



Kong Sun Holdings Limited

Stock Code : 295



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## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Liu Wen Ping  
Mr. Chang Hoi Nam

### NON-EXECUTIVE DIRECTORS

Dr. Ma Ji (*Chairman*)  
(*appointed on 18 June 2015*)  
Mr. Chang Tat Joel

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Miu Hon Kit  
Mr. Wang Haisheng  
Mr. Lu Hongda

### AUDIT COMMITTEE

Mr. Miu Hon Kit (*Chairman*)  
Mr. Wang Haisheng  
Mr. Lu Hongda

### NOMINATION COMMITTEE

Mr. Wang Haisheng (*Chairman*)  
Mr. Miu Hon Kit  
Mr. Lu Hongda

### REMUNERATION COMMITTEE

Mr. Lu Hongda (*Chairman*)  
Mr. Miu Hon Kit  
Mr. Wang Haisheng

### REGISTERED OFFICE

Unit 3601, 36/F  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

**SHARE REGISTRAR AND  
TRANSFER OFFICE**

Computershare Hong Kong Investor  
Services Limited  
Shops 1712–1716  
17th Floor, Hopewell Center  
183 Queen’s Road East  
Hong Kong

**COMPANY SECRETARY**

Mr. Fung Che Wai, Anthony

**AUTHORIZED  
REPRESENTATIVES**

Mr. Liu Wen Ping  
Mr. Fung Che Wai, Anthony

**AUDITOR**

KPMG  
*Certified Public Accountants*

**LEGAL ADVISOR**

Sidley Austin

**PRINCIPAL BANKERS**

Bank of Communications Co., Ltd.  
China Construction Bank Corporation  
China Merchants Bank Co., Ltd.

**STOCK CODE**

295

**CONTACT INFORMATION**

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**INVESTOR RELATIONS**

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## FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2015	2014
	RMB'000 (Unaudited)	RMB'000 Restated*
Turnover	<b>413,954</b>	2,476
Gross profit	<b>73,311</b>	612
Profit/(loss) for the period	<b>3,222</b>	(1,849)
Major non-cash items:		
Equity-settled share-based payment expenses	<b>(30,585)</b>	–
Valuation gains on investment properties	<b>5,138</b>	–

	At	At
	30 June	31 December
	2015	2014
	RMB'000	RMB'000
Solar power plants	<b>2,413,914</b>	1,568,150
Cash and cash equivalents	<b>1,154,061</b>	1,008,312
Total assets	<b>5,495,113</b>	3,497,760
Net assets	<b>3,488,818</b>	2,101,509

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Company is an investment holding company with its subsidiaries mainly engaged in investment in and operation of photovoltaic power plants, properties investment, manufacturing and sales of life-like plants. The Company has, since late 2014, entered into a number of memoranda of understanding and agreements for the development of photovoltaic ("PV") power plants across the People's Republic of China (the "PRC"). In addition, the Group continues to generate revenue from its properties investment and manufacturing and sales of life-like plants.

### Photovoltaic Power Plants Business

From 2014 onwards, the Company entered into several memoranda of understanding, cooperation agreements and framework agreements on proposed acquisition of or investments in PV power plants in the PRC, as follows:

Date	Name and location of project	Capacity and type of power plants	Status as at 30 June 2015
29 April 2014	Lincheng County, Hebei Province	50 MW; Ground mounted PV power plants	Under negotiations and no formal agreement has been entered into by the Group
30 April 2014	Anhui and Yunnan Provinces	261 MW; Ground mounted PV power plants	Project suspended and no further negotiation will be continued by the Group
4 September 2014	Across PRC	Total 800 MW to 1,000 MW from 2014 to 2016; Ground mounted PV power plants	Project suspended and no further negotiation will be continued by the Group

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### BUSINESS REVIEW *(continued)*

#### Photovoltaic Power Plants Business *(continued)*

Date	Name and location of project	Capacity and type of power plants	Status as at 30 June 2015
24 October 2014	Across PRC	N/A	Set up of investment fund, which is still under negotiations and no formal agreement has been entered into by the Group
28 November 2014	Across PRC	Total 800 MW from 2015 to 2017; Distributed PV power plants	Under negotiations and no formal agreement has been entered into by the Group
3 December 2014	Across PRC	Total 600 MW from 2015 to 2017; Distributed PV power plants	Under negotiations and no formal agreement has been entered into by the Group
18 December 2014	Across PRC	Not less than 300 MW for three years up to 2017; Distributed PV power plants	Under negotiations and no formal agreement has been entered into by the Group
26 May 2015	Across PRC	Total 324 MW; Ground mounted PV power plants	Under negotiations and no formal agreement has been entered into by the Group

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### BUSINESS REVIEW *(continued)*

#### Photovoltaic Power Plants Business *(continued)*

In addition, on 12 July 2015, the Company entered into a memorandum of understanding with certain vendors, with an aim to acquire the entire equity interests in a group of companies principally engaged in the construction and development of PV power station projects and manufacture and sale of wind-solar hybrid street lights in the PRC. As at the date of this interim report, the Company has not signed any formal sale and purchase agreement with the vendors.

As at 30 June 2015, the Group had the following ground mounted PV power plants under development:

Name of project*	Location of project	Capacity of power plants	Status as at 30 June 2015
Enfei New Energy (Shuozhou) Limited Company (恩菲新能源(朔州)有限公司)	Shaanxi Province	70 MW	Major construction work not yet started; expected to be completed by early 2016
Dunhuang Wanfa New Energy Limited Company (敦煌萬發新能源有限公司)	Gansu Province	60 MW	Majority of construction work is completed; expected to connect to power grid by end of September 2015
Yulin BYD New Energy Limited Company (榆林市比亞迪新能源有限公司)	Shaanxi Province	300 MW	Major construction work not yet started; 50 MW is expected to be completed by end of 2015
Qiangmao Energy Eerduosi Limited Company (強茂能源鄂爾多斯市有限責任公司)	Inner Mongolia	10 MW	Major construction work is completed; expected to connect to power grid by end of September 2015



**MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)***BUSINESS REVIEW** *(continued)***Photovoltaic Power Plants Business** *(continued)*

Name of project*	Location of project	Capacity of power plants	Status as at 30 June 2015
Shandong Xintailou Dejiayang Solar Power Generation Limited Company (山東新泰樓德佳陽光伏發電有限公司)	Shandong Province	20 MW	Major construction work is completed; expected to connect to power grid by end of September 2015
Haidong Ledu District Rui Qida Photovoltaic Power Company Limited (海東市樂都區瑞啟達光伏發電有限公司)	Qinghai Province	20 MW	Major construction work not yet started
Keping Tianhua New Energy Electricity Limited Company (柯坪天華新能源電力有限公司)	Xinjiang Province	20 MW	Major construction work not yet started
Total		500 MW	

**MANAGEMENT DISCUSSION AND ANALYSIS** (continued)**BUSINESS REVIEW** (continued)**Photovoltaic Power Plants Business** (continued)

As at 30 June 2015, the Group had the following ground mounted PV power plants completed:

Name of project*	Location of project	Capacity of power plants
Gansu Hongyuan Photovoltaic Limited Company (甘肅宏遠光電有限責任公司)	Gansu Province	30 MW
Yumen Yonglian Technology New Energy Limited Company (玉門市永聯科技新能源有限公司)	Gansu Province	20 MW
Hami Zhaoxiang New Energy Technology Limited Company (哈密朝翔新能源科技有限公司)	Xinjiang Province	20 MW
Yingjisha Tianhuaweiye Solar Technology Limited Company (英吉沙縣天華偉業太陽能科技有限公司)	Xinjiang Province	20 MW
Wushi Huayangweiye Solar Technology Limited Company (烏什縣華陽偉業太陽能科技有限公司)	Xinjiang Province	20 MW
Kuche Tianhua New Energy Electric Power Limited Company (庫車天華新能源電力有限公司)	Xinjiang Province	20 MW
Maigaiti Linuo Solar Power Limited Company (麥蓋提力諾太陽能電力有限公司)	Xinjiang Province	20 MW
Hejing Xushuang Photovoltaic Technology Limited Company (和靜旭雙太陽能科技有限公司)	Xinjiang Province	20 MW
Langzhou Taike Photovoltaic Power Limited Company (蘭州太科光伏電力有限公司)	Gansu Province	49.5 MW
<b>Total</b>		<b>219.5 MW</b>

\* The English translation of these companies' names is for reference only. The official names of these companies are in Chinese.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **BUSINESS REVIEW** *(continued)*

#### **Properties Investment**

The Group continued to generate rental income from its properties investment in Hong Kong. During the six months ended 30 June 2015, the Group disposed one of its investment properties located in Hong Kong through disposing all the issued shares of a wholly owned subsidiary of the Company and recorded a gain on disposal of a subsidiary (see notes 4 and 9 of the consolidated interim financial information).

