順風國際清潔能源有限公司
SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

RESULTS HIGHLIGHTS

	For the year ended 31 December		
	2014	2013	% of
	RMB'000	*RMB'000*	Changes
Revenue			
— Solar product manufacturing and trading business	**5,229,780**	1,529,676	241.9%
— Solar power generation business	**503,082**	—	N/A
— Solar power plant operation and services business*	**13,077**	—	N/A
Total revenue	**5,745,939**	1,529,676	275.6%
Gross profit	**1,271,843**	151,235	741.0%
Net profit/(loss)	**1,304,029**	(1,817,493)	N/A
Adjusted EBITDA**	**1,321,748**	151,890	770.2%
Gross profit margin	**22.1%**	9.9%	123.2%
Basic earnings/(losses) per share	**RMB56.98 cents**	RMB(110.48) cents	N/A
Net cash from operating activities	**1,512,663**	717,007	111.0%

* The acquisition of S.A.G., a solar energy enterprise in Germany, was completed on 31 October 2014.

** Adjusted EBITDA excluded finance costs, income tax, depreciation and amortization, gain on change in amortization period of the liability component of convertible bonds and fair value loss on convertible bonds.

A Global Leading Clean Energy Supplier
A Low-Carbon Energy-Saving Integrated Solutions Provider

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Shunfeng International Clean Energy Limited (the "Company"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014 ("2014").

For the year ended 31 December 2014, the Group recorded a revenue of RMB5,745.9 million, representing an increase of 275.6% from RMB1,529.7 million in 2013. Gross profit increased significantly by RMB1,120.6 million, or 741.0%, from approximately RMB151.2 million for the previous year to RMB1,271.8 million for the Year. The revenue and net profit increased primarily due to (1) a substantial increase in the sales volume of the manufacturing and trading of solar products after the acquisition of Wuxi Suntech in April 2014, with the Group's sales volume of solar products increasing 159.7% to 3,238.5 MW, of which 1,094.7 MW of inter-group solar product sales had been reconciliated in the revenue for the year; (2) the Group's solar power plants which connected to the grid in 2013 and 2014 having commenced operation and generated income from power generation in 2014, with the Group total power generation for the year reaching 607,793 MWh; (3) gain on change in amortization period of the liability component of convertible bonds of RMB992.0 million on 1 September 2014; and (4) the fair value loss on convertible bonds for the 2013 of approximately RMB1,816.0 million, which was not applicable for 2014.

The Group laid the solid foundation in 2014

The Group changed its company name from "Shunfeng Photovoltaic International Limited" to "Shunfeng International Clean Energy Limited" in November 2014. This marks the Group's business transition from being primarily based on the solar power sector to gradually becoming a leading clean energy supplier offering low-carbon energy-saving integrated solutions. Currently, the extensive business of the Group covers clean energy supply, energy development, technological innovation and application in the relevant clean energy fields such as solar power generation, wind power generation, geothermal power generation and sea water power generation, as well as development and manufacturing of energy storage technology and energy storage products, establishing the Group as one of the global major suppliers of clean energy offering low-carbon energy-saving integrated solutions with an ever-stronger leading position.

In respect of solar power generation business, the Group's total power generation from Xinjiang, Gansu, and other PRC regions amounted to 607,591 MWh for the whole year of 2014. During the period, monthly power generation grew steadily, bringing bright prospects for the Group's solar power generation business in the upcoming year. In 2014, the Group maintained its leading position in China's solar power generation sector, initiating solar power plant projects with a total installed capacity of 1,439 MW under construction, and completing grid connection with a total capacity of 644 MW. In January 2015, the Group won three awards, which are "Commercial Achievement Award for PRC PV Power Stations", "Best Performance Award for Listed PRC PV Power Stations" and "Outstanding Quality Award for PRC PV Power Stations" at the "2014 Annual Meeting of PRC PV Power Stations and the Second Annual Award Presentation Ceremony of PRC PV Stations". The Group strives to achieve a total of 6 GW on-grid designed capacity by 2017.

The acquisition and reorganization of Wuxi Suntech, a large-scale solar modules manufacturer, was successfully carried out during the year, largely enhancing our manufacturing technique and production capacity of solar products. It is of the most reliable first-class global module brands. Wuxi Suntech was included in the list of first-class PV components suppliers contained in the Global PV Market Forecast Report published by Bloomberg New Energy Finance (BNEF) in February 2015, which is a strong testament to the reliability of the products of Wuxi Suntech. Looking forward, Wuxi Suntech will carry out strategic investment and cooperation with us in terms of product, technology and services and the Group is confident that it will enjoy a brighter prospect of development in the solar energy industry. In the future, we will further increase the shipment volume of solar wafers, solar cells, solar modules and relevant solar products. At the same time, the Group plans to consolidate the upstream production capacity of solar products as and when appropriate. In respect of the research and development of polysillicon and related products, the Group plans to further develop and improve our slicing technology and slicing efficiency, so as to reduce cost and increase single unit efficiency. The Group also plan to use compound materials such as carbon nanotube to develop module frames and PV panel support structure in order to reduce cost and increase the life of the products.

In order to expand the scope and overseas business, seizing the opportunities brought forth by the consolidation of global solar power industry, the Group bravely explored new businesses and through large-scale acquisition-based expansion and industry consolidation, the Group has managed to expand its business from the solar power generation and product manufacturing sector into the power storage devise sector. In addition, the Group also made progress regarding the integrated PV business and other related clean energy businesses and fully put into action the synergy between vertically-integrated products and solar power plants, in an attempt to achieve the Group's objective of becoming the largest global clean energy and low-carbon energy-saving integrated solution provider. During the year, the Group has successfully completed a number of substantial overseas and domestic acquisitions and overseas expansion plans, including the acquisition of 30% equity interests in Powin Energy Corporation in August 2014, involving advanced technology in the research and development of energy storage, load shifting and fast charging techniques. The Group also acquired S.A.G. Solarstrom AG.i.l. (S.A.G.), a German solar energy enterprise, with a view to enhancing our capability in developing solar energy projects, EPC (engineering, procurement and construction) and monitoring PV stations as well as the strength in operating and maintaining our businesses in Europe and the United

States. S.A.G. provides comprehensive services in the solar industry while meteocontrol GmbH ("meteocontrol"), its subsidiary, is one of the largest independent PV stations monitoring services providers in the world. meteocontrol has extensive experience in monitoring, operating and maintaining PV stations in the civil, commercial and public fields and its monitoring capacity has reached 9.8 GW.

In order to strengthen the advantage of the Group's low-carbon energy-saving integrated solutions at the beginning of 2015, the Group declared the acquisition of 8 wind power generation projects with rich wind resources primarily located in Jilin, Hebei, etc, projects further enriching the Group's development scope of clean energy with a total designed capacity of 723.5 MW and a projected annual power generation volume of 1,615,213 MWh. In the future, the Group will pursue further development and merger of mature wind power projects as and when appropriate.

Ground source heat pump technology is the important component of the Group's 3 major solutions in respect of overall low-carbon cities, low-carbon communities and low-carbon families. The Group's mission is to provide clean, efficient and energy-saving integrated energy solutions. Therefore, the Group and Nobao Renewable Energy Holdings Limited ("Nobao Renewable Energy") has signed the agreement on strategic cooperation and formation of joint venture. Nobao Renewable Energy is the leader in the sector of China's clean energy by means of the ground source heat pump technology, with the long-term commitment to the research and development of the large-area centralized heat supply and refrigeration technology. As the global leader in that sector, it has possessed various advanced core-technology patents related to heat supply and refrigeration. The joint venture shall take charge of providing green, low-carbon and energy-saving solutions integrated for cities, communities, families, commercial facilities, schools, hospitals, airports and similar public facilities. Such solutions aim at saving 50%-70% of overall energy for cities, communities, families, commercial facilities, schools, hospitals, airports and similar public facilities, to achieve the cost reduction for end user. Based on the consensus in the business development prospects of global clean energy solutions, the Company and Nobao Renewable Energy have established the relationship of strategic cooperation partners for sufficient utilization of their respective strongholds, enhancement of the sharing level of information resources, and optimization of product mix under both parties, so as to create much better stronghold for competitiveness and fulfill the improvement and enhancement of both parties in terms of cost, management, services, users' satisfaction level and results.

LED lighting is an important link in the solutions for low-carbon cities, low-carbon communities, and low-carbon families, in compliance with the development strategies of the Group as a provider for comprehensive low-carbon and energy-saving solutions. In order to develop LED project, the Group entered into a memorandum of understanding with Lattice Power Corporation in relation to proposed acquisition by the Group of 51% of the issued share capital of Lattice Power Corporation from existing shareholders of Lattice Power Corporation. Lattice Power Corporation owns the disruptive 6-inch and 8-inch GaN-on-Silicon LED technology, with over 200 global patents awarded. Its successful commercial mass production have resulted in the supply general lighting, smart phone and automobile lighting. LED lighting. which save 50%–80% energy comparison to the ordinary lighting, will definitely replace the traditional lighting in every aspect. The revolutionary GaN-on-Silicon LED technology of Lattice Power Corporation leads to the drastic reduction in production cost when compared to the traditional GaN-on-Sapphire LED, which will result in the tremendous contribution to the profit of the Company.

In 2015, the Group had entered into an exclusive agency right of collaboration with GreenWheel EV in manufacturing and sales of the sole electrical vehicle made of GreenWheel EV's core technique around the world except for Mainland China. GreenWheel EV is the earliest state High and New Technology Enterprise to specialize and engage in research and development and manufacturing of sole electrical motor core technology in PRC, which had nearly 15 years of experience in the field of research and development and manufacturing of sole electrical vehicle. GreenWheel EV has all of the self-developed intellectual rights, including electric control and motor technique, cell management technique and more, as well as its core technique including the "Big Three Electronic, Small Three Electronic", all of which possess a global leading advantage. The Group collaborates with GreenWheel EV to achieve the dream of "returning the Earth a blue sky", and through electrical vehicle, expecting to bring China a greater environmental effectiveness in energy conservation and pollutant reduction as well as increasing the Group's contribution to a green life.

