The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.

pwc 羅兵咸永道

December 17, 2015

The Directors
Xinte Energy Co., Ltd.

UBS Securities Hong Kong Limited
GF Capital (Hong Kong) Limited

Dear Sirs,

We report on the financial information of Xinte Energy Co., Ltd. (新特能源股份有限公司, the "Company") and its subsidiaries (together, the "Group"), which comprises the consolidated balance sheets as of December 31, 2012, 2013, 2014 and June 30, 2015, the balance sheets of the Company as of December 31, 2012, 2013, 2014 and June 30, 2015, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2015 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information (the "Financial Information"). This Financial Information has been prepared by the directors of the Company and is set out in Sections I to III below for inclusion in Appendix I to the prospectus of the Company dated December 17, 2015 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company was established in the People's Republic of China ("the PRC") on February 20, 2008 as a limited liability company and converted into a joint stock company with limited liability under the Company Law of the PRC on October 16, 2012.

As of the date of this report, the Company has direct and indirect interests in the subsidiaries and associates as set out in Note 9 and Note 10 of Section II below. All of these companies are private companies or, if incorporated or established outside Hong Kong, have substantially the same characteristics as a Hong Kong incorporated private company.

The consolidated financial statements as of and for the years ended December 31, 2012, 2013 and 2014 of the Company prepared in accordance with Accounting Standards for Business Enterprises of the PRC issued by the China Ministry of Finance (the "MOF") were audited by ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)) in accordance with China Standards on Auditing issued by the Chinese Institute of Certified Public Accountants pursuant to separate terms of engagement with the Company. The audited financial statements of the other companies comprising the Group as of the date of this report for which there are statutory audit requirements have been prepared in accordance with the relevant accounting principles generally accepted in their place of incorporation. The details of the statutory auditors of the principal subsidiaries are set out in Note 9 of Section II.

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group for the Relevant Periods, in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "Underlying Financial Statements"). The directors of the Company are responsible for the preparation of the Underlying Financial Statements that gives a true and fair view in accordance with IFRSs. The Underlying Financial Statements have been audited by PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) in accordance with International Standards on Auditing (the "ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB") pursuant to separate terms of engagement with the Company.

The Financial Information has been prepared based on the Underlying Financial Statements, with no adjustment made thereon.

Directors' Responsibility for the Financial Information

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion on the Financial Information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.

Opinion

In our opinion, the financial information gives, for the purpose of this report, a true and fair view of the state of affairs of the Group and the Company as of December 31, 2012, 2013, 2014 and June 30, 2015, and of the Group's financial performance and cash flows for the Relevant Periods.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information set out in Sections I to III below included in Appendix I to the Prospectus, which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2014, and a summary of significant accounting policies and other explanatory information (the "Stub Period Comparative Financial Information").

The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the accounting policies set out in Note 2 of Section II below.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the IAASB. A review of the Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISAs and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report is not prepared, in all material respects, in accordance with the accounting policies set out in Note 2 of Section II below.

I FINANCIAL INFORMATION

The following is the Financial Information of the Group prepared by the directors of the Company as of December 31, 2012, 2013, 2014 and June 30, 2015 and for each of the years ended December 31, 2012, 2013, 2014 and the six months ended June 30, 2014 and 2015:

(a) Consolidated balance sheets

	Note	As of December 31,			As of June 30,
		2012	2013	2014	2015
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	7,682,339	8,796,539	8,389,895	8,243,026
Land use rights	7	249,340	263,017	323,254	329,245
Intangible assets	8	77,777	67,217	58,539	52,671
Investments accounted for using the equity method	10	—	82,330	49,079	57,233
Available-for-sale financial assets	3.3	—	—	1,000	1,000
Deferred income tax assets	11	44,937	21,754	41,460	42,689
Other non-current assets	15	220,689	113,787	118,607	72,683
Total non-current assets		8,275,082	9,344,644	8,981,834	8,798,547
Current assets					
Inventories	12	497,657	897,874	2,873,584	3,264,068
Amounts due from customers for contract work	13	101,626	934,231	693,443	1,208,536
Other current assets	15	272,392	421,735	490,070	289,448
Trade and notes receivable	14	1,717,272	2,843,135	2,992,694	2,622,029
Prepayments and other receivables	16	277,916	1,329,609	916,949	1,030,956
Restricted cash	17	443,367	723,516	852,065	486,016
Cash and cash equivalents	17	1,030,802	1,087,687	962,688	2,835,161
Total current assets		4,341,032	8,237,787	9,781,493	11,736,214
Total assets		12,616,114	17,582,431	18,763,327	20,534,761

I FINANCIAL INFORMATION—CONTINUED

	Note	As of December 31, 2012	As of December 31, 2013	As of December 31, 2014	As of June 30, 2015
		RMB'000	RMB'000	RMB'000	RMB'000
EQUITY					
Equity attribute to owners of the Company					
Share capital	18	568,000	568,000	673,050	877,728
Share premium	18	2,294,705	2,294,705	2,827,336	4,022,658
Other reserves	19	134,353	134,353	240,856	244,960
(Accumulated deficits)/Retained earnings		(116,201)	77,140	606,559	875,282
		2,880,857	3,074,198	4,347,801	6,020,628
Non-controlling interests		27,158	34,490	39,447	41,278
Total equity		2,908,015	3,108,688	4,387,248	6,061,906
LIABILITIES					
Non-current liabilities					
Borrowings	21	4,762,015	5,159,824	3,679,327	3,184,219
Deferred government grants	22	155,384	306,976	372,567	348,689
Total non-current liabilities		4,917,399	5,466,800	4,051,894	3,532,908
Current liabilities					
Trade and notes payable	23	1,737,501	4,466,283	4,426,951	4,780,074
Provisions and other payables	24	1,144,311	1,924,889	1,566,428	1,659,070
Amounts due to customers for contract work	13	44,667	24,735	139,264	239,746
Current income tax liabilities		—	28,485	40,844	12,108
Borrowings	21	1,864,221	2,562,551	4,150,698	4,248,949
Total current liabilities		4,790,700	9,006,943	10,324,185	10,939,947
Total liabilities		9,708,099	14,473,743	14,376,079	14,472,855
Total equity and liabilities		12,616,114	17,582,431	18,763,327	20,534,761
Net current (liabilities)/assets		(449,668)	(769,156)	(542,692)	796,267
Total assets less current liabilities		7,825,414	8,575,488	8,439,142	9,594,814