#### **Life-Like Plants Business**

During the six months ended 30 June 2015, the Group continued to generate revenue from the sales of life-like plants. The turnover from life-like plants business increased by 14.4% from approximately RMB1,613,000 for the six months ended 30 June 2014 to approximately RMB1,846,000 for the six months ended 30 June 2015. The life-like plants business continues to be loss making, but the loss has been reduced from approximately RMB1,804,000 for the six months ended 30 June 2014 to approximately RMB1,622,000 for the six months ended 30 June 2015.

#### **Securities Investment**

For the six months ended 30 June 2014, the Group recorded a gain of approximately RMB6,735,000 on disposal of available-for-sale financial assets. During the six months ended 30 June 2015, the Group did not invest in any securities.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### RESULTS OF OPERATIONS

#### Turnover

The turnover of the Group increased by 166.2 times from approximately RMB2,476,000 for the six months ended 30 June 2014 to approximately RMB413,954,000 for the six months ended 30 June 2015. The increase was primarily due to an increase in the turnover from the sales of electricity and sales of solar energy related products.

#### Revenue from sales of electricity and sales of solar energy related products

For the six months ended 30 June 2015, the Group recorded a total amount of approximately RMB45,468,000 (2014: Nil) from the sales of electricity (includes tariff adjustment). In addition, the Group had gained revenue of approximately RMB365,670,000 (2014: Nil) from the sales of solar energy related products during the six months ended 30 June 2015.

#### Revenue from sales of life-like plants

The Group's revenue from sales of life-like plants increased by approximately 14.4% from approximately RMB1,613,000 for the six months ended 30 June 2014 to approximately RMB1,846,000 for the six months ended 30 June 2015.

#### Rental income

The Group's rental income increased by approximately 12.4% from approximately RMB863,000 for the six months ended 30 June 2014 to approximately RMB970,000 for the six months ended 30 June 2015.

#### Gross profit

The gross profit of the Group increased by 118.8 times from approximately RMB612,000 for the six months ended 30 June 2014 to approximately RMB73,311,000 for the six months ended 30 June 2015, mainly because of an increased gross profit due to increase in revenue from sales of electricity and sales of solar energy related products.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### RESULTS OF OPERATIONS *(continued)*

#### Valuation gains on investment properties

The Group holds certain properties for rental income and/or capital appreciation purposes in Hong Kong. The Group's investment properties are revaluated at the end of the respective period end on an open market value or existing use basis by an independent property valuer. For the six months ended 30 June 2015, the Group recorded increase in fair value of investment properties of RMB5,138,000 (2014: Nil). The increase in fair value of the Group's investment properties during the six months ended 30 June 2015 reflected a rise in the property price in Hong Kong over the period under review.

#### Other revenue

Other revenue of the Group increased by approximately 190.8% from approximately RMB1,301,000 for the six months ended 30 June 2014 to approximately RMB3,783,000 for the six months ended 30 June 2015. The increase was mainly due to the increase in interest income of approximately RMB2,539,000 as a result of the increase in bank deposits with the banks.

#### Other net income

The Group recorded a net income of approximately RMB19,648,000 for the six months ended 30 June 2015 (30 June 2014: RMB5,817,000). The significant increase was mainly due to the net gain on disposal of a subsidiary amounting to approximately RMB17,737,000 (2014: Nil) during the six months ended 30 June 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### RESULTS OF OPERATIONS *(continued)*

#### Administrative expenses

Administrative expenses of the Group increased by approximately 615.5% from approximately RMB9,415,000 for the six months ended 30 June 2014 to approximately RMB67,369,000 for the six months ended 30 June 2015. The significant increase in the Group's administrative expenses during the period under review was attributable to (i) increase in legal and other professional fees amounted to approximately RMB3,466,000 in relation to, including but not limited to, the issue of new shares by the Company during the six months ended 30 June 2015; (ii) increase in office rental expenses of approximately RMB7,026,000; (iii) increase in salaries and wages amounted to approximately RMB13,495,000 due to increase in head count to support the increasing business demand in operation; (iv) equity-settled based payment expenses in relation to staff and consultants of the Group amounted to approximately RMB30,585,000; and (v) increase in travelling and transportation expenses amounted to approximately RMB1,623,000.

#### Solar power plants

As at 30 June 2015, the Group had a net book value of approximately RMB1,265,395,000 (31 December 2014: RMB533,903,000) and approximately RMB1,148,519,000 (31 December 2014: RMB1,034,247,000) in completed solar power plants and solar power plants under development, respectively.

#### Investment properties

The Group continues to hold certain investment properties in Hong Kong for rental purposes. As at 30 June 2015, the total investment properties held by the Group, at valuation, amounted to approximately RMB46,133,000 (31 December 2014: RMB77,943,000).

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### RESULTS OF OPERATIONS *(continued)*

#### Goodwill

During the six months ended 30 June 2015, the Group had acquired one solar power plant with operations and as at 30 June 2015, the Group had a total amount of approximately RMB36,543,000 (31 December 2014: RMB35,050,000) in respect of goodwill on acquisitions.

#### Liquidity and Capital Resources

As at 30 June 2015, the total amount of cash and cash equivalents and pledged bank deposits was approximately RMB1,391,034,000 (31 December 2014: approximately RMB1,160,535,000). As at 30 June 2015, cash and cash equivalents of the Group was approximately RMB1,154,061,000 (31 December 2014: approximately RMB1,008,312,000), which included an amount of bank deposits of approximately RMB555,732,000 (31 December 2014: approximately RMB827,828,000), denominated in RMB. The remaining balance of the Group's cash and cash equivalents consisted primarily of cash on hand and bank balances which were primarily held in HK\$ denominated accounts with banks in Hong Kong and the PRC.

As at 30 June 2015, the Group's debt ratio, which was calculated by the total liabilities over the total equity, decreased from the ratio of 0.66 as at 31 December 2014 to 0.58 as at 30 June 2015.

#### Capital Expenditure

During the six months ended 30 June 2015, the Group's total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB4,170,000 (2014: RMB1,072,000) and RMB861,510,000 (2014: Nil), respectively.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **RESULTS OF OPERATIONS** *(continued)*

#### **Loans and Borrowings**

As at 30 June 2015, the Group's total loans and borrowings was approximately RMB676,217,000, representing an increase of approximately RMB53,714,000 over an amount of approximately RMB622,503,000 as at 31 December 2014. All the loans and borrowings of the Group, except for an equivalent amount of approximately RMB232,155,000 (31 December 2014: approximately RMB5,720,000) which were denominated in HKD, were denominated in RMB, the functional currency of the Company's major subsidiaries in the PRC.

#### **Foreign Exchange Risk**

The Group primarily operates its business in the PRC and during the six months ended 30 June 2015, the Group's revenue were primarily denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Accordingly, the Company did not use any financial instruments for hedging purposes. The Directors expect any future exchange rate fluctuation may not have any material effect on the Group's business but will continue to monitor its foreign exchange exposures and enter into hedging arrangement as and when appropriate.

#### **Charge on Assets and Contingent Liabilities**

As at 30 June 2015, the Group has pledged bank deposits of approximately RMB236,973,000 (31 December 2014: approximately RMB152,050,000), and land and buildings and solar power plants with net book value of approximately RMB4,693,000 (31 December 2014: approximately RMB3,630,000) and approximately RMB528,239,000 (31 December 2014: 533,903,000), respectively, to secure general banking and other loans facilities granted to the Group.



## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### RESULTS OF OPERATIONS *(continued)*

#### Charge on Assets and Contingent Liabilities *(continued)*

As at 31 December 2014, the Group's bank deposits in the amount of approximately RMB173,000 had been pledged to a bank for the requirement of the customs authorities of the PRC.

As at 30 June 2015, the Group had no significant contingent liabilities (31 December 2014: Nil).

#### Employees and Remuneration Policy

As at 30 June 2015, the Group had approximately 178 employees (31 December 2014: 174) located in Hong Kong and the PRC. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the six months ended 30 June 2015, the total employees compensation expenses, excluding equity-settled share-based payment expenses, were approximately RMB15,458,000 (2014: approximately RMB1,963,000). The remuneration policy of the Group is to provide remuneration packages, including basic salary, short term bonuses and long term rewards such as options, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when occasion requires.

The Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### PROSPECT

Environmental protection remains one of the area of concern in the National People's Congress and Chinese People's Political Consultative Conference and related policies have been adopted. Premier Li Keqiang has indicated in the Government Work Report 2015 that great efforts should be devoted to the development of the clean energy sector, including photovoltaic power generation. From January to June 2015, China added 7.73 gigawatts of photovoltaic installed capacity, which was 134% more than the added capacity for the corresponding period of 2014. This shows that the photovoltaic power generation sector is experiencing rapid growth in the PRC.

During the first half of 2015, the Group continued to invest in photovoltaic power plants and recorded significant increase in revenue during the period under review. Leveraging on the strong financial position due to the successful fund raising transactions during the six months ended 30 June 2015, the Group has a competitive edge in executing its strategic plans to acquire and develop photovoltaic power plants in the PRC. In particular, the Group is presently in various stages of discussion with various stakeholders of photovoltaic power plants over potential acquisitions in the PRC. The Board is confident that, with the Group's solid and experienced management, the Group will be able to continue to grasp investment opportunities with excellent returns.