Prospect to be a Global Leading Clean Energy Supplier and a Low-Carbon Energy-Saving Integrated Solutions Provider.

Since 2014, the Group has evolved from a pure solar power business into a global leading integrated clean energy company in China and around the globe. In the future, the Group aspires to become a global leading provider of low-carbon energy-saving integrated solutions.

In 2015, the Group will introduce as and when appropriate solutions for 3 majors markets on a global scale, namely low-carbon city, low-carbon community and low-carbon households. We will provide (1) EPC, operation and maintenance solutions for solar power plant on a global scale that can significantly improve and increase power generation efficiency, and offer intelligent operation and management service for power plants on a global scale; (2) green and low-carbon energy-saving solutions for urban and community and (3) green and low-carbon energy saving solutions for households, with the overall energy-saving rate of our green and low-carbon solutions reaching 50% to 70%.

The Group is also researching other forms of low-carbon clean energy and green solutions, including air and sea water-ion battery, so as to further expand the Group's coverage in China and various regions of the world in terms of clean energies and low-carbon energy-saving integrated solutions.

In order to further carry out China's undertaking to reduce emission and to tackle atmospheric pollution, the National Development and Reform Commission (the "NDRC") has recently published a plan to accelerate the energy transition of China. The National Energy Administration has formulated a blueprint for the development prospects of new energy for the upcoming 6 years entitled "Strategic Operation Scheme for the Development of New Energy (2014–2020)". In the next 5 years, the strategic positioning for China's energy development revolves around a green low-carbon strategy, which explicitly calls for the significant increase in the portion of renewable energy in total power consumption. In line with national development and public's need towards a green life, looking forward, the Group will devote in promoting green low-carbon lifestyle and will actively develop into a diversified leading low-carbon energy-saving clean energies integrated solutions provider with international influences. The Group looks forward to utilize synergies between our various operations and our product advantages to greatly improve and enhance power generation efficiency, thus decreasing the cost of construction. The Group also looks forwards to apply effective power storage and related techniques to bring about a continuous and uninterrupted use of clean energies, which could achieve low cost and convenient use of clean energies, and to truly transform clean energies into the mainstream energy of China and ultimately, of the world.

In 2015, the Group will achieve synergized and efficient development on the basis of "deployment" and "consolidation". In the field of clean energy, the Company has leading global power generation and product manufacturing technology, intelligent power grid, advanced power plant operation and management technology, power storage products and leading power storage technology. The Group will also rely on the its overall technological strength and product advantage and utilize its overall synergy, so as to become a leading global provider of low-carbon energy-saving clean energies integrated solutions, and a clean energy provider featuring more efficient, cheaper, and more convenient clean energy, thus putting the Group at a more advantageous position to pitch its clean energy against conventional energy.

Last but not least, for and on behalf of the Board, I would like to thank our management team and staff for their dedication and hard work and our Shareholders and business partners for their adamant support and trust. Through our tireless pursuit of excellence, we will ensure gratifying returns to our Shareholders.

Mr. Zhang Yi
Chairman

26 March 2015

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2014 together with the corporate figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2014	2013
	NOTES	***RMB'000***	*RMB'000*
Revenue	*3*	**5,745,939**	1,529,676
Cost of sales		**(4,474,096)**	(1,378,441)
Gross profit		**1,271,843**	151,235
Other income	*4*	**236,447**	45,189
Other gains and losses and other expenses		**(8,168)**	(14,004)
Gain on change in amortization period of the liability component of convertible bond	*5*	**992,024**	—
Fair value loss on convertible bonds		**—**	(1,815,998)
Distribution and selling expenses		**(189,835)**	(15,860)
Administrative expenses		**(449,462)**	(94,482)
Research and development expenditure		**(72,477)**	(13,854)
Share of loss of associates		**(4,445)**	—
Finance costs	*6*	**(322,165)**	(44,162)
Profit (loss) before tax	*7*	**1,453,762**	(1,801,936)
Income tax expense	*8*	**(149,733)**	(15,557)
Profit (loss) for the year		**1,304,029**	(1,817,493)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**7,675**	—
Gain on revaluation of available-for-sale investments		**3,757**	—
Reclassification adjustments for cumulative gain included in profit or loss upon disposal		**(3,757)**	—
Other comprehensive income for the year		**7,675**	—
Total comprehensive income (expense) for the year		**1,311,704**	(1,817,493)

	NOTES	Year ended 31 December	
		2014	2013
	NOTES	***RMB'000***	*RMB'000*
Profit (loss) for the year attributable to:			
Owners of the Company		**1,307,878**	(1,815,641)
Non-controlling interests		**(3,849)**	(1,852)
		1,304,029	(1,817,493)
Profit (loss) and total comprehensive income (expense) attributable to:			
Owners of the Company		**1,315,566**	(1,815,641)
Non-controlling interests		**(3,862)**	(1,852)
		1,311,704	(1,817,493)
		RMB cents	*RMB cents*
Earnings (loss) per share	*9*		
— Basic		**56.98**	(110.48)
— Diluted		**9.74**	(110.48)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2014	2013
	NOTES	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**3,466,850**	1,440,859
Solar power plants		**10,010,425**	5,847,313
Prepaid lease payments — non-current		**256,065**	57,420
Goodwill		**118,497**	—
Intangible assets		**76,669**	—
Interests in associates		**89,941**	—
Available-for-sale investments		**45,830**	—
Other non-current assets		**967,995**	1,179,121
Deferred tax assets		**207,339**	15,709
		15,239,611	8,540,422
Current assets			
Inventories		**915,474**	54,483
Trade and other receivables	*11*	**2,263,927**	211,310
Prepaid lease payments — current		**3,587**	1,293
Tax recoverable		**3,513**	—
Value-added tax recoverable		**749,040**	132,476
Prepayments to suppliers		**510,165**	74,111
Amount due from an associate		**27,600**	—
Pledged bank deposits		**—**	3,351
Restricted bank deposits		**498,138**	413,522
Bank balances and cash		**920,655**	207,614
		5,892,099	1,098,160
Current liabilities			
Trade and other payables	*12*	**4,824,088**	4,249,333
Customers' deposits received		**502,262**	221,084
Advance from a shareholder		**56,033**	—
Obligations under finance leases		**49,835**	329,827
Provisions		**731,463**	—
Tax liabilities		**16,357**	17,827
Borrowings		**1,349,377**	2,067,724
Deferred income		**5,237**	—
Convertible bonds		**214,827**	184,130
		7,749,479	7,069,925
Net current liabilities	*1*	**(1,857,380)**	(5,971,765)
Total assets less current liabilities		**13,382,231**	2,568,657

	NOTES	As at 31 December **2014** ***RMB'000***	 2013 *RMB'000*
Capital and reserves			
Share capital		**22,636**	17,390
Reserves		**6,099,218**	1,759,821
Equity attributable to owners of the Company		**6,121,854**	1,777,211
Non-controlling interests		**5,144**	4,012
Total equity		**6,126,998**	1,781,223
Non-current liabilities			
Deferred tax liabilities		**45,633**	—
Borrowings		**4,761,367**	325,600
Obligations under finance leases		**161,193**	—
Deferred income		**37,955**	50,178
Convertible bonds		**2,249,085**	411,656
		7,255,233	787,434
		13,382,231	2,568,657

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

(A) General Information

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The addresses of registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Portion A, 10/F., World Wide House, No.19 Des Voeux Road Central, Hong Kong, respectively. The Company and its subsidiaries (together with the Company hereinafter referred to as the "Group") are principally engaged in the business of providing clean energy and low-carbon energy-saving integrated solutions.

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

(B) Basis of preparation

The directors of the Company have given careful consideration to the going concern of the Group in light of the fact that the Group reported as at 31 December 2014 and as of that date, the current liabilities exceeded its current assets by RMB1,857,380,000. In addition as at 31 December 2014, the Group had capital commitments, contracted for but not provided in the consolidated financial statements, amounting to RMB4,575,933,000 disclosed in note 15 to the consolidated financial statements.

As at 31 December 2014, the available banking facilities was amounted to RMB151,491,000 and unutilized facilities totalling RMB19,420,000,000 which was conditional and subject to approval on a project-by-project basis. Subsequent to the end of the reporting period, the Group entered into a Strategic Cooperation Agreement (as defined and detailed in note 16) pursuant to which the Group would be granted the RMB20 billion facilities on a project-by-project basis. The directors are confident that the Group would be successful in obtaining approval in respect of the RMB20 Billion Facilities. Taking into account the above factors, the directors are of the opinion that, together with the presently available banking facilities, and the internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the consolidated financial statements. Hence, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSS")

New and revised IFRSs applied in the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time in the current year.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to AS 39	Novation of Derivatives and Continuation of Hedge Accounting

Expect as disclosed below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these 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 32 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'.

The amendments have been applied retrospectively. 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.