I FINANCIAL INFORMATION—CONTINUED

(b) Balance sheets

	Note	As of December 31, 2012	As of December 31, 2013	As of December 31, 2014	As of June 30, 2015
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	7,019,989	8,146,919	7,777,919	7,586,247
Land use rights	7	204,149	218,937	214,276	211,925
Intangible assets	8	66,806	57,060	49,952	44,701
Investments in subsidiaries	9	699,050	705,050	1,360,189	2,161,189
Investments in an associate	3.3	—	2,450	2,450	2,450
Deferred income tax assets	11	19,524	253	4,630	5,311
Other non-current assets	15	217,781	113,707	—	15,000
Total non-current assets		8,227,299	9,244,376	9,409,416	10,026,823
Current assets					
Inventories	12	80,322	118,081	252,331	271,262
Other current assets	15	270,027	382,113	331,441	177,407
Trade and notes receivable	14	72,333	383,547	659,991	426,660
Prepayments and other receivables	16	23,805	84,062	196,114	206,372
Restricted cash	17	40,511	29,847	82,773	99,900
Cash and cash equivalents	17	472,495	180,153	57,040	290,285
Total current assets		959,493	1,177,803	1,579,690	1,471,886
Total assets		9,186,792	10,422,179	10,989,106	11,498,709
EQUITY					
Share capital	18	568,000	568,000	673,050	877,728
Share premium	18	2,294,705	2,294,705	2,827,336	4,022,658
Other reserves	19	80,631	80,631	129,165	131,378
(Accumulated deficits)/Retained earnings		(71,665)	(11,297)	412,879	613,445
Total equity		2,871,671	2,932,039	4,042,430	5,645,209
LIABILITIES					
Non-current liabilities					
Borrowings	21	4,525,187	5,020,496	3,612,500	2,703,719
Deferred government grants	22	50,963	165,031	200,913	195,624
Total non-current liabilities		4,576,150	5,185,527	3,813,413	2,899,343
Current liabilities					
Trade and notes payable	23	225,992	351,590	566,797	441,354
Provisions and other payables	24	1,030,708	1,507,122	1,046,509	1,120,131
Borrowings	21	482,271	445,901	1,519,957	1,392,672
Total current liabilities		1,738,971	2,304,613	3,133,263	2,954,157
Total liabilities		6,315,121	7,490,140	6,946,676	5,853,500
Total equity and liabilities		9,186,792	10,422,179	10,989,106	11,498,709
Net current liabilities		(779,478)	(1,126,810)	(1,553,573)	(1,482,271)
Total assets less current liabilities		7,447,821	8,117,566	7,855,843	8,544,552

I FINANCIAL INFORMATION—CONTINUED

(c) Consolidated statements of comprehensive income

	Note	Year ended December 31,			Six months ended June 30,	
		2012	2013	2014	2014	2015
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	5	2,239,817	5,907,293	7,402,520	2,888,943	3,950,590
Cost of sales	25	(2,320,460)	(5,292,614)	(5,974,019)	(2,311,472)	(3,297,588)
Gross (loss)/profit		(80,643)	614,679	1,428,501	577,471	653,002
Selling and marketing expenses	25	(76,826)	(152,563)	(188,966)	(70,562)	(86,261)
General and administrative expenses	25	(168,022)	(231,894)	(371,729)	(124,342)	(202,916)
Other income	26	123,112	128,546	138,499	66,659	105,243
Other gains/(losses)—net	27	19,054	12,862	17,533	3,416	(2,962)
Operating (loss)/profit		(183,325)	371,630	1,023,838	452,642	466,106
Interest income	29	13,202	7,366	24,517	20,626	15,604
Finance expenses	29	(53,797)	(138,740)	(388,956)	(202,049)	(172,882)
Financial expenses—net		(40,595)	(131,374)	(364,439)	(181,423)	(157,278)
Share of profit/(loss) of investments accounted for using the equity method	10	—	16,408	2,106	5,670	(50)
(Loss)/Profit before income tax		(223,920)	256,664	661,505	276,889	308,778
Income tax benefit/(expense)	30	32,873	(56,290)	(8,144)	(4,738)	(37,906)
(Loss)/Profit for the year/period		(191,047)	200,374	653,361	272,151	270,872
(Loss)/Profit for the year/period attributable to:						
Owners of the Company		(129,596)	193,341	574,833	252,929	268,723
Non-controlling interests		(61,451)	7,033	78,528	19,222	2,149
		(191,047)	200,374	653,361	272,151	270,872
Other comprehensive loss		—	—	(292)	—	(322)
Total comprehensive (loss)/income for the year/period		(191,047)	200,374	653,069	272,151	270,550
Total comprehensive (loss)/income for the year/period attributable to:						
Owners of the Company		(129,596)	193,341	574,541	252,929	268,401
Non-controlling interests		(61,451)	7,033	78,528	19,222	2,149
		(191,047)	200,374	653,069	272,151	270,550
(Loss)/Earnings per share for (loss)/profit attribute to owners of the Company						
—Basic (loss)/earnings per share (RMB)	31	(0.23)	0.34	1.00	0.45	0.37
—Diluted (loss)/earnings per share (RMB)	31	(0.23)	0.34	1.00	0.45	0.34