In the upcoming future, the Company will continue to review its investment portfolio from time to time and, in particular, strive to increase its investment in photovoltaic power plants with the aim of becoming a leading photovoltaic plant operator in China and eventually a leading photovoltaic plant operator in Asia Pacific with economies of scale that will be well received by the public markets.

## DISCLOSURE OF OTHER INFORMATION

### INFORMATION ON SHARE OPTION SCHEME

Pursuant to a shareholders' resolution of the Company passed on 22 July 2009, the Company has adopted a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include employees or directors of the Company or the Group's holding companies or subsidiaries, advisers, consultants, agents, contractors, customers, suppliers or any entities in which the Group or its holding companies or subsidiaries holds any equity interest who has contribution to the Group.

Details and the major terms of the Share Option Scheme are as follows:

**(i) Purpose**

The purpose of the Share Option Scheme is to enable the Company to grant options to the participants in recognition of their contribution to the Group.

**(ii) Participants**

The Directors may offer to grant an option to any employee or director or the Group's holding companies or subsidiaries, adviser, consultant, agent, contractor, customer, supplier or any entity in which the Group or its holding companies or subsidiaries holds any equity interest who has contribution to the Group.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **INFORMATION ON SHARE OPTION SCHEME** *(continued)*

#### **(iii) Terms of options**

The share options granted under the Share Option Scheme are subject to such terms and conditions as may be determined by the Directors at their absolute discretion and specified in the offer of a share option, which terms and conditions may include (a) vesting conditions which must be satisfied before a share option holder's share option shall become vested and capable of being exercised; and (b) the Directors may, in its absolute discretion, specify performance conditions that must be achieved before a share option can be exercised and/or the minimum period for which a share option must be held before it can be exercised.

#### **(iv) Option price**

The option price will be determined by the Directors at their absolute discretion and notified to an option-holder. The minimum option price shall not be less than the highest of (a) the closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of an option; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of an option; and (c) the nominal value of the shares of the Company, if applicable.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **INFORMATION ON SHARE OPTION SCHEME** *(continued)*

#### **(v) Maximum number of shares**

(1) 10% Limit

- (a) The total numbers of shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the aggregate of the shares of the Company in issue as at the date of adoption of the Share Option Scheme. Options lapsed in accordance with the terms of the Share Option Scheme and any other scheme will not be counted for the purpose of calculating the 10% limit in this paragraph.
  
- (b) With the approval of the shareholders of the Company in general meeting, the Directors may “refresh” the 10% limit under paragraph (a) (and may further refresh such limit in accordance with this paragraph) provided that the total number of shares of the Company which may be issued upon the exercise of all options to be granted under the limit as “refreshed” shall not exceed 10% of the shares in issue as at the date on which the shareholders approve the “refreshed” limit.

Options previously granted (including those outstanding, cancelled and lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **INFORMATION ON SHARE OPTION SCHEME** *(continued)*

#### **(v) Maximum number of shares** *(continued)*

(1) 10% Limit *(continued)*

- (c) Subject to the limits as stated in elsewhere, the Directors may, with the approval of the shareholders, grant options in excess of the 10% limit to participants specifically identified before shareholders' approval is sought. In such situation, the Company will send a circular to the shareholders of the Company containing a generic description of the specified participants who may be granted such options, the number and terms of such options to be granted and the purpose of granting such options to the specified participants with an explanation of how the terms of the options will serve the purpose.

(2) 30% Limit

The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme shall not exceed 30% of the shares of the Company in issue from time to time. No options may be granted under the Share Option Scheme if this will result in the limit being exceeded.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **INFORMATION ON SHARE OPTION SCHEME** *(continued)*

#### **(vi) Maximum entitlement of each participant**

Subject always to the limits as stated in elsewhere, the Directors shall not grant any options to any participant which, if exercised, would result in such participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him (including those options exercised or outstanding) in any 12-month period exceed 1% of the shares of the Company in issue at such date. The Directors may grant options to any participant in excess of the individual limit of 1% in any 12-month period with the approval of the shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

#### **(vii) Time of exercise of options**

An option under the Share Option Scheme which is vested and has not lapsed may be exercised at any time during such period notified by the Directors as not exceeding 10 years from the date on which a participant is offered such option. The exercise of options may also be subject to any conditions imposed by the Directors at the time of offer.

#### **(viii) Term of the Share Option Scheme**

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme, after which period no further options may be granted under the Share Option Scheme. The Directors may terminate the Share Option Scheme at any time and in such event no further options shall be granted under the Share Option Scheme but any options which have been granted but not yet exercised shall continue to be valid and exercisable.

**DISCLOSURE OF OTHER INFORMATION** (continued)**INFORMATION ON SHARE OPTION SCHEME** (continued)

The followings are details of the options granted (the "Granted Options") pursuant to the Share Option Scheme but not yet exercised as at 30 June 2015:

Grantee	Date of grant	No. of share options outstanding at 1 January 2015	Exercise Price HK\$	Number of options granted during the period ended 30 June 2015	Number of cancelled/ lapsed/ exercised during the period ended 30 June 2015	Number of options outstanding at 30 June 2015	Approximate percentage of shareholding upon fully exercise of options*
Executive Directors							
Liu Wen Ping	8 October 2014	60,000,000	1.10	-	-	60,000,000	0.61%
Chang Hoi Nam	8 October 2014	2,000,000	1.10	-	-	2,000,000	0.02%
Non-executive Directors							
Ma Ji	18 June 2015	-	1.20	4,000,000	-	4,000,000	0.04%
Chang Tat Joel	11 November 2014	2,000,000	1.16	-	-	2,000,000	0.02%
Independent non-executive Directors							
Miu Hon Kit	8 October 2014	1,000,000	1.10	-	-	1,000,000	0.01%
Wang Haisheng	8 October 2014	1,000,000	1.10	-	-	1,000,000	0.01%
Lu Hongda	11 November 2014	1,000,000	1.16	-	-	1,000,000	0.01%
		67,000,000	-	4,000,000	-	71,000,000	0.72%
Other employees and consultants of the Group							
	8 October 2014	401,700,000	1.10	-	-	401,700,000	4.11%
Total							
		468,700,000	-	4,000,000	-	472,700,000	4.83%

\* The percentage represents the number of underlying shares interested divided by the enlarged issue share capital of the Company as at 30 June 2015, assuming all the relevant share options are exercised.



## DISCLOSURE OF OTHER INFORMATION *(continued)*

### INFORMATION ON SHARE OPTION SCHEME *(continued)*

The period within which the Granted Options could be exercised under the Share Option Scheme:

Exercise period	Number of options exercisable
From 1st anniversary of the date of grant to 2nd anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 2nd anniversary of the date of grant to 3rd anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 3rd anniversary of the date of grant to 4th anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 4th anniversary of the date of grant to 5th anniversary of the date of grant	Up to 25% of the total number of Granted Options

### DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

During the six months ended 30 June 2015, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Director or their respective spouse or minor children, nor were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## DISCLOSURE OF OTHER INFORMATION *(continued)*

### INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests or short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are being taken or deemed to have taken under such provision of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the “Model Code”) as set out in the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

#### Interests in underlying shares of the Company

Name of Director	Nature of interests	Date of share options granted	Number of share options outstanding as at 30 June 2015	Approximate percentage of shareholding upon fully exercise of share options*
Liu Wen Ping	Beneficial owner	8 October 2014	60,000,000	0.61%
Chang Hoi Nam	Beneficial owner	8 October 2014	2,000,000	0.02%
Ma Ji	Beneficial owner	18 June 2015	4,000,000	0.04%
Chang Tat Joel	Beneficial owner	11 November 2014	2,000,000	0.02%
Miu Hon Kit	Beneficial owner	8 October 2014	1,000,000	0.01%
Wang Haisheng	Beneficial owner	8 October 2014	1,000,000	0.01%
Lu Hongda	Beneficial owner	11 November 2014	1,000,000	0.01%
			71,000,000	0.72%

Note: Details of the above share options as required by the Listing Rules have been disclosed in the above paragraph headed “Information on Share Option Scheme”.

\* The percentage represents the number of underlying shares interested divided by the enlarged issue share capital of the Company as at 30 June 2015, assuming all the relevant share options are exercised.