3. REVENUE AND SEGMENT INFORMATION

During the year, the Group commenced the business in solar power generation, and commenced power plant operation and services along with the acquisition of certain S.A.G. Interests (as defined as note 14), and those reportable and operating segments were presented for the current year as follows:

(1) Manufacturing and sales of solar cells, solar modules, photovoltaic systems ("PV systems") and related products (collectively known as "Solar Products");

(2) Solar power generation; and

(3) Solar plant operation and services, representing the operation of an internet monitoring portal which enables the generation of yield reports, solar energy forecasts, system ratings, satellite-controlled historic and current solar irradiation data, solutions for network management as well as services covering all aspects of plant operation, plant monitoring and plant optimization, and in the long-term, the repowering, dismantling and recycling of plants.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

	Manufacturing and sales of Solar Products		Solar power generation		Plant operation and services		Sub-total		Elimination		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue												
External sales	**5,229,780**	1,529,676	**140,638**	—	**13,077**	—	**5,383,495**	1,529,676	**—**	—	**5,383,495**	1,529,676
Tariff subsidy	**—**	—	**362,444**	—	**—**	—	**362,444**	—	**—**	—	**362,444**	—
	5,229,780	1,529,676	**503,082**	—	**13,077**	—	**5,745,939**	1,529,676	**—**	—	**5,745,939**	1,529,676
Inter-segment sales	**863,096**	—	**—**	—	**19**	—	**863,115**	—	**(863,115)**	—	**—**	—
	6,092,876	1,529,676	**503,082**	—	**13,096**	—	**6,609,054**	1,529,676	**(863,115)**	—	**5,745,939**	1,529,676
Segment profit (loss)	**532,891**	89,268	**311,950**	(12,876)	**(3,202)**	—	**841,639**	76,392	**—**	—	**841,639**	76,392
Unallocated income												
— Interest income											**12,130**	5,562
— Other gains and losses and other expenses											**42,514**	586
Gain on change in amortization period of the liability component of convertible bonds											**992,024**	—
Fair value loss on convertible bonds											**—**	(1,815,998)
Gain on disposal of investments											**3,757**	—
Unallocated expenses												
— Central administration costs											**(111,692)**	(24,316)
— Finance costs											**(322,165)**	(44,162)
Share of loss of associates											**(4,445)**	—
Profit (loss) before tax											**1,453,762**	(1,801,936)

Other Information:

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) incurred by each segment without allocation of interest income, other income (except for the technology advisory income and royalty income), central administration costs, net foreign exchange gain (loss), finance costs, gain on change in amortization period of the liability component of convertible bonds and fair value loss of convertible bonds. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Entity-wide disclosures

Revenue analyzed by major products

The following table sets forth a breakdown of the Group's revenue for the year ended 31 December 2014 and 2013:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Sales of Polysilicon materials	**245,452**	—
Sales of solar wafers	**769,516**	354,815
Sales of solar cells		
Monocrystalline	**350,873**	265,409
Multicrystalline	**1,364,815**	823,911
Sales of solar modules	**2,434,047**	85,541
Sales of PV systems	**57,924**	—
Other solar products	**7,153**	—
	5,229,780	1,529,676
Sales of electricity	**140,638**	—
Tariff subsidy *(note)*	**362,444**	—
	503,082	—
Plant operation and services	**13,077**	—
Total	**5,745,939**	1,529,676

Note: The amount represents the tariff subsidy which approximately 59% to 75% of the total electricity sales which is subject to the allocation of funds by the relevant government authorities, and has determined in accordance with the on-grid unit tariff rate approval document and the electricity supply contracts.

4. OTHER INCOME

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Bank interest income	**12,130**	5,562
Government grants *(note i)*	**113,008**	26,659
(Loss) gain on sales of raw and other materials	**(4,642)**	5,667
Subcontract processing fee	**33**	4,929
Technical advisory income *(note ii)*	**75,060**	—
Royalty income *(note iii)*	**37,726**	—
Others	**3,132**	2,372
	236,447	45,189

Notes:

(i) The government grants represent the amount received from the local government by the PRC operating entities of the Group. Government grants of approximately (a) RMB107,769,000 (2013: RMB21,422,000) represents incentive received in relation to activities carried out by the Group and (b) RMB5,239,000 (2013: RMB5,237,000) represents subsidy on acquisition of land use rights and machineries amortized to profit or loss.

(ii) Technical advisory income represents the consultancy and advisory service on the design and implementation of the development of solar power plants provided to independent third parties.

(iii) Royalty income represents the income earned from the customers for the use of the Group's trademark of which was acquired from the Group's acquisition of Wuxi Suntech Group.

5. GAIN ON CHANGE IN AMORTIZATION PERIOD OF THE LIABILITY COMPONENT OF CONVERTIBLE BONDS

On 16 April 2014, the Company issued the third convertible bond (the "Third CB") for a term of 10 years, where the holder(s) thereof is entitled to require the Company to redeem up to 20% of the aggregate amount during the period from the date of the first anniversary to the date of the fifth anniversary, and to require the Company to redeem up to 100% of the aggregate amount during the period from the date of the fifth anniversary to the maturity date (the "Third CB Maturity Date").

Subsequently on 1 September 2014, each of the Third CB holders issued a commitment confirmation letter to the Company individually and confirmed that they would not exercise the early redemption right but retain the share conversion right till the Third CB Maturity Date. A deed of undertaking had also been subsequently drawn up and entered into by each of the Third CB holders confirming that all of them hereby irrevocably undertook to the Company that they would comply with the terms of the commitment confirmation letter, with effect from 1 September 2014.

Upon receipt of the commitment confirmation letter and the deed of undertaking from each of the Third CB holders on 1 September 2014, the directors considered that the expected future cash flows of the Third CB had been changed and the original estimate of the amortization period on the basis of the earliest date on which the entity can be required to pay (i.e., for a shorter period of 1 year and 5 years for the 20% and the remaining 80% of the aggregate amount of the Third CB, respectively) was no longer appropriate, and revised the estimate of the amortization period till Third CB Maturity Date (i.e., for a period of 10 years) accordingly.

The liability component of the Third CB was therefore re-measured on 1 September 2014 by discounting the revised estimated cash flows at the Third CB's original effective interest rate, and resulted in a decrease in carrying amount of the liability component of the Third CB by RMB992,024,000, which required the adjustment to be recognized in current year's profit or loss in accordance with IAS39.

6. FINANCE COSTS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Interest on borrowings		
— wholly repayable within five years	**111,444**	53,240
— not wholly repayable within five years	**107,718**	2,214
Finance charges on discounting of bills receivable	**24,560**	19,868
Interest on finance leases		
— wholly repayable within five years	**836**	8,965
— not wholly repayable within five years	**15,656**	—
Effective interest on convertible bonds		
— wholly repayable within five years	**95,457**	37,412
— not wholly repayable within five years	**225,706**	2,425
Total borrowing costs	**581,377**	124,124
Less: amounts capitalized	**(259,212)**	(79,962)
	322,165	44,162

Borrowing costs capitalized during the year ended 31 December 2014 included those finance costs arising from specific bank borrowings and those from general borrowing pool of which calculated by applying a capitalization rate of 13.19% (2013: 9.21%) per annum to expenditure on qualifying assets.

7. PROFIT (LOSS) BEFORE TAX

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit (loss) before tax has been arrived at after charging:		
Directors' remuneration	**11,775**	8,584
Other staff costs	**459,332**	102,156
Other staff's retirement benefits scheme contributions	**32,716**	6,242
Total staff costs	**503,823**	116,982
Auditor's remuneration	**24,406**	2,350
Warranty provided (included in cost of sales)	**22,510**	—
Cost of inventories recognized as expense *(note)*	**4,278,668**	1,378,441
Depreciation of property, plant and equipment	**337,296**	92,487
Depreciation of completed solar power plants	**151,014**	—
Amortization of intangible assets	**46,350**	—
Release of prepaid lease payments	**3,185**	1,179
Operating lease rentals in respect of rented premises	**18,003**	2,412

Note: Included in cost of inventories recognized as expense were write-down of inventories to net realizable values of approximately RMB74,719,000 (2013: RMB5,227,000).

8. INCOME TAX

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**31,010**	19,752
	31,010	19,752
Over provision in prior year:		
PRC Enterprise Income Tax	**(7,538)**	—
Other jurisdictions	**(417)**	—
	(7,955)	—
	23,055	19,752
Deferred tax charge (credit):	**126,678**	(4,195)
Income tax expense	**149,733**	15,557

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for both years.

On 8 November 2011, Jiangsu Shunfeng obtained "High Technology Enterprise" status for 3 years that entitles Jiangsu Shunfeng a preferential tax rate of 15% for a period of three years till 2013 according to PRC Tax law. Jiangsu Shunfeng have successfully obtained the renewal for preferential tax rate of 15% for another 3 years, starting from 2014, on 5 August 2014.

Certain subsidiaries of the Group, being enterprises engaged in public infrastructure projects, under the PRC Tax Law and its relevant regulations, are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes were derived. For the year ended 31 December 2014, certain subsidiaries of the Company which was engaged in the public infrastructure project had their first year with operating incomes.

Certain subsidiaries of the Wuxi Suntech Group (as defined in note 13) obtained "High Technology Enterprise" status for 3 years that entitles them a preferential tax rate of 15% for year 2010 to 2013 according to PRC Tax Law. These subsidiaries successfully obtained the renewal for preferential tax rate of 15% for another 3 years, starting from year 2014, during the current year. For those subsidiaries of the Company located in Japan, the corporate tax rate is 30%.

Certain subsidiaries of the S.A.G. Interests (as defined in note 14) were located in Switzerland, Austria, Germany, Spain and Czech Republic, of which corporate tax rate is approximately 23%, 25%, 30%, 30% and 20%, respectively.

The remaining subsidiaries of the Company established in the PRC are subject to PRC Enterprise Income Tax rate of 25%.

9. EARNINGS (LOSS) PER SHARE — BASIC AND DILUTED

The calculation of the basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Earnings (Loss)		
Profit (loss) for the period attributable to owners of the Company for the purposes of basic earnings (loss) per share	**1,307,878**	(1,815,641)
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	**232,982**	N/A
Gain on change in amortization period of the liability component of convertible bonds	**(992,024)**	—
Earnings for the purposes of diluted earnings per share	**548,836**	N/A
Number of shares		
Weighted average number of ordinary shares (2013: number of ordinary shares) for the purpose of basic earnings (loss) per share	**2,295,473,000**	1,643,459,000
Effect of dilutive potential ordinary shares: — convertible bonds	**3,342,147,000**	N/A
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**5,637,620,000**	N/A

The computation of diluted earnings per share for the year ended 31 December 2014 does not assume the conversion of certain convertible bonds because the conversion of such convertible bonds would be anti-dilutive. Diluted earnings per share was the same as basic earnings for the year ended 31 December 2013 as no diluted potential shares were outstanding during last year.