I FINANCIAL INFORMATION—CONTINUED

(d) Consolidated statements of changes in equity

	Attributable to owners of the Company							
	Paid-in capital and capital surplus	Share capital	Share premium	Other reserves	Retained earnings/ (Accumulated deficits)	Total	Non-controlling interests	Total equity
	RMB'000 (Note 18)	RMB'000 (Note 18)	RMB'000 (Note 18)	RMB'000 (Note 19)	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2012	2,556,880	—	—	82,899	7,175	2,646,954	138,263	2,785,217
Comprehensive income								
Loss for the year	—	—	—	—	(129,596)	(129,596)	(61,451)	(191,047)
Total comprehensive loss	—	—	—	—	(129,596)	(129,596)	(61,451)	(191,047)
Transactions with owners								
Capital contributions	311,394	—	—	—	—	311,394	2,451	313,845
Conversion to a joint stock company (Note 18)	(2,868,274)	568,000	2,294,705	(651)	6,220	—	—	—
Acquisitions of additional interests in subsidiaries (Note 20)	—	—	—	52,105	—	52,105	(52,105)	—
Total transactions with owners, recognized directly in equity	(2,556,880)	568,000	2,294,705	51,454	6,220	363,499	(49,654)	313,845
Balance at December 31, 2012	—	568,000	2,294,705	134,353	(116,201)	2,880,857	27,158	2,908,015
Comprehensive income								
Profit for the year	—	—	—	—	193,341	193,341	7,033	200,374
Total comprehensive income	—	—	—	—	193,341	193,341	7,033	200,374
Transactions with owners								
Capital contributions from non-controlling interests	—	—	—	—	—	—	299	299
Total transactions with owners, recognized directly in equity	—	—	—	—	—	—	299	299
Balance at December 31, 2013	—	568,000	2,294,705	134,353	77,140	3,074,198	34,490	3,108,688
Comprehensive income								
Profit for the year	—	—	—	—	574,833	574,833	78,528	653,361
Currency translation differences	—	—	—	(292)	—	(292)	—	(292)
Total comprehensive income	—	—	—	(292)	574,833	574,541	78,528	653,069
Transactions with owners								
Capital contributions	—	105,050	532,631	—	—	637,681	—	637,681
Share-based payments:								
—fair value of employee services (Note 19)	—	—	—	6,125	—	6,125	—	6,125
Transactions with non-controlling interests (Note 20)	—	—	—	55,256	—	55,256	(72,933)	(17,677)
Appropriation of surplus reserve (Note 19)	—	—	—	45,414	(45,414)	—	—	—
Dividends paid to non-controlling interests	—	—	—	—	—	—	(638)	(638)
Total transactions with owners, recognized directly in equity	—	105,050	532,631	106,795	(45,414)	699,062	(73,571)	625,491
Balance at December 31, 2014	—	673,050	2,827,336	240,856	606,559	4,347,801	39,447	4,387,248