**DISCLOSURE OF OTHER INFORMATION** (continued)**SUBSTANTIAL SHAREHOLDERS**

So far as is known to any Director, as at 30 June 2015, the following persons, other than a Director or chief executive of the Company, had or deemed or taken to have an interest or short position in the shares or underlying shares of the Company would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of shares or underlying Shares held	Percentage of Shareholding <sup>(3)</sup>
Golden Port Holdings Limited	Deemed interest in controlled corporation <sup>(1)</sup>	5,855,820,000	59.83%
Pohua JT Capital Partners Limited	Deemed interest in controlled corporation <sup>(1)</sup>	5,855,820,000	59.83%
Pohua JT Private Equity Fund L.P.	Beneficial owner <sup>(1)</sup>	5,855,820,000	59.83%
Zhejiang Province Finance Development Company* 浙江省財務開發公司	Deemed interest in controlled corporation <sup>(2)</sup>	1,125,000,000	11.49%
Zhejiang Province Financial Holding Company Limited* 浙江省金融控股公司	Deemed interest in controlled corporation <sup>(2)</sup>	1,125,000,000	11.49%
Caitong Securities Co., Limited	Deemed interest in controlled corporation <sup>(2)</sup>	1,125,000,000	11.49%
Caitong Securities (Hong Kong) Co., Limited	Deemed interest in controlled corporation <sup>(2)</sup>	1,125,000,000	11.49%
Caitong International Asset Management Co., Limited	Deemed interest in controlled corporation <sup>(2)</sup>	1,125,000,000	11.49%
Caitong International Capital Management Limited	Beneficial owner <sup>(2)</sup>	1,125,000,000	11.49%
Tianan Property Insurance Co., Ltd.	Beneficial owner	786,950,000	8.04%
Xiang Jun	Beneficial owner	736,020,000	7.52%

\* The English translation of these companies' names is for reference only. The official names of these companies are in Chinese.

## DISCLOSURE OF OTHER INFORMATION *(continued)*

### SUBSTANTIAL SHAREHOLDERS *(continued)*

Notes:

- (1) Pohua JT Capital Partners Limited is the general partner of Pohua JT Private Equity Fund L.P.. Pohua JT Capital Partners Limited is owned as to 49% by Golden Port Holdings Limited. Accordingly, each of Golden Port Holdings Limited and Pohua JT Capital Partners Limited is deemed to be interested in an aggregate of 5,855,820,000 shares held by Pohua JT Private Equity Fund L.P..
- (2) Caitong International Capital Management Limited is wholly owned by Caitong International Asset Management Co., Limited which in turn is wholly owned by Caitong Securities (Hong Kong) Co., Limited. Caitong Securities Co., Limited owned 100% equity interests of Caitong Securities (Hong Kong) Co., Limited, which in turn is owned as to 36.6% by Zhejiang Province Financial Holding Company Limited. Zhejiang Province Financial Holding Company Limited is wholly owned by Zhejiang Province Finance Development Company. Accordingly, each of Zhejiang Province Finance Development Company, Zhejiang Province Financial Holding Company Limited, Caitong Securities Co., Limited, Caitong Securities (Hong Kong) Co., Limited and Caitong International Asset Management Co., Limited is deemed to be interested in an aggregate of 1,125,000,000 shares held by Caitong International Capital Management Limited.
- (3) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **EVENTS SUBSEQUENT TO REPORTING PERIOD**

**(a) Acquisition of 100% equity interest in a group of companies**

On 12 July 2015, the Company entered into a memorandum of understanding with certain vendors, with an aim to acquire the entire equity interests of a group of companies principally engaged in the construction and development of solar power station projects and manufacture and sale of wind-solar hybrid street lights in the PRC. As at the date of this interim report, the Company has not signed any formal sale and purchase agreement with the vendors.

**(b) Acquisition of 55% equity interest in a subsidiary**

On 22 July 2015, the Group entered into a cooperation agreement with an independent third party. Pursuant to the cooperation agreement, the Group has conditionally agreed to acquire an aggregate of 55% equity interests of Shenzhen Xiongtao Rongzi Zulin Co., Ltd.\* (“Xiongtao”) at an aggregate consideration of USD16,500,000 (equivalent to approximately RMB102,465,000). Xiongtao is a limited liability company incorporated in the PRC and is principally engaged in the finance lease businesses in the PRC.

\* The English translation of these companies’ names are for reference only. The official names of these companies are in Chinese.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence to the Company and the Company's accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules for its corporate governance practices during the period under review. In the opinion of the Board, save for the deviation as disclosed below, the Company has complied with the applicable code provisions as set out in the CG Code throughout the six months ended 30 June 2015.

#### **Code Provision A.4.1**

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. However, none of the existing non-executive Directors and independent non-executive Directors is appointed for specific term but they are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company, which stipulates that one-third of the directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from the office by rotation at each annual general meeting. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code in this respect.

### **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

## DISCLOSURE OF OTHER INFORMATION *(continued)*

### ISSUE OF NEW SHARES AND USE OF PROCEEDS

#### Issue of new shares

- (i) On 28 May 2014, the Company entered into a subscription agreement with Pohua JT Private Equity Fund L.P. (the "Pohua Agreement") pursuant to which Pohua JT Private Equity Fund L.P. agreed to subscribe in cash for 6,528,080,000 new shares of the Company (the "Pohua Subscription") at the price of HK\$0.36 per share (the "Pohua Subscription Price"). The Pohua Subscription was completed on 8 August 2014 and raised funds of approximately RMB1,864.3 million (equivalent to approximately HK\$2,338.1 million).

The Pohua Subscription represented approximately 370.35% of the issued share capital of the Company as at the date of the Pohua Agreement and approximately 78.74% of the issued share capital of the Company as enlarged by the Pohua Subscription. The Pohua Subscription had a market value of approximately HK\$5,810,000,000 based on the closing price of the shares of the Company of HK\$0.89 on 28 May 2014, the date of the Pohua Agreement.

The Pohua Subscription Price of HK\$0.36 represented (i) a discount of approximately 59.55% to the closing price of the shares of HK\$0.89 per share as quoted on the Stock Exchange on 28 May 2014, the date of the Pohua Agreement; and (ii) a discount of approximately 59.18% to the average closing prices of the shares of HK\$0.882 per share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Pohua Agreement.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **ISSUE OF NEW SHARES AND USE OF PROCEEDS** *(continued)*

#### **Issue of new shares** *(continued)*

- (ii) On 23 March 2015, the Company entered into a placing agreement (“2015 March Placing Agreement”) with three placing agents in relation to the placing of 352,000,000 new shares of the Company (the “2015 March Placing”) to not less than six placees at the placing price of HK\$1.07 per placing share (the “2015 March Placing Price”). The 2015 March Placing was completed on 10 April 2015 and 352,000,000 new shares of the Company were placed and raised funds of, after deducting the related placing commission, professional fees and all related expenses, approximately RMB292.9 million (equivalent to approximately HK\$366.1 million).

The 2015 March Placing represented approximately 4.25% of the issued share capital of the Company as at the date of the 2015 March Placing Agreement and approximately 4.07% of the issued share capital of the Company as enlarged by the 2015 March Placing. The 2015 March Placing had a market value of approximately HK\$464,640,000 based on the closing price of the shares of the Company of HK\$1.32 on 20 March 2015, the last trading day for the shares before the 2015 March Placing Agreement.

The 2015 March Placing Price of HK\$1.07 represented (i) a discount of approximately 18.9% to the closing price of the shares of the Company of HK\$1.32 per share as quoted on the Stock Exchange on 20 March 2015, the last trading day for the shares of the Company before the 2015 March Placing Agreement; and (ii) a discount of approximately 19.2% to the average closing prices of the shares of the Company of HK\$1.324 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 20 March 2015, the last trading day for the shares before the 2015 March Placing Agreement.



## DISCLOSURE OF OTHER INFORMATION *(continued)*

### ISSUE OF NEW SHARES AND USE OF PROCEEDS *(continued)*

#### Issue of new shares *(continued)*

- (iii) On 28 April 2015, the Company entered into a placing agreement (“2015 April Placing Agreement”) with four placing agents in relation to the placing of up to 1,170,000,000 new shares of the Company (the “2015 April Placing”) to not less than six places at the placing price of HK\$1.20 per placing share (the “2015 April Placing Price”). The 2015 April Placing was completed on 11 June 2015 and 1,144,700,000 new shares (“2015 April Placed Shares”) of the Company were placed and raised funds of, after deducting the related placing commission, professional fees and all related expenses, approximately RMB1,068.0 million (equivalent to approximately HK\$1,335.0 million).

The 2015 April Placed Shares represented approximately 13.24% of the issued share capital of the Company as at the date of the 2015 April Placing Agreement and approximately 11.70% of the issued share capital of the Company as enlarged by the 2015 April Placed Shares. The 2015 April Placed Shares had a market value of approximately HK\$1,934,543,000 based on the closing price of the shares of the Company of HK\$1.69 on 28 April 2015, the last trading day for the shares before the 2015 April Placing Agreement.

The 2015 April Placing Price of HK\$1.20 represented (i) a discount of approximately 28.99% to the closing price of the shares of the Company of HK\$1.69 per share as quoted on the Stock Exchange on 28 April 2015, the last trading day for the shares of the Company before the 2015 April Placing Agreement; and (ii) a discount of approximately 23.47% to the average closing prices of the shares of the Company of HK\$1.568 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 28 April 2015, the last trading day for the shares before the 2015 April Placing Agreement.