10. DIVIDENDS

No dividend was paid or proposed during 2014, nor has any dividend been proposed since the end of the reporting period (2013: nil).

11. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**876,733**	181,010
Less: Allowance for doubtful debts	**(65,223)**	(31,295)
	811,510	149,715
Accrued revenue on tariff subsidy	**421,298**	—
Total trade receivables and accrued tariff subsidy	**1,232,808**	149,715
Bills receivable	**35,213**	29,996
	1,268,021	179,711
Other receivables		
Prepaid expenses	**25,108**	18,473
Receivable from EPC of power plants	**56,952**	—
Retention receivables	**18,708**	—
Financial products investment receivables *(note i)*	**500,000**	—
Purchase Price Adjustment Receivables (as defined in note 14)	**210,158**	—
Other receivables from administrator of S.A.G. Interests *(note ii)*	**42,623**	—
Amounts due from independent third parties *(note iii)*	**83,035**	—
Others (note iv)	**59,322**	13,126
	995,906	31,599
	2,263,927	211,310

Notes:

(i) The amount represents the short-term fixed-yield and principal protected bank financial product.

(ii) The amount being the bank borrowings of Euro4,328,000 (equivalent to RMB32,265,000) assumed by the Group and the operating loan of Euro1,389,000 (RMB10,358,000) lent to the the administrator upon and for the acquisition of S.A.G. Interests during the year. The amount would be refundable from the escrow account under the administration of the administrator in accordance with the sales and purchase agreement.

(iii) The amount was non-trade in nature and unsecured, interest free and repayable on demand.

(iv) The amount for both years represents other tax recoverable, custom deposits and advances to staff for operational purpose.

The following is an aged analysis of trade receivables, tariff subsidy receivables net of allowance for doubtful debts presented based on the goods delivery and electricity transmitted dates, which approximated the respective revenue recognition date;

	As at 31 December	
Age	**2014**	2013
	RMB'000	*RMB'000*
0 to 30 days	**246,328**	134,841
31 to 60 days	**130,303**	7,467
61 to 90 days	**122,073**	1,025
91 to 180 days	**239,933**	5,648
Over 180 days	**494,171**	734
	1,232,808	149,715

The average credit period on the sale of electricity, except for accrued revenue on tariff subsidy, is 30 days. The Group normally requests prepayments from customers before delivery of goods and allows credit period up to 180 days (2013: up to 180 days) to certain trade customers on a case by case basis.

The Group's trade receivables and accrued revenue on tariff subsidy from the sales of electricity are mainly receivables from the state grid companies. Generally, the trade receivables are due within 30 days from the date of billing, except for collection of the accrued revenue on tariff subsidy, representing 59% to 75% of total electricity sales, which is subject to settlement by state grid companies upon finalization of the allocation of funds by relevant government authorities to the state grid companies.

12. TRADE AND OTHER PAYABLES

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Trade payable	**805,942**	113,415
Bills payable	**1,105,855**	655,430
Payables for acquisition of property, plant and equipment	**110,739**	53,661
Payables for EPC of solar power plants *(note i)*	**2,140,902**	3,177,307
Other tax payables	**43,493**	4,867
Consideration payable for acquisition of subsidiaries	**49,868**	90,357
Receipt in advance for subscription of Third CB *(note ii)*	**—**	100,637
Amounts due to independent third parties *(note iii)*	**187,499**	557
Tendering deposits received	**57,000**	—
Accrued expense	**196,209**	23,961
Accrued payroll and welfare	**43,364**	12,167
Others	**83,217**	16,974
	4,824,088	4,249,333

Notes:

(i) Amount represented payables incurred for EPC of solar power plants. The amounts would be repayable within 12 months after the end of the reporting period and such amounts were therefore classified as current liabilities at the end of the reporting period.

(ii) The amount represented the receipt of HK$128,000,000 (equivalent to RMB100,637,000) by the Group as at 31 December 2013 in advance from an independent subscriber in relation to the issue of the Third CB, and was unsecured, interest-free and refundable immediately in any event causing the failure of the the issuance of Third CB. The Third CB had been successfully issued on 16 April 2014.

(iii) The amount is non-trade in nature and is unsecured, interest free and repayable on demand.

The credit period on purchases of goods is 0 to 180 days (2013: 0 to 180 days) and certain suppliers allow longer credit period on a case-by-case basis.

The following is an aged analysis of the trade payable presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Age		
0 to 30 days	**264,039**	63,340
31 to 60 days	**155,396**	31,987
61 to 90 days	**35,992**	8,633
91 to 180 days	**183,143**	8,952
Over 180 days	**167,372**	503
	805,942	113,415

13. ACQUISITION OF WUXI SUNTECH GROUP

On 23 October 2013, Jiangsu Shunfeng Photovoltaic Technology Co., Ltd. ("Jiangsu Shunfeng"), a wholly owned subsidiary of the Company, entered into a conditional reorganization agreement between Wuxi Suntech Power Co., Ltd. ("Wuxi Suntech") and the Administrator (defined as below) (the "Agreement") in relation to the proposed acquisition of the entire equity interest in Wuxi Suntech for a cash consideration of RMB3,000,000,000 plus certain undertakings as detailed in the circular dated 21 March 2014 issued by the Company in connection with "Very Substantial Acquisition — acquisition of equity interest in Wuxi Suntech" (the "VSA Circular") (the "Wuxi Suntech Acquisition"). Wuxi Suntech went into administration on 20 March 2013 pursuant to an order of the Wuxi Municipal Intermediate People's Court as Wuxi Suntech failed to pay its debts when they fell due. An administrator was designated by the Wuxi Municipal Intermediate People's Court pursuant to a court order dated 20 March 2013 (the "Administrator") to administer the restructuring of Wuxi Suntech.

Wuxi Suntech's restructuring plan was approved by Wuxi Municipal Intermediate People's Court pursuant to the Enterprise Bankruptcy Law of the PRC ("Restructuring Plan") on 15 November 2013 ("Approval Date"). In accordance with the Restructuring Plan, Jiangsu Shunfeng will pay RMB3,000,000,000 (the "Consideration") to the designated account of the Administrator for the settlement of Wuxi Suntech's debts and restructuring cost in the manner as detailed in the Restructuring Plan. Details of the Restructuring Plan were set out in the VSA Circular. In return, the entire equity interest of Wuxi Suntech will be transferred to Jiangsu Shunfeng or an entity as designated by Jiangsu Shunfeng. The Group completed the payment of RMB500,000,000 to the designated account of the Administrator in October 2013, which was non-refundable and accounted for as deposits paid in the consolidated statement of financial position as at 31 December 2013. The Restructuring Plan has been executed and completed prior to 18 April 2014.

Pursuant to further negotiations between Jiangsu Shunfeng and the Administrator and at the request of the Administrator, the balance of the Consideration, being RMB2,500,000,000, was required to be paid within one month after the Approval Date to facilitate payments to the creditors. To facilitate the above request of the Administrator, Mr. Cheng Kin Ming ("Mr. Cheng"), a substantial shareholder of the Company, has agreed to, in his sole and personal capacity, transfer the balance of the Consideration to the Administrator (the "Arrangement"). Pursuant to this Arrangement and as announced by the Company, Mr. Cheng, through his wholly-owned company, Peace Link Services Limited ("Peace Link"), completed the transfer of RMB2,500,000,000 to the Administrator on 19 December 2013.

On 7 April 2014, the Wuxi Suntech Acquisition has been approved during the extraordinary general meeting by the shareholders of the Company in respect of the Agreement and the transactions contemplated thereunder (the "Approval"), the Company proceeded with the Wuxi Suntech Acquisition, and was responsible for such balance of the Consideration. The Company on 16 April 2014 issued the Third CB with the aggregate principal amount of HK$3,580,000,000 (equivalent to RMB2,841,270,000) and such proceeds received was used for the purpose of settlement of the Consideration.

Wuxi Suntech and its subsidiaries (collectively referred to as "Wuxi Suntech Group") are principally engaged in the manufacturing and trading of solar cells, modules and PV system. The acquisition has been accounted for as business combination and completed on 18 April 2014.

Assets and liabilities after the completion of Restructuring Plan recognised at the date of acquisition on 18 April 2014 (determined on a provisional basis):

	RMB'000
Assets	
Property, plant and equipment	2,234,399
Prepaid lease payments	166,184
Intangible assets	52,220
Interests in associates	31,231
Available-for-sale investments	89,714
Deferred tax assets	320,024
Other non-current assets	113,271
Inventories	894,882
Trade and other receivables	547,242
Value-added tax recoverable	26,236
Prepayment to suppliers	73,189
Tax recoverables	2,410
Amounts due from the Company and its subsidiaries	1,757,964
Amount due from an associate	14,149
Restricted bank deposits	13,517
Cash and cash equivalents	329,730
	6,666,362
Liabilities	
Trade and other payables	(1,235,267)
Customers' deposits received	(473,771)
Amounts due to the Company and its subsidiaries	(780,906)
Amount due to an associate	(8,669)
Provisions	(808,308)
Tax liabilities	(1,032)
Bank borrowings	(122,584)
Obligations under finance leases	(206,676)
Deferred tax liabilities	(28,886)
	(3,666,099)
Net assets acquired	3,000,263

The receivables acquired which principally comprised trade and other receivables, amounts due from the Company and its subsidiaries and amount due from an associate with a fair value of RMB2,319,355,000 at the date of acquisition had gross contractual amounts of RMB6,400,286,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected to RMB4,080,931,000.

Non-controlling interest

The non-controlling interest recognized at the acquisition date represents non-wholly-owned subsidiary held by Wuxi Suntech and was measured by reference to the proportionate share of recognized amounts of net assets.

