on or prior to completion of the Disposal.

Borrowings increased to RMB198.0 million in FY2014, from RMB166.0 million in FY2013, as the Group procured another long term borrowings to finance its investments in solar power plant investments for one of its subsidiaries, Jiuquan during the year.

Trade payables rose to RMB149.5 million in FY2014 from RMB61.0 million in FY2013, due mainly to an increase in solar energy generation activities in Jiuquan.

Bills payables decreased to Nil in FY2014 from RMB159.0 million in FY2013 due to the disposal of subsidiaries as mentioned in paragraph 8 (i) above.

Consolidated Statement of Cash Flows

The net cash flows from operating activities for FY2014 for the Group recorded negative operating cash flows of RMB8.5 million as compared with negative operating cash flows of RMB23.0 million for FY2013. This was mainly due to an increase in inventories, trade and other receivables and notes receivables, partially offset by an increase in trade and other payables and bills payables.

The net cash flows from investing activities for FY2014 for the Group recorded negative investing activities of RMB271.6 million as compared with RMB145.1 million in FY2013. This were due mainly to placement of pledged deposits, purchases of property, plant and equipment, an increase in advances to related parties and third parties and net cash outflows from disposal of Manufacturing and EPC business. The above are partially offset by a release of pledged bank deposits, dividend received from its associate, interest income received, repayment of amounts due from related parties and third parties, proceeds from the sales of property, plant and equipment.

The net cash flows from financing activities for the Group for FY2014 was RMB273.6 million as compared with RMB154.2 million in FY2013. This was due mainly to net proceeds from borrowings, net proceeds from bills payables, an increase in advances from its related parties and proceeds from issuance of new shares during the year.

As a result of the above, the cash and cash equivalents decreased from RMB7.9 million in FY2013 to RMB1.4million in FY2014.

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

Not Applicable.

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.

With the completion of the disposal of the manufacturing and engineering, procurement and construction (EPC) business on 31 March 2014, the Group expects to focus wholly on the development of solar and wind energy projects in China going forward. The disposal of this loss-making manufacturing and EPC business will also relieve the Company of the financial burden associated with the losses, and allow it to concentrate on building a profitable and sustainable solar farm business.

In the year ahead, the Group expects to channel its resources towards the progress of projects currently on hand. These include the construction of a 20-megawatt (MW) solar farm in the Dongdongtan Photovoltaic Industrial District of Jiuquan, and a 13.8MW solar farm in Jinhu, Jiangsu.

The Group is targeting to be able to commission the Jinhu solar farm and part of the Dongdongtan solar farm within the next 12 months. The Group's 9MW solar farm, also in Dongdongtan, is currently contributing positively to its overall performance.

The Group will continue to work closely with local authorities on the other concessions in hand. Where necessary, it will explore various sources of financing to fund the development of these concessions.

China 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.

11. If a decision regarding dividend has been made:

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

None.

(b)(i) Amount per share in cents

Not applicable.

(b)(ii) Previous corresponding period in cents

None.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(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.

Name of Interested Person	Nature of Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		RMB'000	**RMB'000**
(1) Oceantec Industries Company Ltd	Rental	10,000	Nil
	Advances	227,812	Nil
(2) Nantong Jiaolong Industrial Development Co., Ltd	Sales	Nil	2,248
	Advances	140,041	Nil
	Non-trade financing	60,000	Nil
(3) Jiangsu Maritime Engineering Services Co., Ltd	Sub-contracting	6,868	Nil
(4) Nantong Zhongneng International Trading Co., Ltd	Non-trade financing	50,000	Nil
	Advances	138,750	Nil

As disclosed in the table above, the Group had entered into several interested person transactions (the "Past Recurrent IPTs") with Oceantec Industries Company Ltd, Nantong Jiaolong Industrial Development Co., Ltd., Jiangsu Maritime Engineering Services Co., Ltd. and Nantong Zhongneng International Co., Ltd.

On an aggregated basis, such transactions had exceeded 5% of the Group's latest audited net tangible assets ("NTA") for financial year ended 31 March 2013.

On 31 March 2014, the Group had sought Shareholder's approval on certain of these transaction up to 28 February 2014. Between 28 February 2014 and 31 March 2014, there were additional IPTs which the group will sought Shareholders' approval for the Past Recurrent IPTs and will be seeking Shareholders' approval to ratify such transactions.

Under the requirements of Chapter 9 of the Listing Manual Section B: Rules of Catalist, 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 Group 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 concurrently with the forthcoming Annual General Meeting.

14. Use of Proceeds

The Company has on 15 July 2013 issued and allotted 25,400,000 Subscription Shares to Grand Sea International Limited at a subscription price of S$0.05 for each Subscription Share for an aggregate of S$1,270,000.

The Company has disbursed approximately S$1,234,000 (being the net proceeds from the allotment of the 25,400,000 Subscription Shares after deducting expenses incurred of approximately S$36,000 instead of S$50,000 announced on 23 July 2013) to meet its general working capital requirement.

The use of net proceeds as at the date of this announcement is as follows:-

Use of Proceeds	Proposed usage		Actual usage	Balance
	SGD ('000)	RMB ('000)	RMB ('000)	RMB ('000)
General working capital	1,234	6,125	6,125	-

The following is a summary breakdown of the use of proceeds:	RMB ('000)
- Professional fees for restructuring and compliance	3,378
- Staff cost	672
- Directors remuneration and fees	1,010
- Listing expenses	166
- Rental	308
- Others	592
	6,126

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

Not Applicable.

PART II: ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

	Solar Power and Wind Power Generation		Manufacturing		Head office		Total	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
	RMB'000	RMB'001	RMB'002	RMB'003	RMB'004	RMB'005	RMB'006	RMB'007
Continuing operations								
Revenue								
External sales	13,573	293	-	236,947	-		13,573	237,240
Results								
Segment loss	(2,096)	(2,489)	-		(5,114)	(6,079)	(7,210)	(8,568)
Unallocated income							-	42
Unallocated expenses								802
Loss before tax from continuing operations							(7,210)	(7,724)
Discontinued operations								
Revenue								
External sales	-		363,352	236,947	-		363,352	236,947
Results								
Segment profit	-		2,767	(46,807)	-	(2,144)	2,767	(48,951)
Unallocated expenses								51
Gain on disposal of subsidiaries							69,740	-
Profit before tax from discontinued operations							72,507	(48,900)
Other disclosures:								
Capital expenditure	134,254	103,868	3,802	6,235	12	65	138,068	110,168
Depreciation on property, plant & equipment	4,115	229	9,131	8,954	5	217	13,251	9,400

17. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year (cont'd).

The Group's products are mainly produced from the production facilities located in the PRC and accordingly more than 90% of the Group's non-current assets from its continuing operations are located in the PRC. As such, no geographical information on non-current assets has been presented.

The following table provides an analysis of the Group's revenue by geographical location of customers for the continuing operation.

	Revenue	
	31-Mar-14 RMB'000	31-Mar-13 RMB'000
Mainland China	13,573	293

18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Note 8.

19. A breakdown of sales as follows:

	Latest Financial Year RMB'000 Group	Previous Financial Year RMB'000 Group	% increase/ (decrease)
Sales reported for first half year	110,296	170,146	(35.2)
Operating profit/(loss) after tax before deducting minority interests reported for first half year	(21,753)	(14,279)	52.3
Sales reported for second half year	266,629	67,094	297.4
Operating profit/(loss) after tax before deducting minority interests reported for second half year	87,050	(42,345)	305.6

20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

(a) Ordinary
(b) Preference
(c) Total

Not applicable.

21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

There was no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

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

30 May 2014