**DISCLOSURE OF OTHER INFORMATION** (continued)**ISSUE OF NEW SHARES AND USE OF PROCEEDS** (continued)**Use of proceeds**

Equity fund raising exercise	Net proceeds	Intended use of proceeds	Actual use of proceeds as at 30 June 2015	Unutilized portion of the net proceeds as at 30 June 2015
Issue of 6,528,080,000 shares under the Pohua Subscription	RMB1,864.3 million (equivalent to approximately HK\$2,338.1 million)	Investment in the acquisition of photovoltaic power plants and as general working capital	All the proceeds of RMB1,864.3 million has been utilized to fund acquisition and/or development of photovoltaic power plants	N/A
Placing of 352,000,000 shares under the 2015 March Placing	RMB292.9 million (equivalent to approximately HK\$366.1 million)	Investment in the acquisition of photovoltaic power plants and as general working capital	RMB193.6 million has been utilized to fund acquisition and/or development of photovoltaic power plants	RMB99.3 million unutilized proceeds is held in cash and bank and it is expected that it will be applied in the manner consistent with the proceeds allocation as stipulated in the 2015 March Placing Agreement
Placing of 1,144,700,000 shares under the 2015 April Placing	RMB1,068.0 million (equivalent to approximately HK\$1,335.0 million)	Investment in the acquisition of photovoltaic power plants and as general working capital	All the proceeds of RMB1,068.0 million has not been used	RMB1,068.0 million unutilized proceeds is held in cash and bank and it is expected that it will be applied in the manner consistent with the proceeds allocation as stipulated in the 2015 April Placing Agreement

**COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the code for dealing in securities of the Company by the Directors during the six months ended 30 June 2015. The Board confirms that, having made specific enquiries with all Directors, all Directors have complied with the required standards of the Model Code for the six months ended 30 June 2015.

## **DISCLOSURE OF OTHER INFORMATION** *(continued)*

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2015, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") has been established in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting and internal control principles of the Company and to assist the Board to fulfill its responsibilities over audit.

The Audit Committee has reviewed the Group's consolidated financial statements for the six months ended 30 June 2015 and has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters.

The Audit Committee consists of three independent non-executive Directors: Mr. Miu Hon Kit, Mr. Wang Haisheng and Mr. Lu Hongda. Mr. Miu Hon Kit serves as the chairman of the Audit Committee.

By order of the Board

**Kong Sun Holdings Limited**

**Liu Wen Ping**

*Executive Director*

28 August 2015

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015 – unaudited

(Expressed in Renminbi unless otherwise stated)

		Six months ended 30 June	
	Note	2015 RMB'000	2014 RMB'000 Restated*
<b>Turnover</b>	3	<b>413,954</b>	2,476
Cost of sales		<b>(340,643)</b>	(1,864)
<b>Gross profit</b>		<b>73,311</b>	612
Valuation gains on investment properties	9	<b>5,138</b>	–
Other revenue	4	<b>3,783</b>	1,301
Other net income	4	<b>19,648</b>	5,817
Distribution costs		–	(10)
Administrative expenses		<b>(67,369)</b>	(9,415)
<b>Profit/(loss) from operations</b>		<b>34,511</b>	(1,695)
Finance costs	5(a)	<b>(19,813)</b>	(154)
<b>Profit/(loss) before taxation</b>	5	<b>14,698</b>	(1,849)
Income tax expense	6	<b>(11,476)</b>	–
<b>Profit/(loss) for the period</b>		<b>3,222</b>	(1,849)
<b>Earnings/(loss) per share</b>	7		
Basic (RMB cents)		<b>0.04</b>	(0.10)
Diluted (RMB cents)		<b>0.04</b>	(0.10)

\* See note 2(a)

The notes on pages 42 to 62 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015 – unaudited

(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000 Restated*
<b>Profit/(loss) for the period</b>	<b>3,222</b>	(1,849)
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the financial statements of subsidiaries outside Mainland China	<b>12,874</b>	9
Available-for-sale securities: net movement in the fair value reserve	-	(11,787)
<b>Other comprehensive income for the period</b>	<b>12,874</b>	(11,778)
<b>Total comprehensive income for the period</b>	<b>16,096</b>	(13,627)

\* See note 2(a)

The notes on pages 42 to 62 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015 – unaudited

(Expressed in Renminbi unless otherwise stated)

		At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>26,819</b>	26,264
Solar power plants	8	<b>2,413,914</b>	1,568,150
Investment properties	4&9	<b>46,133</b>	77,943
Goodwill	20	<b>36,543</b>	35,050
Lease prepayments		<b>21,521</b>	22,778
		<b>2,544,930</b>	1,730,185
<b>Current assets</b>			
Inventories		<b>4,137</b>	2,691
Trade and other receivables	10	<b>1,555,012</b>	604,349
Pledged bank deposits	11	<b>236,973</b>	152,223
Cash and cash equivalents	12	<b>1,154,061</b>	1,008,312
		<b>2,950,183</b>	1,767,575
<b>Current liabilities</b>			
Trade and other payables	15	<b>1,179,671</b>	739,482
Loans and borrowings	13	<b>278,931</b>	198,801
Obligation under finance leases		<b>221</b>	246
Current taxation		<b>11,853</b>	9,354
		<b>1,470,676</b>	947,883
<b>Net current assets</b>		<b>1,479,507</b>	819,692
<b>Total assets less current liabilities</b>		<b>4,024,437</b>	2,549,877

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

At 30 June 2015 – unaudited

(Expressed in Renminbi unless otherwise stated)

		At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
	Note		
<b>Non-current liabilities</b>			
Other payable		<b>18,360</b>	18,360
Obligation under finance leases		<b>684</b>	650
Loans and borrowings	13	<b>397,286</b>	423,702
Corporate bonds payable	14	<b>113,633</b>	–
Deferred tax liabilities		<b>5,656</b>	5,656
		<b>535,619</b>	448,368
<b>NET ASSETS</b>			
		<b>3,488,818</b>	2,101,509
<b>CAPITAL AND RESERVES</b>			
Share capital	16	<b>3,608,604</b>	2,267,976
Reserves		<b>(119,786)</b>	(166,467)
<b>TOTAL EQUITY</b>			
		<b>3,488,818</b>	2,101,509

The notes on pages 42 to 62 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 – unaudited

(Expressed in Renminbi unless otherwise stated)

	Attributable to the equity shareholders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	PRC statutory reserve RMB'000	Exchange reserve RMB'000	Fair value reserve RMB'000	Equity settled share-based payment reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<b>Restated balance at 1 January 2014</b>		69,008	334,686	21	-	(29,551)	12,331	-	(158,922)	227,573
<b>Change in equity for the six months ended 30 June 2014:</b>										
Loss for the period		-	-	-	-	-	-	-	(1,849)	(1,849)
Other comprehensive income		-	-	-	-	9	(11,787)	-	-	(11,778)
Total comprehensive income		-	-	-	-	9	(11,787)	-	(1,849)	(13,627)
Transition to no-par value regime on 3 March 2014		334,707	(334,686)	(21)	-	-	-	-	-	-
<b>Restated balance at 30 June 2014 and 1 July 2014</b>		403,715	-	-	-	(29,542)	544	-	(160,771)	213,946
<b>Change in equity for the six months ended 31 December 2014:</b>										
Profit for the period		-	-	-	-	-	-	-	13,516	13,516
Other comprehensive income		-	-	-	-	(5,118)	(544)	-	-	(5,662)
Total comprehensive income		-	-	-	-	(5,118)	(544)	-	13,516	7,854
Placing of new shares	16	1,864,261	-	-	-	-	-	-	-	1,864,261
Equity settled share-based transactions	16	-	-	-	-	-	-	15,448	-	15,448
Appropriation to PRC statutory reserves		-	-	-	2,806	-	-	-	(2,806)	-
<b>Balance at 31 December 2014</b>		2,267,976	-	-	2,806	(34,660)	-	15,448	(150,061)	2,101,509
<b>Balance at 1 January 2015</b>		2,267,976	-	-	2,806	(34,660)	-	15,448	(150,061)	2,101,509
<b>Change in equity for the six months ended 30 June 2015:</b>										
Profit for the period		-	-	-	-	-	-	-	3,222	3,222
Other comprehensive income		-	-	-	-	12,874	-	-	-	12,874
Total comprehensive income		-	-	-	-	12,874	-	-	3,222	16,096
Placing of new shares	16	1,340,628	-	-	-	-	-	-	-	1,340,628
Equity settled share-based transactions	16	-	-	-	-	-	-	30,585	-	30,585
<b>Balance at 30 June 2015</b>		3,608,604	-	-	2,806	(21,786)	-	46,033	(146,839)	3,488,818

The notes on pages 42 to 62 form part of this interim financial report.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015 – unaudited

(Expressed in Renminbi unless otherwise stated)

	Note	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
<b>Operating activities</b>			
Cash used in operations		<b>(851,553)</b>	(1,506)
Tax paid		<b>(8,977)</b>	–
			–
<b>Net cash used in operating activities</b>		<b>(860,530)</b>	(1,506)
			–
<b>Investing activities</b>			
Proceeds from disposal of available-for-sale securities		–	33,921
Payment for construction cost in respect of solar power plants		<b>(437,877)</b>	–
Acquisition of subsidiaries	20	<b>(22,790)</b>	–
Other cash flows used in investing activities		<b>(31,578)</b>	(4,137)
			–
<b>Net cash (used in)/ generated from investing activities</b>		<b>(492,245)</b>	29,784
			–