Goodwill arising on acquisition (determined on a provisional basis)

	RMB'000
Consideration	
— Cash	2,500,000
— Deposit paid in the previous year	500,000
	3,000,000
Plus: Non-controlling interests	6,500
Less: Recognized amount of identifiable net assets acquired	(3,000,263)
Goodwill arising on acquisition	6,237

Net cash outflow arising on acquisition

Consideration paid in cash	2,500,000
Less: Cash and cash equivalents acquired	(329,730)
	(2,170,270)

Acquisition-related costs amounting to RMB12,344,000 have been excluded from the consideration transferred and have been recognized as an expense in the current year's profit or loss.

14. ACQUISITION OF S.A.G. INTERESTS

On 30 August 2014, SF Suntech Deutschland GmbH ("SF Suntech"), previously known as Blitz F14-218 GmbH and a wholly-owned subsidiary of the Group, the administrator in his capacity as insolvency administrator of the S.A.G. Solarstrom AG i.l. ("S.A.G."), S.A.G. Solarstrom Vertriebsgesellschaft mbH i.I. and S.A.G. Technik GmbH i.I. (collectively referred to as the "S.A.G. Sellers"), S.A.G. Solarstrom Komplementär GmbH, a company incorporated in Germany and a general partner of SP Dortmund (collectively referred to as the "Current General Partner") and S.A.G. Solarstrom Beteiligungsgesellschaft mbH (the "Future General Partner") entered into a sale and purchase agreement, pursuant to which SF Suntech has conditionally agreed to purchase and the administrator in his capacity as insolvency administrator of the S.A.G. Sellers has conditionally agreed to sell, the all of the tangible and intangible assets, mobile goods and rights pertaining to the respective businesses of the S.A.G. Sellers (collectively referred as the "Sale Assets") and 17 entities in which S.A.G. has a direct interest and one entity in which S.A.G. Solarstrom Vertriebsgesellschaft mbH has a direct interest (collectively referred to as the "S.A.G. Sale Equity Interests") (Sale Assets and S.A.G Sale Equity Interest, collectively known "S.A.G. Interests") for a cash consideration of Euro65,000,000 (equivalent to RMB502,951,000).

The acquisition of the S.A.G. Interests is expected to allow the Group to implement the global best practices in project development, engineering, procurement and construction from S.A.G., so the Group is able to improve its current solar power plant energy yield, reduce its operation and maintenance costs, lower PV plant outage frequency and achieve a better business performance.

Pursuant to the sale and purchase agreement, the consideration is also subject to the following purchase price adjustment ("Purchase Price Adjustment") mechanisms:

(i) The consideration shall be reduced by the net present value of such solar power plants (whether an own plant of S.A.G. or a solar power plant of a S.A.G. Entity) which the S.A.G. Sellers do not deliver to SF Suntech. A solar power plant shall, in principle, be deemed to have not been delivered if and to the extent that (a) certain lease agreements or loan agreements relating to the solar power plants are not able to be transferred due to the failure in obtaining the landlords' consents; and (b) shares in certain of the S.A.G. Sale Entities, being the entities that S.A.G. has a direct or indirect interest and one entity in which S.A.G Solarstrom Vertriebsgesellschaft mbH i.I. has a direct interest, and the loan agreements entered into by such entities are not able to be transferred or continued due to the failure in obtaining the banker's consents.

(ii) The consideration shall further be reduced by the amount by which the aggregate amount of any net financial debt of meteocontrol GmbH, a wholly-owned subsidiary of S.A.G., and its subsidiaries and certain other S.A.G. Entities exceeds Euro 20,000.

The administrator was appointed as the insolvency administrator of the S.A.G. Sellers by an order of the Local — Insolvency — Court Freiburg, Germany dated 1 March 2014.

Since certain of the acquisition of the S.A.G. Interests requires the consents from the relevant parties (including the landlords and bankers) for transfer of the lease agreements and/or loan agreements relating to the PV plants (the "Consents") and as set out in point (i) above, the acquisition of which would be completed only when the Group could exercise power over the acquired assets or equity interest. Therefore, the acquisition of the S.A.G. Interests by the Group would be completed by stages, with control and risk and rewards of each business or asset passed to the Group once the necessary Consents are obtained. In the opinion of the directors and in accordance with the sale and purchase agreement, if the Consents over the transfer of certain S.A.G. Interests could not be obtained prior to 31 January 2015, the relevant S.A.G. Interests would deem not to be transferred to the Group and would be subject to the purchase price adjustment and to be refunded after the agreement reached with the administrator (the "Purchase Price Adjustment Receivables").

On 31 October 2014, the Group has already paid Euro65,000,000 (equivalent to RMB502,951,000) to the administrator. The total consideration of Euro65,000,000 has been allocated to each asset items of Sale Assets and each equity interest of S.A.G. Sale Equity Interests (the"Allocated Consideration") which had been agreed by the administrator. The Allocated Consideration in respect of those purchased S.A.G. Interests of which the acquisition completed by the Group on 31 October 2014 was amounted to Euro35,564,000 (equivalent to RMB275,184,000).

As at 31 December 2014, the Allocated Consideration of the respective S.A.G. Interests which were expected to complete in 2015 (the "Allocated Consideration for 2015 Acquisition") was Euro1,248,000 (equivalent to RMB9,302,000) (recorded in other non-current assets) and the amount currently under the application of Purchase Price Adjustment Receivables was Euro28,188,000 (equivalent to RMB210,158,000) since certain Consents had not been obtained up to 31 December 2014. A final assessment whether and to what extent the purchase price calculation respectively the request for Purchase Price Adjustment from the Group will be successful is subject to the mutual agreement between the Group and the S.A.G. Sellers. If agreement could not be reached among the Group and the S.A.G. Sellers, the disputes should be referred to the experts' proceedings. The Group and the S.A.G. Sellers shall submit the disputes to the Institute of Public Auditors in Germany for appointment, whose decision shall be final and binding to the Group and S.A.G. Sellers. The director of the Group, with the assistance of the Company's legal counsel, estimated that its application for the Purchase Price Adjustments were of valid and strong grounds given the Consents have not been granted to the Group and would be deemed not to be transferred to the Group in accordance with the terms of the sales and purchase agreements.

For the year ended 31 December 2014, subject to the conditions as mentioned above, the Group has completed the acquisitions of certain, but not all, S.A.G. Interests, obtaining control and the risk and reward over the plant and operation services conducted by meteocontrol GmbH and its subsidiaries and certain solar power plants in Switzerland, Czech Republic and Austria on 31 October 2014. The acquisition has been accounted for as business combination and assets and liabilities at the date of acquisition on 31 October 2014 (determined on a provisional basis) was set out below:

	RMB'000
Assets	
Property, plant and equipment	4,898
Solar power plants	157,601
Intangible assets	66,312
Interests in associates	15,692
Other non-current assets	77
Inventories	13,820
Trade and other receivables	131,920
Deferred tax assets	124
Tax recoverable	23
Cash and cash equivalents	25,712
	416,179
Liabilities	
Trade and other payables	(77,702)
Provisions	(542)
Tax liabilities	(9,061)
Bank borrowings	(142,412)
Deferred tax liabilities	(23,538)
	(253,255)
Net assets acquired	162,924

The receivables acquired (which principally comprised trade and other receivables) with a fair value of RMB131,920,000 at the date of acquisition had gross contractual amounts of RMB137,080,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected to RMB5,160,000.

Goodwill arising on acquisition (determined on a provisional basis)

	Euro'000	*RMB'000*
Total consideration paid	65,000	502,951
Less: Allocated Consideration for 2015 Acquisition	(1,248)	(9,657)
Less: Purchase Price Adjustment Receivable	(28,188)	(218,110)
Allocated Consideration in respect of the acquired S.A.G. Interests in 2014	35,564	275,184
Less: Net assets acquired		(162,924)
Goodwill arising on acquisition *(note)*		112,260

Note: Goodwill arose in the acquisition of S.A.G. Interests because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the S.A.G. Interests. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow arising on acquisition

Consideration paid in cash	275,184
Less: Cash and cash equivalents acquired	(25,712)
	249,472

Acquisition-related costs amounting to RMB12,142,000 have been excluded from the consideration transferred and have been recognised as an expense in current year's profit or loss.

15. CAPITAL COMMITMENTS

At the end of the reporting period, the Group was committed to the following capital expenditure:

	As at 31 December	
	2014	2013
	RMB'000	*RMB'000*
Capital expenditure in respect of acquisition of property, plant and equipment, EPC of solar power plants and acquisition of land leases		
— contracted for but not provided in the consolidated financial statements	**4,575,933**	1,673,423
— authorized but not contracted for (note)	**60,152,972**	69,133,393
	64,728,905	70,806,816

Note: On 18 April 2013, the Group entered into a framework investment agreement (the "Tibet Framework Agreement") with Hainan Tibetan Autonomous Prefectural People's Government in Qinghai Province. Pursuant to the Tibet Framework Agreement, the Company will, subject to the entering of the further substantive agreements, establish a project company in Hainan Tibetan Autonomous Prefecture in Qinghai Province and make investment of not less than RMB50 billion in connection to the development of photovoltaic industrial park with annual production capacity of 15GW within ten years from the date of the Tibet Framework Agreement.

In September 2013, the Group has entered into (i) a cooperation agreement with Second Red Star Farm of Thirteenth Division of Xinjiang Production and Construction Corps 新疆生產建設兵團十三師紅星二場 (the "Thirteenth Division of XPCC"), pursuant to which the Group and the Thirteenth Division of XPCC will, subject to the entering into of further substantive agreements, make investment of RMB6 billion in connection to a solar power plant project with an annual capability of 500MW in Xinjiang Uygur Autonomous Region; and (ii) an investment and cooperation agreement with the Fourth Division of Xinjiang Production and Construction Corps 新疆生產建設兵團第四師 (the "Fourth Division of XPCC"), pursuant to which the Group and the Fourth Division of XPCC will, subject to the entering into of further substantive agreements, make investment of RMB10 billion in connection to a solar power plant project with an annual capability of 1,000MW in Xinjiang Uygur Autonomous Region.