I FINANCIAL INFORMATION—CONTINUED

(d) Consolidated statements of changes in equity—continued

	Attributable to owners of the Company						
	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 (Note 18)	RMB'000 (Note 18)	RMB'000 (Note 19)	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2015	673,050	2,827,336	240,856	606,559	4,347,801	39,447	4,387,248
Comprehensive income							
Profit for the period	—	—	—	268,723	268,723	2,149	270,872
Currency translation differences	—	—	(322)	—	(322)	—	(322)
Total comprehensive income	—	—	(322)	268,723	268,401	2,149	270,550
Transactions with owners							
Capital contributions	204,678	1,195,322	—		1,400,000	—	1,400,000
Dividends paid to non-controlling interests	—	—	—	—	—	(318)	(318)
Share-based payments:							
—fair value of employee services (Note 19)	—	—	4,426	—	4,426	—	4,426
Total transactions with owners, recognized directly in equity	204,678	1,195,322	4,426	—	1,404,426	(318)	1,404,108
Balance at June 30, 2015	877,728	4,022,658	244,960	875,282	6,020,628	41,278	6,061,906
(unaudited)							
Balance at January 1, 2014	568,000	2,294,705	134,353	77,140	3,074,198	34,490	3,108,688
Comprehensive income							
Profit for the period	—	—	—	252,929	252,929	19,222	272,151
Total comprehensive income	—	—	—	252,929	252,929	19,222	272,151
Transactions with owners							
Capital contributions from non-controlling interests	—	—	8,130	—	8,130	611,874	620,004
Total transactions with owners, recognized directly in equity	—	—	8,130	—	8,130	611,874	620,004
Balance at June 30, 2014	568,000	2,294,705	142,483	330,069	3,335,257	665,586	4,000,843

I FINANCIAL INFORMATION—CONTINUED

(e) Consolidated statements of cash flows

	Note	Year ended December 31,			Six months ended June 30,	
		2012	2013	2014	2014	2015
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cash flows from operating activities						
Cash (used in)/generated from operations	33(a)	(1,037,406)	119,290	93,808	(467,942)	1,063,895
Income tax paid		(4,826)	(4,624)	(43,783)	(27,195)	(28,105)
Net cash (used in)/generated from operating activities		(1,042,232)	114,666	50,025	(495,137)	1,035,790
Cash flows from investing activities						
Purchase of property, plant and equipment		(2,995,689)	(738,548)	(432,400)	(343,815)	(274,626)
Purchase of intangible assets		(1,980)	(2,351)	(3,726)	(446)	(693)
Purchase of land use rights		(41,291)	(20,098)	(67,731)	(67,148)	(9,548)
Proceeds from disposal of property, plant and equipment	33(b)	16,940	8,966	15,381	8,123	457
Additional investments accounted for using the equity method	10(c)	—	(110,690)	(36,526)	(32,164)	—
Proceeds from disposal of investments accounted for using the equity method	10(d)	—	—	90,400	—	—
Government grants received		37,473	157,450	106,084	62,370	3,240
Changes in restricted cash		(286,249)	(280,149)	(128,549)	159,543	366,049
Net cash (used in)/generated from investing activities		(3,270,796)	(985,420)	(457,067)	(213,537)	84,879
Cash flows from financing activities						
Repayments of borrowings		(5,288,412)	(4,162,517)	(4,419,404)	(2,089,013)	(4,768,611)
Proceeds from borrowings		9,586,036	5,476,086	4,525,328	2,259,207	4,356,970
Interest paid		(242,645)	(386,002)	(443,141)	(206,793)	(236,517)
Capital contributions from parent company and other investors		313,845	—	620,004	620,004	1,400,000
Capital contributions from non-controlling interests		—	299	—	—	—
Dividends paid to non-controlling interests		—	—	(638)	—	—
Net cash generated from financing activities		4,368,824	927,866	282,149	583,405	751,842
Net increase/(decrease) in cash and cash equivalents		55,796	57,112	(124,893)	(125,269)	1,872,511
Cash and cash equivalents at beginning of the year/period	17	975,283	1,030,802	1,087,687	1,087,687	962,688
Exchange losses on cash and cash equivalents		(277)	(227)	(106)	(34)	(38)
Cash and cash equivalents at end of the year/period		1,030,802	1,087,687	962,688	962,384	2,835,161

II NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

Xinte Energy Co., Ltd. (新特能源股份有限公司, the "Company") was established in the People's Republic of China (the "PRC") on February 20, 2008 as a limited liability company. On October 16, 2012, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The address of the Company's registered office is No. 2499, Mianguangdong Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), High-tech Industrial Development Zone (New Downtown), Urumqi, Xinjiang Uygur Autonomous Region, the PRC.