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2015 – unaudited  
(Expressed in Renminbi unless otherwise stated)

	Note	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
<b>Financing activities</b>			
Net proceeds from placing of new shares	16(b)	<b>1,340,628</b>	–
Proceeds from new borrowings		<b>228,694</b>	1,344
Repayment of loans and borrowings		<b>(174,980)</b>	(776)
Net proceeds from issue of corporate bonds		<b>123,602</b>	–
Other cash flows used in financing activities		<b>(19,700)</b>	(144)
<b>Net cash generated from financing activities</b>		<b>1,498,244</b>	424
<b>Net increase in cash and cash equivalents</b>		<b>145,469</b>	28,702
<b>Cash and cash equivalents at 1 January</b>	12	<b>1,008,312</b>	87,933
<b>Effect of foreign exchange rate changes</b>		<b>280</b>	899
<b>Cash and cash equivalents at 30 June</b>	12	<b>1,154,061</b>	117,534

The notes on pages 42 to 62 form part of this interim financial report.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*For the six months ended 30 June 2015*

## 1. BASIS OF PREPARATION

The interim financial information have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorized for issue on 28 August 2015.

The interim financial information have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements of Kong Sun Holdings Limited (the “Company”), except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (together the “Group”) since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial information is unaudited and has not been reviewed by the auditors, but has been reviewed by the audit committee of the Company (the “Audit Committee”).

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

**1. BASIS OF PREPARATION** *(continued)*

The Company's auditor has reported on those financial statements for the year ended 31 December 2014. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance (or under their equivalent requirements found in section 141 of the predecessor Companies Ordinance (Cap. 32)).

**2. CHANGES IN ACCOUNTING POLICIES****(a) Changes in presentation currency**

The Company and other investment holding subsidiaries incorporated in the British Virgin Islands and Hong Kong have their functional currencies in Hong Kong dollars ("HKD") and subsidiaries established in the People's Republic of China (the "PRC") have their functional currencies in Renminbi ("RMB"). Along with the successful acquisitions of the subsidiaries in the PRC in 2014, the Company determined to change its presentation currency from HKD to RMB, which is the functional currency of the Company's major subsidiaries in the PRC. The comparative financial statements for the six months ended 30 June 2014 have been re-translated into RMB from HKD. All financial information presented in RMB has been rounded to the nearest thousand.

**(b) New and revised HKFRSs that are first effective for the current accounting period**

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company.

- Annual Improvements to HKFRSs 2010–2012 Cycle
- Annual Improvements to HKFRSs 2011–2013 Cycle

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. TURNOVER AND SEGMENTAL REPORTING

#### (a) Turnover

The principal activities of the Group are investment in and operation of photovoltaic power plants, properties investment and manufacturing and sales of life-like plants.

Turnover mainly represents income from sales of electricity (including tariff adjustment), the sales value of goods supplied to customers and rental income. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000 Restated
Sales of electricity	45,468	–
Sales of solar energy related products	365,670	–
Sales of life-like plants	1,846	1,613
Properties rental income	970	863
Total turnover	413,954	2,476

Sales of electricity includes tariff adjustment amounted to approximately RMB32,518,000 (six months ended 30 June 2014: Nil). The Group had two (six months ended 30 June 2014: Nil) customers with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2015. The amount of sales to these customers amounted to approximately RMB365,670,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

#### (b) Segment reporting

The Group manages its businesses by subsidiaries. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following four reportable segments.

- Photovoltaic: this segment engages in generating and sales of electricity and trading of solar energy related products.
- Manufacturing and sales of life-like plants: this segment engages in manufacturing and sales of life-like plants.
- Properties investment: this segment leases out properties to generate rental income and to gain from the appreciation in the properties' value in the long term.
- Securities investment: this segment engaged in the trading of listed securities.

### 3. TURNOVER AND SEGMENTAL REPORTING (continued)

#### (b) Segment reporting (continued)

##### (i) Information about profit or loss, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the period is set out below.

	For the six months ended 30 June 2015					
		Manufacturing and sales of		Properties	Securities	Total
	Photovoltaic	life-like plants	investment	investment		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Revenue from external customers	411,138	1,846	970	-	413,954	
Inter-segment revenue	-	-	-	-	-	
Reportable segment revenue	411,138	1,846	970	-	413,954	
Reportable segment profit/(loss)	52,066	(1,622)	6,022	(19)	56,447	
As at 30 June 2015						
Reportable segment assets	5,064,875	17,071	57,230	64,270	5,203,446	
Reportable segment liabilities	2,163,860	35,497	1,001	15,786	2,216,144	

	For the six months ended 30 June 2014					
		Manufacturing and sales of		Properties	Securities	Total
	Photovoltaic	life-like plants	investment	investment		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Restated	Restated	Restated	Restated	Restated	
Revenue from external customers	-	1,613	863	-	2,476	
Inter-segment revenue	-	-	-	-	-	
Reportable segment revenue	-	1,613	863	-	2,476	
Reportable segment profit/(loss)	-	(1,804)	703	(1,192)	(2,293)	
As at 31 December 2014						
Reportable segment assets	3,363,921	17,034	81,672	143,680	3,606,307	
Reportable segment liabilities	1,471,966	33,668	1,528	15,792	1,522,954	

**3. TURNOVER AND SEGMENTAL REPORTING** (continued)**(b) Segment reporting** (continued)*(i) Information about profit or loss, assets and liabilities (continued)*

The measure used for reporting segment profit is adjusted earnings before other revenue and net income, depreciation and amortisation and finance costs. To arrive at reporting segment profit, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, directors' and auditors' remuneration and other head office or corporate administration costs.

*(ii) Reconciliations of reportable segment profit or loss*

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
		Restated
<b>Profit</b>		
Reportable segment profit/(loss)	<b>56,447</b>	(2,293)
Elimination of inter-segment profits	-	-
Reportable segment profit/(loss) derived from the Group's external customers	<b>56,447</b>	(2,293)
Other revenue and net income	<b>23,431</b>	7,118
Depreciation and amortisation	<b>(9,520)</b>	(1,073)
Finance costs	<b>(19,813)</b>	(154)
Unallocated head office and corporate expenses	<b>(35,847)</b>	(5,447)
Consolidated profit/(loss) before taxation	<b>14,698</b>	(1,849)

**3. TURNOVER AND SEGMENTAL REPORTING** (continued)**(b) Segment reporting** (continued)*(ii) Reconciliations of reportable segment profit or loss (continued)*

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
<b>Assets</b>		
Reportable segment assets	<b>5,203,446</b>	3,606,307
Elimination of inter-segment receivables	<b>(216,448)</b>	(143,367)
Unallocated head office and corporate assets	<b>508,115</b>	34,820
Consolidated total assets	<b>5,495,113</b>	3,497,760
<b>Liabilities</b>		
Reportable segment liabilities	<b>2,216,144</b>	1,522,954
Elimination of inter-segment payables	<b>(367,758)</b>	(143,367)
Deferred tax liabilities	<b>5,656</b>	5,656
Unallocated head office and corporate liabilities	<b>152,253</b>	11,008
Consolidated total liabilities	<b>2,006,295</b>	1,396,251

*(iii) Geographic information*

As the Group does not have material operation outside the PRC, no geographic segment information is presented.



## 4. OTHER REVENUE AND OTHER NET INCOME

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000 Restated
<b>Other revenue</b>		
Interest income	3,310	771
Loan interest income	–	258
Others	473	272
	<b>3,783</b>	1,301
<b>Other net income</b>		
Net foreign exchange gain/(loss)	1,911	(852)
Net loss on disposal of property, plant and equipment	–	(66)
Net gain on disposal of a subsidiary ( <i>Note</i> )	17,737	–
Available-for-sale securities:		
Reclassified from equity – on disposal	–	6,735
	<b>19,648</b>	5,817

Note: During the six months ended 30 June 2015, the Group disposed the entire equity shares of a wholly owned subsidiary, Coast Holdings Limited (“Coast Holdings”), at a consideration of RMB55,330,000 (equivalent to HKD70,000,000) with a net gain on disposal of subsidiary amounted to RMB17,737,000 (six months ended 30 June 2014: Nil). The principal activity of Coast Holdings is the investment in and holding of an investment property located in Hong Kong.