16. EVENT AFTER THE REPORTING PERIOD

The following significant events took place subsequent to 31 December 2014:

(i) The Group entered into agreements with certain independent third parties, pursuant to which, the Group conditionally agreed to acquire eight wind farm projects, including the acquisition of 100% equity interest in each of the seven entities and 97% equity interest (but 100% profit sharing right) in one entity. These all eight wind farm projects are mainly located in Jilin and Hebei Provinces of the PRC. Further details are set out in the announcement of the Company published on 10 February 2015.

(ii) In February 2015, the Group have entered into a strategic cooperation agreement (the "Strategic Cooperation Agreement") with Industrial Commercial Bank of China ("ICBC"), pursuant to which ICBC has principally agreed to make available to the Group banking credit up to RMB20,000,000,000 in aggregate to be drawn drown for a term of five years ("RMB20 Billion").

The Strategic Cooperation Agreement has a term of five years starting from February 2015. The Strategic Cooperation Agreement provides a framework whereby the Company could work closely with ICBC to plan strategically of the Group's financing needs for its business development. The Strategic Cooperation Agreement will be extended by 5 years subject to agreement from both parties upon expiry of the initial term if it has not been terminated.

Further definitive agreements will be entered into by the parties in respect of any specific transactions or cooperation to be carried out under the Strategic Cooperation Agreement. The drawdown of funds under the banking credit facilities is subject to separate approval process from ICBC on a project-by-project basis.

(iii) On 23 March 2015, the Company entered into a memorandum of understanding ("MOU") with Lattice Power Corporation in relation to the proposed acquisition by the Company ("the Proposed Acquisition") of 51% of the issued share capital of Lattice Power Corporation from existing shareholders of Lattice Power Corporation (the "Vendors"). Subject to the execution of a formal sale and purchase agreement between the parties, it is proposed that the consideration for the Proposed Acquisition shall be fully satisfied by the Company by way of issuing and allotting new shares of the Company to the Vendors. Lattice Power Corporation is a company incorporated in Cayman Islands and is principally engaged in the production of LED chips for extensive use in the sectors of general lighting, monitors, LCD backlighting industries.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Gradually upgrading from a traditional solar product manufacturer to an a global clean energy and low-carbon energy-saving integrated solution supplier, the Group proactively explores various kinds of clean energy resources with an aim to lay a solid foundation for its development into a global leading clean energy and low-carbon energy-saving integrated solution supplier.

Solar Power Generation

With sustained and determined efforts placed on the development of its solar power projects in 2014, the Group's market share in China's solar power generation market has soared to a prominent position. Meanwhile, the Group also expanded into overseas power plant operation via the acquisition of S.A.G. and investment in a private equity fund with a view to enhance its solar power plant project development. As at 31 December 2014, the solar power plants owned by the Group generated an aggregate of approximately 607,793 MWh, of which approximately 69.3% was generated by the solar generation plants located in the Xinjiang Region.

As at 31 December 2014, the expected annual designed capacity of the Group's solar power plants in China was 2,706 MW, with 1,439 MW under construction.

Project	**Number**	**Expected annual designed capacity** *(MW)*	**Under construction** *(MW)*
Utility-scale solar power plant	44	2,152	1,255
Distributed solar power plant	36	554	184
Total	80	2,706	1,439

As at 31 December 2014, the Group's solar power plants successfully realized a total annual designed capacity of 1,534 MW on-grid connection, of which approximately 67.8% was situated in Xinjiang and Gansu Regions.

The Group's investment in overseas solar power plants business represented another important milestone. The Group entered into an exclusive limited partnership agreement and a subscription agreement in 2014 for the commitment of investment in a private equity fund to develop solar power plant projects in Japan. As at the date of this announcement, the private equity fund has successfully invested in a utility-scale solar power plant project close to 10 MW in Japan, of which the Group accounted for 837 MWh for its power generation as of February 2015. On top of the above, the Group is also developing its utility-scale solar power plant project of approximately 30 MW in the United Kingdom.

Manufacturing and Sales of Solar Products

On 18 April 2014, the Group completed the acquisition and reorganization of all equity interests in Wuxi Suntech, which has become a wholly-owned subsidiary of the Group and whose financial results were consolidated into the Group's account from April 2014. The successful acquisition of Wuxi Suntech is beneficial to enhancing the productivity of the Group's solar products, which could in turn stabilize the respective supply for the construction of solar power plants as well as consolidate the Group's cost control capabilities. Such acquisition could expand the Group's synergies into the operation and establishment of solar power plants. At the same time, the Group could leverage on the previous overseas sales experience of Wuxi Suntech to play a complementary role in the expansion of its solar power generation business into overseas market.

During the Year, the sales volume of solar cells and solar modules under manufacturing business amounted to 1,525.5 MW, representing an increase of 217.5% from 480.5 MW for the year ended 31 December 2013.

	For the year ended 31 December		
	2014	2013	% of
	MW	*MW*	Changes
Sales Volume to independent third parties:			
Manufacturing Business			
Solar wafers	**66.9**	—	N/A
Monocrystalline solar cells	**143.7**	107.7	33.4%
Multicrystalline solar cells	**669.8**	372.8	79.7%
Solar modules	**645.1**	—	N/A
Total	**1,525.5**	480.5	217.5%

Our top 5 customers in the Year represented approximately 27.8% of our total revenue as compared to approximately 45.0% in 2013. Our largest customer accounted for approximately 10.9% of our total revenue in the Year as compared to approximately 24.6% in 2013. These changes were mainly due to our continuing efforts to optimize the customer base. We believe product quality and cost advantage will be crucial in the upcoming era of solar energy. Our largest customer is engaged in the sales of solar products across China. The company, to which the Group mainly sells solar modules to, is a new customer with the Group during the Year. Other major customers purchase solar cells or solar modules from the Group. The Group has maintained business relationship with such customers for half year to five years and offers them with credit periods ranging from 30 days to 180 days. As at the date of announcement, our major customers repaid their debts at the agreed commercial terms in time and the outstanding receivables were still within the credit periods granted by the Group. Therefore, there was no need to provide for related doubtful debts. Our major customers have good repayment history and credit quality under internal assessment by the Group. In order to minimize the credit risk, the Directors of the Company continuously monitor the level of exposure by frequent review of the credit evaluation of the financial conditions and credit qualities of the major customers to ensure that prompt actions will be taken to lower exposure.

In 2014, our sales to PRC based customers represented approximately 73.9% of the Group's total revenue, as compared to approximately 84.8% in 2013. Our sales to overseas customers represented approximately 26.1% in 2014 of the Group's total revenue, as compared to approximately 15.2% in 2013. Our strong track record of product quality, advanced proprietary technology and effective cost control measures have contributed to our reputation and thus our success in optimizing our customer base. We believe such strategic measures will continue to contribute to a strong and sustainable market demand for our products.

The Group strives to become a global leading clean energy and low-carbon energy-saving integrated solution supplier. Apart from leveraging on the positive brand awareness of Shunfeng and Suntech established over the years in the global market in the continuous expansion of the construction and operation of global solar power plant and manufacturing of solar products, the Group also pursues other clean energy related business to realize diversified business development.

Solar Power Plant Operation and Service Business

The Group announced its acquisition of S.A.G. Solarstrom AG (S.A.G.), a German solar power enterprise, at the end of August 2014. Such acquisition enhances the Group's capability in solar project development, EPC (engineering, procurement and construction), solar power plant monitoring and operation and maintenance businesses in both the European Union and the United States regions. S.A.G. offers a broad range of services within the solar industry and its wholly-owned subsidiary meteocontrol GmbH ("meteocontrol") is one of the world's largest independent photovoltaic plant monitoring service providers. meteocontrol has extensive solar power plant monitoring and operation and maintenance experience in the residential, commercial and utility sectors and has a monitoring volume of 9.8 GW. meteocontrol offers services covering the entire processes of solar power projects from planning and installation to global operation and maintenance, and also provides independent consultation for every project stage. meteocontrol is also the only company to receive accreditation from DAKKS, a research institution authorized by the German government. Upon the completion of acquisition on 31 October 2014, meteocontrol has brought revenue of RMB13.1 million to the Group. As the monitoring business witnessed a steady upward trend, it would become one of the most important business of the Group in 2015.

Energy storage business

(i) *Shanghai Everpower Technology Co., Ltd. ("**Everpower**")*

The Group acquired 28% equity interests in Everpower, a company engaging in hydrogen energy storage and hydrogen power generation with core hydrogen power technology. Due to its uniqueness, hydrogen power can replace storage battery and diesel generator in many fields and is widely used in such sectors as communication and power. The energy storage technology is complementary to solar power generation to resolve the interval generation problem of solar power and thus enhance its utilization rate.

(ii) *Powin Energy Corporation* (*"**Powin Energy**"*)

In August 2014, the Group announced its acquisition of 30% equity interests in Powin Energy, a company specializing in energy storage battery management technology. Powin Energy owns advanced lithiumion battery energy storage technology. The load shifting technology of Powin Energy is an application which utilizes the leading storage technology and power management system, and specializes in tuning power generators to achieve the purposes of load shifting and stabilizing power supply. In addition, Powin Energy provides high speed, high efficiency and cost effective fast charging devices, which can be extensively used in car parks and for the charging of electric vehicles.

Photovoltaic inverter business

The Group successfully acquired the inverter and building integrated photovoltaic business of Sunways AG and its brand in the first half of 2014. The Group expects to establish and improve its research and development ability in internal inverter, storage and monitoring techniques through the acquisition, enabling the Group to have its own inverter production line. The Group also expects to expand into the distributed photovoltaic power generation system market through the acquisition, enabling it to provide integrated solutions of solar modules and photovoltaic inverters in the global photovoltaic market.