## 5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	Six months ended 30 June 2015 RMB'000	2014 RMB'000 Restated
<b>(a) Finance costs</b>		
Interest on bank loans wholly repayable within five years	3,597	114
Interest on other borrowings	17,410	–
Finance charges on obligations under finance leases	42	40
Interest on corporate bonds payable	1,365	–
	<hr/>	
Total interest expense on financial liabilities not at fair value through profit or loss	22,414	154
Less: Interest expense capitalised into solar power plants under development	(2,601)	–
	<hr/>	
	<b>19,813</b>	154
	<hr/>	

## (b) Other items

	Six months ended 30 June 2015 RMB'000	2014 RMB'000 Restated
Amortisation		
– Lease prepayments	187	187
Depreciation		
– Property, plant and equipment	2,026	886
– Solar power plants	18,347	–
Net foreign exchange (gain)/loss	(1,911)	852
Operating lease charges in respect of properties	5,757	252
Equity-settled share-based payment expenses	30,585	–
Cost of inventories ( <i>Note</i> )	322,560	1,198
	<hr/>	

Note: Cost of inventories included approximately RMB767,000 (six months ended 30 June 2014: RMB977,000) for the six months ended 30 June 2015 relating to staff costs and depreciation.

## 6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000 Restated
<b>Current tax</b>		
PRC Corporate Income Tax	<b>11,476</b>	–
Hong Kong Profits Tax	–	–
	<b>11,476</b>	–

- (i) No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong.
- (ii) The Group's PRC entities are subject to corporate income tax at the statutory rate of 25%, unless otherwise specified.
- (iii) Income derived by an enterprise from the investment in, and the operation of, public infrastructure projects eligible for key support from the State, are eligible for a tax exemption for the first year to the third year generating operating income and a 50% deduction in corporate income tax for the fourth year to the sixth year (the "3+3 tax holiday"). Gansu Hongyuan Photovoltaic Limited Company\* ("Gansu Hongyuan"), YumenYonglian Technology New Energy Limited Company\* ("YumenYonglian") and Hami Zhaoxiang New Energy Technology Limited Company\* ("Hami Zhaoxiang") started to generate operating income and enjoyed the 3+3 tax holiday from 2014. Yingjisha Tianhuaweiye Solar Technology Limited Company\* ("Yingjisha"), Kuche Tianhua New Energy Electric Power Limited Company\* ("Kuche Tianhua"), Wushi Huayangweiye Solar Technology Limited Company\* ("Wushi") and Hejing Xushuang Photovoltaic Technology Limited Company\* ("Hejing Xushuang") generates operating income and enjoyed the 3+3 tax holiday from 2015. Gansu Hongyuan and Hami Zhaoxiang obtained the 3+3 tax holiday approval in 2014 and Yumen Yonglian, Yingjisha, Kuche Tianhua and Wushi obtained the approval in 2015, and Hejing Xushuang is in the process of applying the 3+3 tax holiday.

**6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS***(continued)*

- (iv) According to the PRC Corporate Income Tax Law and its related regulations, the Group is subject to a withholding tax at 10%, unless reduced by tax treaties or arrangements, for dividends distributed by a PRC enterprise to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. According to the China-HK Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” of the dividends received and directly holds 25% or more of a PRC enterprise is entitled to a reduced withholding rate of 5%. Deferred withholding tax payable relating to the temporary differences arising from the undistributed profits of the Group’s PRC subsidiaries have not been recognised as the Company controls the dividend policy of the Group’s PRC subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

\* The English translation of these companies’ names are for reference only. The official names of these companies are in Chinese.

**7. EARNINGS/(LOSS) PER SHARE****(a) Basic earnings per share**

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary equity shareholders of the Company of RMB3,222,000 (six months ended 30 June 2014: loss of RMB1,849,000) and weighted average number of ordinary shares in issue during the interim period, calculated as follows:

*Weighted average number of ordinary shares*

	Number of shares	
	2015 ’000	2014 ’000
Ordinary shares at 1 January	<b>8,290,742</b>	1,762,662
Effect of issue of new shares	<b>285,956</b>	–
	<hr/>	<hr/>
Weighted average number of ordinary shares at 30 June	<b>8,576,698</b>	1,762,662

**(b) Diluted earnings per share**

For the six months ended 30 June 2015, the effect of conversion of share option scheme was anti-dilutive and diluted earnings per share during the period is therefore equal to basic earnings per share.

**8. SOLAR POWER PLANTS**

During the six months ended 30 June 2015, the Group increased its investments in solar power plants with a cost of approximately RMB861,510,000 (six months ended 30 June 2014: Nil).

The Group commenced its photovoltaic business in the PRC in the second half of 2014. The solar power plants under development would be transferred to solar power plants when the solar power plants completed trial operation and are successfully connected to provincial power grid and generate electricity.

At 30 June 2015, generators and related equipment with carrying values of approximately RMB528,239,000 (31 December 2014: RMB533,903,000) were pledged as security for the Group's other borrowings (note 13).

**9. INVESTMENTS PROPERTIES**

The investment properties of the Group were revalued as at 30 June 2015 by an independent firm of surveyors, Grant Sherman Appraisal Limited, using the same valuation method as was used when carrying out the valuations as at 31 December 2014. A valuation gain of approximately RMB5,138,000 (six months ended 30 June 2014: Nil) has been recognised in the consolidated statement of profit or loss for the period in respect of these investment properties.

**10. TRADE AND OTHER RECEIVABLES**

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Trade debtors	<b>568,221</b>	275,730
Bills receivable	<b>400</b>	1,275
	<b>568,621</b>	277,005
Trade receivables, net of allowance	<b>568,621</b>	277,005
Less: Allowance for doubtful debts	-	-
	<b>568,621</b>	277,005
Other deposits, prepayments and other receivables	<b>986,391</b>	327,344
	<b>1,555,012</b>	604,349

**10. TRADE AND OTHER RECEIVABLES** (continued)

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables) based on due date is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Neither past due nor impaired	568,621	277,005
Less than 3 months past due	-	-
Over 3 months less than 6 months past due	-	-
Over 6 months less than 12 months past due	-	-
Over 12 months less than 24 months past due	-	-
More than 24 months	-	-
	<b>568,621</b>	277,005

All of the trade and other receivables are expected to be recovered or recognised as expense within one year, except for deposits amounting to RMB2,500,000 as at 30 June 2015 (31 December 2014: RMB587,000), which are expected to be recovered after more than one year.

As at 30 June 2015, bills receivable represented outstanding bank acceptance bills.

The Group's trade receivables are mainly electricity sales receivables and receivables from trading of solar energy related products. Generally, the receivables are due within 30 to 180 days from the date of billing, except for the tariff adjustment, representing 68% to 75% of total electricity sales. The collection of such tariff adjustment is subject to the allocation of funds by relevant government authorities to provincial power grid companies, which therefore takes a relatively long time for settlement.

Trade receivables from electricity sales represent receivables from provincial power grid companies. Pursuant to Cai Jian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, a set of standardised procedures for the settlement of the tariff adjustment has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to provincial power grid companies.

The directors of the Company are of the opinion that the trade receivables are fully recoverable considering that there are no bad debt experiences with (1) trade receivables from the provincial power grid companies in the past and the tariff adjustment is funded by the PRC government; (2) receivables from customers for trading of solar energy related products are within credit term.

**11. PLEDGED BANK DEPOSITS**

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Pledged for		
– Bank borrowings	<b>236,973</b>	152,050
– Others	–	173
	<hr/>	<hr/>
Pledged bank deposits	<b>236,973</b>	152,223

As at 30 June 2015, bank deposits have been mainly pledged as security for bank borrowings (note 13). The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

**12. CASH AND CASH EQUIVALENTS**

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Cash on hand	<b>13</b>	11
Cash at bank	<b>1,154,048</b>	1,008,301
	<hr/>	<hr/>
Cash at bank and in hand	<b>1,154,061</b>	1,008,312

As at 30 June 2015 and 31 December 2014, cash and cash equivalents placed with banks in the Mainland China amounted to RMB665,121,000 and RMB575,398,000 respectively. Remittance of funds out of Mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

**13. LOANS AND BORROWINGS**

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
<b>Current</b>		
Secured		
– Bank loans	<b>232,155</b>	152,118
– Other long-term borrowings	<b>46,776</b>	46,683
	<b>278,931</b>	198,801
<b>Non-current</b>		
Secured		
– Bank loans	<b>684</b>	3,602
– Other long-term borrowings	<b>443,378</b>	466,783
Less: Current portion of other long-term borrowings	<b>(46,776)</b>	(46,683)
	<b>397,286</b>	423,702
Total loans and borrowings	<b>676,217</b>	622,503

The Group's current and non-current loans and borrowings were repayable as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 1 year or on demand	<b>278,931</b>	198,801
After 1 year but within 2 years	<b>70,117</b>	85,765
After 2 year but within 5 years	<b>152,524</b>	153,384
Over 5 years	<b>174,645</b>	184,553
	<b>676,217</b>	622,503

Other borrowings bear interest ranging from 5.32% to 14.25% (31 December 2014: 5.32% to 14.25%). The bank loans bear floating interest rate (31 December 2014: floating).

Other borrowings amounted to RMB22,000,000 (31 December 2014: RMB22,000,000) were guaranteed by Yangzhou Qixing New Energy Developments Ltd. 揚州啟星新能源發展有限公司, a wholly-owned subsidiary of the Company.