Seawater power generation

The Group and Taiwan Carbon Nanotube Technology Corporation ("**Taiwan Nanotube**") entered into a licence agreement, pursuant to which Taiwan Nanotube granted to the Group the licence to use its developing seawater power generation battery technology. Seawater power generation would be most suitable for coastal and maritime countries as a new form of energy solution since available natural resources could be effectively utilised. Hence, it is anticipated that the seawater power generation technology would be widely used, develop into a huge market, and would be of great commercial value.

Wind power generation

In February 2015, the Group announced the conditional acquisitions of 8 wind farm projects with a total designed capacity of 723.5 MW and an expected annual output of 1,615,213 MWh. The projects under the acquisitions are mainly located in Jilin and Hebei Provinces etc., which are districts, provinces and municipalities with rich wind power resources. Most of the project companies under the acquisitions have obtained the national highest benchmark on grid tariff, which is RMB0.61 per kWh.

To widen the variety of power generation of the Company and enrich the Company's source of income, the Company strives to establish the Group as a comprehensively integrated clean energy supplier with full coverage of the industry chain. Accordingly, the Company intends to, through the acquisitions, expand its scope of business operations into the wind power generation business.

Financing Activities

During the year under review, the Group has earned continuous support from financial institutions to fund the development of solar business. As at the date of this announcement, the Company has successfully issued four tranches of convertible bonds and obtained loans from financial institutions. These additional funds serve as a significant support for enhancing liquidity and future business development.

Date	**Financing Activities**	**Original Currencies**	
		RMB'000	*HK'000*
April 2014	Issue of convertible bonds		3,580,000
June 2014	Issue of convertible bonds		2,137,230
November 2014	Issue of convertible bonds		1,386,000
January 2015	Issue of convertible bonds		350,000
2014	Loans from financial institutions	5,381,029	980,000
Total		5,381,029	8,433,230

FINANCIAL REVIEW

Revenue

Revenue increased by RMB4,216.2 million, or 275.6%, from RMB1,529.7 million for the year ended 31 December 2013 to RMB5,745.9 million for the Year, primarily due to the significant improvement in sales volume of solar products manufacturing and trading as a result of the completed acquisition of Wuxi Suntech. Most of the solar power plants of the Group that completed on-grid connection in 2013 have completed testing and commenced operation and thus generated revenue from power generation in 2014. The sales volume of our solar products manufacturing business increased by 217.5% from 480.5 MW for the year ended 31 December 2013 to 1,525.5 MW for the Year. The sales volume of our solar products trading business decreased by 83.6% from 336.8 MW for the year ended 31 December 2013 to 618.3 MW for the Year. Revenue from solar power plant monitoring service amounted to RMB13.1 million.

For the year ended 31 December 2014, revenue from solar power generation accounted for 8.8% of the total revenue; sales of solar cells accounted for 29.9% of the total revenue; while sales of solar modules and wafers accounted for 42.4% and 13.4% of the total revenue, respectively. Revenue from solar power plant monitoring service accounted for 0.2% of the total revenue.

Revenue from solar power generation

For the year ended 31 December 2014, solar power generated amounted to 607,793 MWh and 588,624 MWh of which has completed trial run and was recorded as revenue. Revenue from solar power generation for the Year amounted to RMB503.1 million, while there was no such business was operated in 2013.

Solar wafers

Sales of solar wafers increased by RMB414.7 million, or 116.9%, from RMB354.8 million for the year ended 31 December 2013 to RMB769.5 million for the Year, which was primarily attributable to an increase in sales volume by 87.8% from 314.8 MW for the year ended 31 December 2013 to 591.3 MW for the Year.

Monocrystalline solar cells

Sales of monocrystalline solar cells increased by RMB85.5 million, or 32.2%, from RMB265.4 million for the year ended 31 December 2013 to RMB350.9 million for the Year, primarily due to the decline in the average selling price of our products by 4.0% from RMB2.5 per watt for the year ended 31 December 2013 to RMB2.4 per watt for the Year, and partially offset by an increase in our sales volume by 33.6% from 107.6 MW for the year ended 31 December 2013 to 143.7 MW for the Year.

Multicrystalline solar cells

Sales of multicrystalline solar cells increased by RMB540.9 million, or 65.7%, from RMB823.9 million for the year ended 31 December 2013 to RMB1,364.8 million for the Year, primarily as a result of an increase in sales volume from 372.8 MW for the year ended 31 December 2013 to 725.9 MW for the Year, however which was partially offset by a decrease in our average selling price for this product by 13.6% from RMB2.2 per watt for the year ended 31 December 2013 to RMB1.9 for the Year.

Solar modules

Sales of solar module increased by RMB2,348.5 million, or 2,746.8%, from RMB85.5 million for the year ended 31 December 2013 to RMB2,434.0 million for the Year, primarily due to the incorporation of the sales volume of Wuxi Suntech into the Group from April 2014 upon the completion of its acquisition. The sales volume of the Group increased by 3,004.1% from 22.0 MW for the year ended

31 December 2013 to 682.9 MW for the Year, but partially offset by a decrease in our average selling price for our product by 7.7% from RMB3.9 per watt for the year ended 31 December 2013 to RMB3.6 per watt for the Year.

Solar power plant operation and services

The Group completed the acquisition of S.A.G. on 31 October 2014, and the subsidiary of whom, meteocontrol, provides solar power plant monitoring service. The relevant service fee revenue generated during the Year was RMB13.1 million, while there was no such business in 2013.

Geographical market

In terms of geographical markets from which our revenue was generated, approximately 73.9% of the total revenue for the Year was generated from sales to our PRC customers, as compared to 84.8% for the year ended 31 December 2013. The remaining portion was generated from the sales to our overseas customers, who are mainly based in Asian and certain European countries. The increase in the number of overseas customers was primarily due to the expansion into overseas market via the acquisition of Wuxi Suntech and S.A.G..

Cost of sales

Cost of sales increased by RMB3,095.7 million, or 224.6% from RMB1,378.4 million for the year ended 31 December 2013 to RMB4,474.1 million for the Year, primarily due to an increase in our shipment volume and the establishment of solar power generation business.

Gross profit

Gross profit increased by RMB1,120.6 million, or 741.0%, from RMB151.2 million for the year ended 31 December 2013 to RMB1,271.8 million for the Year, primarily as a result of the aforesaid reasons, the decrease in the average processing costs and the reversal of inventory impairment provision recognized in previous years.

Other income

Other income increased by RMB191.2 million, or 423.0%, from RMB45.2 million for the year ended 31 December 2013 to RMB236.4 million for the Year, primarily due to an increase in the government grants, representing the amount received from the local government by the PRC operating entities of the Group, by RMB86.3 million, or 323.2% from RMB26.7 million for the year ended 31 December 2013 to RMB113.0 million for the Year; and technical advisory income of RMB75.1 million from providing technology consulting services by the Group in respect of photovoltaic power plants to third parties during the Year, while there was no such business was operated in 2013.

Other gains and losses and other expenses

Other gains and losses and other expenses recorded as a decrease in loss RMB14.0 million for the year ended 31 December 2013 and decreased to RMB8.2 million for the Year, which was primarily due to an increase in the gain from release of financial guarantee contracts amounted to RMB71.4 million and gain from the disposal of a portion of bad debts previously written off amounted to RMB50.0 million, which was partially offset by the increase in legal and professional fees.

Gain on Change in Amortization Period of the Liability Component of Convertible Bonds

On 16 April 2014, the Company issued the third convertible bond for a term of 10 years, where the holder(s) thereof is entitled to require the Company to redeem up to 20% of the aggregate amount during the period from the date of the first anniversary to the date of the fifth anniversary, and to require the Company to redeem up to 100% of the aggregate amount during the period from the date of the fifth anniversary to the maturity date.

Subsequently on 1 September 2014, each of the Third CB holders issued a commitment confirmation letter to the Company individually and confirmed that they would not exercise the early redemption right but retain the share conversion right till the Third CB Maturity Date. A deed of undertaking had also been subsequently drawn up and entered into by each of the Third CB holders confirming that all of them hereby irrevocably undertook to the Company that they would comply with the terms of the commitment confirmation letter, with effect from 1 September 2014.

Upon receipt of the commitment confirmation letter and the deed of undertaking from each of the Third CB holders on 1 September 2014, the directors considered that the expected future cash flows of the Third CB had been changed and the original estimation of the amortization period on the basis of the earliest date on which the entity can be required to pay (i.e., for a shorter period of 1 year and 5 years for the 20% and the remaining 80% of the aggregate amount of the Third CB, respectively) was no longer appropriate, and revised the estimate of the amortization period till Third CB Maturity Date (i.e., for a period of 10 years) accordingly.

The liability component of the Third CB was therefore re-measured on 1 September 2014 by discounting the revised estimated cash flows at the Third CB's original effective interest rate, and resulted in a change in carrying amount of the liability component of the Third CB by RMB992,024,000, which required the adjustment to be recognized in current year's profit or loss in accordance with IAS39.

Fair value loss on convertible bonds

On 28 February 2013, the Company issued the convertible bond and designated it as financial liabilities at fair value through profit or loss upon initial recognition. The convertible bond was subsequently measured at fair value with changes in fair value recognised in profit or loss till modification on 19 September 2013. On 19 September 2013, the Company signed a supplementary agreement with the convertible bond holder using a pre-determined fixed rate of exchange of RMB1.00 to HK$1.26 for calculation of redemption of convertible bond or conversion into shares of the Company. Upon the modification, the original financial liability was eliminated and the fair value of the convertible bond as at 19 September 2013 had been split into liability component and equity conversion component. Therefore, such fair value movement of convertible bond did not apply to the Year.

Distribution and selling expenses

Distribution and selling expenses increased by RMB173.9 million, or 1,093.7% from RMB15.9 million for the year ended 31 December 2013 to RMB189.8 million for the Year, primarily due to an increase in shipment volume for the Company's solar products.

Administrative expenses

Administrative and general expenses increased by RMB355.0 million, or 375.7%, from RMB94.5 million for the year ended 31 December 2013 to RMB449.5 million for the Year, primarily due to the increase in staff costs as a result of completed acquisition of Wuxi Suntech and the commencement of solar power generation business.

Research and development expenses

Research and development expenses increased by RMB58.6 million, or 421.6%, from RMB13.9 million for the year ended 31 December 2013 to RMB72.5 million for the Year, primarily due to the increase of investment in research and development and related material costs.

Share of losses of associates

Share of losses of associates for the Year was RMB4.4 million, arising from share of losses from the associates, Wuxi Suntech and Everpower. The Group had no associate in 2013.

Finance expenses

The Group had bank loans carrying variable interest rates based on the benchmark interest rates issued by the People's Bank of China and also had fixed rate borrowings. Interest expenses in relation to bank loans, discounting of bills receivable and obligations under the finance lease increased by RMB278.0 million, or 629.0%, from RMB44.2 million for the year ended 31 December 2013 to RMB322.2 million for the Year, primarily as a result of an increase by RMB3,717.4 million in bank and other loans to RMB6,110.7 million and the interest expense of convertible bonds amounted up to RMB321.2 million (including an aggregate capitalised finance expenses of RMB259.2 million).

Profit/(loss) before tax

Loss before tax of RMB1,801.9 million was recorded for 2013, while a profit before tax of RMB1,453.8 million was recorded for the Year, as a result of the reasons stated above.

Income tax

Income tax increased from a tax expense of RMB15.6 million for the year ended 31 December 2013 to a tax expense of RMB149.7 million for the Year, primarily due to an increase of PRC Enterprise Income Tax and deferred tax charge for the Year.

Profit/(loss) for the Year

Profit/(loss) for the Year turned from a net loss of RMB1,817.5 million for 2013 to a net profit of RMB1,304.0 million for the Year, as a result of the reasons stated above. A net loss margin of 118.8% was recorded in 2013 while a net profit margin of 22.7% was recorded for the Year.

Inventory turnover days

The inventories of the Group mainly comprised of raw materials, work-in-progress and finished goods. The increase in inventories was mainly due to reserving sufficient inventory level to meet increase in customers' orders by the Group. Included in the balance of the inventories as at 31 December 2014 was a write-down of inventories of RMB80.0 million (31 December 2013: RMB5.2 million), which was mainly attributable to inventory bought in previous years at higher price. The inventory turnover days as at 31 December 2014 was 39.6 days (31 December 2013: 11.6 days), and the increase in inventory turnover days was mainly attributable to cope with the demand in future order by customers from the new region.

Trade receivables turnover days

The trade receivables turnover days as at 31 December 2014 was 43.9 days (31 December 2013: 35.8 days). The increase in turnover days was mainly due to new addition of overseas customer, and the trade receivables turnover days as at 31 December 2014 was within the credit period (normally 30 to 180 days) which the Group grants to its customers.

Trade payables turnover days

The trade payables turnover days as at 31 December 2014 was 37.5 days (31 December 2013: 38.6 days). Given the established relationship and the change in general market environment the Group paid to the suppliers in due course based on the credit terms during the Year.

Indebtedness, liquidity, gearing ratio and capital structure

The Group's principal sources of working capital included cash flow from operating activities, bank and other borrowings, the total proceeds of HK$3,580,000,000, HK$2,137,230,000 and HK$1,386,000,000 from the issue of convertible bonds on 16 April 2014, 16 June 2014 and 28 November 2014, respectively. As at 31 December 2014, the Group's current ratio (current assets divided by current liabilities) was 0.8 (31 December 2013: 0.2) and it was in a negative net cash position.

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet our future development demands for capital. As at 31 December 2014, the Group was in a negative net cash position of RMB5,190.0 million (31 December 2013: RMB2,185.7 million) which included cash and cash equivalents of RMB920.7 million (31 December 2013: RMB207.6 million) and bank and other borrowings of RMB6,110.7 million (31 December 2013: RMB2,393.3 million).

The Group's borrowings were denominated in RMB and HKD while its cash and bank balances, restricted bank deposits and pledged bank deposits were denominated in RMB, HKD and Euro. The Group's net debt to equity ratio (net debt divided by shareholders' equity) decreased from 122.7% as at 31 December 2013 to 84.7% as at 31 December 2014.

During the Year, the Group did not entered into any financial instrument for hedging purposes nor did the Group have any currency borrowings and other hedging instruments to hedge against foreign exchange rate risks (31 December 2013: Nil).

Charges on the Group's assets

As at 31 December 2014, the Group had pledged certain trade and bills receivables with aggregate carrying amount of RMB402.9 million (31 December 2013: RMB71.2 million) and certain property, plant and equipment, prepaid lease payments and solar power plants with aggregate carrying amount of approximately RMB7,414.9 million (31 December 2013: RMB787.7 million) to various banks for securing loans and general credit facilities granted to the Group.

As at 31 December 2014, the Group pledged cash deposits and restricted bank deposits in an aggregate amount of approximately RMB498.1 million (31 December 2013: RMB416.9 million) to banks to secure banking credit facilities granted to the Group.

In 2014, the Group obtained other borrowings from an independent third party amounting to RMB330.0 million (31 December 2013: RMB20.0 million), which was unsecured, carrying interest at fixed interest rate of 7.00% to 7.38% (31 December 2013: 6.1%) and was repayable within one year. The Group made repayments of other borrowings amounting to RMB7.5 million (2013: RMB15.0 million) during the Year.

Save as disclosed above, as at 31 December 2014 and 31 December 2013, no other assets of the Group was under charge in favor of any financial institution.

Exposure to the fluctuation in exchange rates

Certain bank balances and cash, restricted bank deposits and pledged bank deposits, trade and other receivables, trade and other payables and borrowings are denominated in currencies other than RMB, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy but the Directors monitor foreign exchange exposure by closely monitoring the foreign exchange risk profile and will consider hedging significant foreign currency exposure should the need arise.

Significant investments held and material acquisitions or disposals

As at the date of the announcement, the Group completed various acquisitions of equity interests in independent third entities. For details of such projects, please refer to the section entitled "Business Review" in the Business Review.

Save as disclosed in notes 13 and 14 to the consolidated financial statements, there was no material acquisition of subsidiaries and associated companies by the Group during the Year.

Human resources

As at 31 December 2014, the Group had 3,973 employees (31 December 2013: 2,118). The remuneration packages for the existing employee include basic salaries, discretionary bonuses and social security contributions. Pay levels of the employees are commensurate with their responsibilities, performance and contribution.

Final Dividend

The Board has resolved not to declare a final dividend for the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As the Company has arranged appropriate insurance coverage in respect of potential legal action against its Directors according to Code A.1.8 of the Corporate Governance Code, it has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the Year.

COMPLIANCE WITH THE MODEL CODE

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Year.

REVIEW OF ANNUAL FINANCIAL INFORMATION

The audit committee of the Company has reviewed and agreed with the management on the accounting principles, treatment and practices adopted by the Group and discussed the internal controls and financial reporting matters including the review of the annual results and the audited consolidated annual financial statements for the Year with the Directors.

The audit committee of the Company considered that the annual financial statements for the Year are in compliance with the relevant accounting standards, the requirements of the Hong Kong Stock Exchange and the laws of Hong Kong, and the Company has made appropriate disclosure thereof.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

The following is an extract of the independent auditor's report on the Group's audited financial statements for the year ended 31 December 2014 which has included an emphasis of matter, but without qualification:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1(B) to the consolidated financial statements, which states that as at 31 December 2014, the Group's current liabilities exceeded its current assets by RMB1,857,380,000. In addition, as at 31 December 2014, the Group had capital commitments, contracted for but not provided in the consolidated financial statements, amounting to RMB4,575,933,000 as disclosed in note 15. The Company is implementing several measures as disclosed in note 1(B) to the consolidated financial statements to improve the financial position of the Group and after taking into account these steps, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and to pay its financial obligations as and when they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to implement such measures as disclosed in note 1(B). These conditions, together with other matters as set out in note 1(B), indicate the existence of a material uncertainty that may cast doubt about the Group's ability to continue as a going concern.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules for the Year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement containing the relevant information required by the Listing Rules is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (http://www.sfcegroup.com). The annual report for the Year will be dispatched to the Shareholders and made available on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Board"	the board of director(s) of the Company
"Company", "we" or "us"	Shunfeng International Clean Energy Limited
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Directors(s)"	the director(s) of the Company
"EURO"	Euro, the lawful currency of the member states of European Union
"Group"	the Company and its subsidiaries
"GW"	gigawatt, which equals to one billion watt
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"JPY"	Japanese Yen, the lawful currency of Japan
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"MW"	megawatt, which equals to one million watt
"MWh"	megawatt hour
"PRC" or "China"	the People's Republic of China

"PV"	Photovoltaic
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"United States"	the United States of America
"Wuxi Suntech"	Wuxi Suntech Power Co., Ltd., a company incorporated in the PRC and a wholly-owned subsidiary of the Company
"Year"	twelve months ended 31 December 2014

By order of the Board
Shunfeng International Clean Energy Limited
Zhang Yi
Chairman

Hong Kong, 26 March 2015

As at the date of this announcement, the executive directors are Mr. Zhang Yi, Mr. Luo Xin, Mr. Shi Jianmin, Mr. Wang Yu, Mr. Lei Ting and Mr. Lu Bin; the non-executive director is Mr. Yue Yang; and the independent non-executive directors are Mr. Tao Wenquan, Mr. Zhao Yuwen, Mr. Siu Wai Keung Francis and Mr. Kwong Wai Sun Wilson.