**13. LOANS AND BORROWINGS** *(continued)*

The bank and other loans were secured by the following assets:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Solar power plants	<b>528,239</b>	533,903
Property, plant and equipment	<b>4,693</b>	3,630
Pledged bank deposits	<b>236,973</b>	152,050
	<b>769,905</b>	689,583

**14. CORPORATE BONDS PAYABLE**

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
As at 1 January	-	-
Net proceeds from corporate bonds issued during the period <i>(Note)</i>	<b>113,633</b>	-
As at 30 June/31 December	<b>113,633</b>	-

Note: During the six months ended 30 June 2015, the Company issued corporate bonds due in 2018 to certain independent third parties. As at 30 June 2015, the proceeds of the issued bonds received by the Company were approximately RMB126,965,000 (equivalent to approximately HKD161,000,000), with total issue cost amounted to approximately RMB13,332,000. The corporate bonds are denominated in HKD and issued at par. Interest is payable yearly while principal will be repaid when the bonds fall due in 2018. The annual effective costs of the bonds are 10.24%. As at 30 June 2015, interest payable for these bonds amounted to approximately RMB1,365,000 (31 December 2014: Nil).

## 15. TRADE AND OTHER PAYABLES

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
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**Current liabilities**

Trade payables	<b>1,011,148</b>	621,813
Other payables and accruals	<b>168,523</b>	117,669
	<b>1,179,671</b>	739,482

Retention payable amounting to approximately RMB72,469,000 (31 December 2014: RMB42,550,000) will be settled or recognised as income after more than one year. All of the other trade and other payables as at 30 June 2015 are expected to be settled or recognised as income within one year or are repayable on demand.

An ageing analysis of the trade payables based on the invoice date is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 3 months	<b>1,011,148</b>	621,813
More than 3 months but within 6 months	-	-
More than 6 months but within 1 year	-	-
More than 1 year	-	-
	<b>1,011,148</b>	621,813

**16. CAPITAL, RESERVES AND DIVIDENDS****(a) Dividends**

No dividends were proposed by the Company during the six months ended 30 June 2015 (31 December 2014: Nil).

**(b) Share capital**

	2015		2014	
	No of shares '000	RMB'000	No of shares '000	RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	<b>8,290,742</b>	<b>2,267,976</b>	1,762,662	69,008
Transition to no-par value regime on 3 March 2014 (note 1)	-	-	-	334,707
Placing of new shares (note 2)	<b>1,496,700</b>	<b>1,340,628</b>	6,528,080	1,864,261
At 30 June/31 December	<b>9,787,442</b>	<b>3,608,604</b>	8,290,742	2,267,976

Note 1: The transition to the no-par value regime under the Hong Kong Companies Ordinance (Cap. 622) occurred automatically on 3 March 2014. On that date, the share premium account and any capital redemption reserve were subsumed into share capital in accordance with section 37 of Schedule 11 to the Ordinance. These changes did not impact on the number of shares in issue or the relative entitlement of any of the members. Since that date, all changes in share capital have been in accordance with the requirements of Parts 4 and 5 of the Ordinance.

Note 2: Pursuant to a placing agreement dated 23 March 2015, the Company placed a total of 352,000,000 new shares of the Company, at the price of HKD1.07 per share to its investors, and the issue cost was approximately RMB9,143,000 (equivalent to approximately HKD11,546,000). All conditions of the placing agreement have been fulfilled and the issue of the 352,000,000 new shares was completed on 10 April 2015.

In addition, pursuant to another placing agreement dated 28 April 2015, the Company placed a total of 1,144,700,000 new shares of the Company, at the price of HKD1.20 per share to its investors, and the issue cost was approximately RMB31,954,000 (equivalent to approximately HKD40,509,000). All conditions of the placing agreement have been fulfilled and the issue of the 1,144,700,000 new shares was completed on 11 June 2015.

**(c) Equity settled share-based transaction**

The equity settled share-based payment reserve comprises the portion of the fair value of grant date of unexercised shares options granted to the grantees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments. The share options are not vested as at 30 June 2015.

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>At 30 June 2015</b>			
Investment properties	–	–	<b>46,133</b>
<b>At 31 December 2014</b>			
Investment properties	–	–	77,943

During the period ended 30 June 2015, there were no transfers between level 1 and level 2, or transfers into or out of level 3. The Group's policy is to recognise transfers out of level 3 as of the date of the event or change in circumstances that caused the transfer.

The Group performing valuations of investment properties (by reference to the valuation done by Grant Sherman). An analysis of changes in fair value measurement is prepared by the team at each reporting date, and is reviewed and approved by the chief financial officer.

## 18. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Contracted for	<b>1,296,184</b>	1,008,430
Authorised but not contracted for	–	–
	<b>1,296,184</b>	1,008,430

**19. MATERIAL RELATED PARTY TRANSACTION**

The Group did not enter any major related party transaction during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil)

**20. ACQUISITION OF SUBSIDIARIES**

During the six months period ended 30 June 2015, the Group entered into equity transfer agreements with independent third parties to acquire equity interests in four entities for a total cash consideration of RMB25,276,000. One of the entities is with solar power plant generating electricity and the other three entities are solar power plants at development stage.

**(a) Solar power plant with operation**

During the period, the Group entered into an equity transfer agreement with a third party to acquire 100% equity interests in Hejing Xushuang, at a cash consideration of RMB20,000,000. The above mentioned acquisition was completed at the acquisition date of 21 May 2015 (the "Acquisition Date"), through which the Group obtains control of Hejing Xushuang.

Hejing Xushuang is a limited liability company incorporated in the PRC and is principally engaged in electricity generation. As at the Acquisition Date, Hejing Xushuang was generating electricity.

The combined identifiable assets acquired and liabilities assumed of Hejing Xushuang at the Acquisition Date are as follows:

	Acquiree's carrying amount before acquisition RMB'000	Fair value adjustment RMB'000	Fair value RMB'000
Net assets acquired:			
Solar power plants	175,149	-	175,149
Trade and other receivables	3,021	-	3,021
Cash and cash equivalents	6	-	6
Trade and other payables	(159,669)	-	(159,669)
Net identifiable assets	18,507	-	18,507
Total consideration			20,000
Less: Net identifiable assets			(18,507)
Goodwill on the acquisition			1,493
Consideration, satisfied in cash			20,000
Less: Cash and cash equivalents acquired			(6)
Payment for acquisition of subsidiaries, net of cash acquired			19,994

**20. ACQUISITION OF SUBSIDIARIES** *(continued)***(a) Solar power plant with operation** *(continued)*

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the acquiree into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

During the period from the Acquisition Date to 30 June 2015, Hejing Xushuang contributed turnover (include tariff adjustment) of RMB3,016,000 and profit of RMB241,000 to the Group. If the acquisition had occurred on 1 January 2015, management estimates that the turnover (include tariff adjustment) would have been RMB6,102,000, and profit for the period would have been RMB1,487,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

**(b) Solar power plants under development**

During the period, the Group acquired equity interests in three entities, details as per below from independent third parties at a total cash consideration of RMB5,276,000. The entities principally engaged in generating and sales of electricity. As at the dates of acquisitions, the entities were at development stage.

Name of the entity*	Equity interests acquired
Shandong Xintailou Dejiayang Solar Power Generation Limited Company	100%
Xinjiang Chengshi Yisheng Trading Limited Company	100%
Qiangmao Energy Eerduosi Limited Company ("Qiangmao")	100%

**20. ACQUISITION OF SUBSIDIARIES** (continued)**(b) Solar power plants under development** (continued)

The combined identifiable assets acquired and liabilities assumed are as follows:

	RMB'000
Net assets acquired:	
Solar power plants under development	13,347
Trade and other receivables	1,000
Cash and cash equivalents	1,058
Trade and other payables	(10,129)
	<hr/>
Total identifiable net assets acquired	5,276
Consideration, satisfied in cash	5,276
Less: Cash and cash equivalents acquired	(1,058)
Less: Other payable	(977)
Less: Prepayment for acquisition of Qiangmao	(445)
	<hr/>
Payment for acquisition of subsidiaries, net of cash acquired	<hr/> 2,796

**21 SUBSEQUENT EVENTS****(a) Acquisition of 100% equity interest in a group of companies**

On 12 July 2015, the Company entered into a memorandum of understanding with certain vendors, with an aim to acquire the entire equity interests of a group of companies principally engaged in the construction and development of solar power station projects and manufacture and sale of wind-solar hybrid street lights in the PRC. As at the date of this interim report, the Company has not signed any formal sale and purchase agreement with the vendors.

**(b) Acquisition of 55% equity interest in a subsidiary**

On 22 July 2015, the Group entered into a cooperation agreement with an independent third party. Pursuant to the cooperation agreement, the Group has conditionally agreed to acquire an aggregate of 55% equity interests of Shenzhen Xiongtao Rongzi Zulin Co., Ltd.\* ("Xiongtao") at an aggregate consideration of USD16,500,000 (equivalent to approximately RMB102,465,000). Xiongtao is a limited liability company incorporated in the PRC and is principally engaged in the finance lease businesses in the PRC.

\* The English translation of these companies' names are for reference only. The official names of these companies are in Chinese.