The Company's parent company and ultimate holding company is TBEA Co., Ltd. (特變電工股份有限公司) ("TBEA"), a joint stock company with limited liability incorporated in the PRC.

The Company and its subsidiaries (the "Group") are principally engaged in polysilicon production and rendering of engineering and construction contracting ("ECC") service for solar and wind power plants and systems in the PRC.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are stated at fair value.

The preparation of the Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

At December 31, 2012, 2013, 2014 and June 30, 2015, the Company's current liabilities exceeded its current assets by approximately RMB779,478,000, RMB1,126,810,000, RMB1,553,573,000 and RMB1,482,271,000, respectively. The Company meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks. At December 31, 2012, 2013, 2014 and June 30, 2015, the Company had committed unutilized financing facilities amounted to approximately RMB514,609,000, RMB425,817,000, RMB690,000,000 and RMB1,350,448,000, respectively, all of which are subject to renewal during the next 12 months from the balance sheet dates. Further information on the Company's borrowings is set out in Note 21.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.1 Basis of preparation—continued

The directors of the Company considered that based on past experience, the relevant financing facilities can be renewed with similar terms upon their expiration and will continue to be available to the Company for the foreseeable period of not less than 12 months from the balance sheet date. Based on the above considerations, the Company's directors are of the opinion that the Group has adequate resources to continue its operations and to repay its debts when they fall due. As a result, the Financial Information have been prepared on the basis that the Group will continue in operation for the foreseeable future without a significant curtailment of operations.

2.1.1 Changes in accounting policy and disclosures

New standards, amendments and interpretations effective for the financial year beginning after June 30, 2015 and not early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after June 30, 2015, and have not been applied in preparing this Financial Information. None of these is expected to have a significant effect on the Financial Information, except those as set out below:

IFRS 15, "Revenue from Contracts with Customers", deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a goods or service and thus has the ability to direct the use and obtain the benefits from the goods or service. The standards replace IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted.

IFRS 9, "Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.1 Basis of preparation—continued

2.1.1 Changes in accounting policy and disclosures—continued

New standards, amendments and interpretations effective for the financial year beginning after June 30, 2015 and not early adopted—continued

and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted.

Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortization, the amendments clarify when a method of depreciation or amortization based on revenue may be appropriate. The amendment to IAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to IAS 38 establishes a rebuttable presumption that amortization of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances. The standard is effective for accounting periods beginning on or after January 1, 2016.

Amendments to IFRS 10 and IAS 28 on sale or contribution of assets between an investor and its associate or joint venture address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. The standard is effective for accounting periods beginning on or after January 1, 2016.

The Group is in the process of an assessment of the related impact of the above revised standards, amendments and interpretations to the Group's financial statements upon adoption of them at their respective effective dates.

2.1.2 Changes in accounting estimates

In 2014, the directors of the Company approved a change of useful lives of certain buildings of polysilicon production business from 40 years to 30 years and machinery and equipment of polysilicon production business from 20 years to 14 years, which is to better reflect the operating status and the economic useful lives of these assets. This change of accounting estimates is applied prospectively from January 1, 2014. This change resulted in a decrease in profit before tax by approximately RMB109 million for the year ended December 31, 2014, and RMB55 million for the six months ended June 30, 2015.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.2 Subsidiaries—continued

2.2.1 Consolidation—continued

(a) Business combinations—continued

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associate

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.3 Associate—continued

the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/(loss) of investments accounted for using the equity method' in the profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognized in the profit or loss.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer, deputy general managers and directors of the Company who makes strategic decisions.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (the "functional currency"). The Financial Information is presented in Renminbi ("RMB"), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within "Finance expenses—net." All other foreign exchange gains and losses are presented in the profit or loss within "Other gains/(losses)—net."

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged in the profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Estimated useful lives
Buildings	20-40 years
Machinery and equipment	5-20 years
Vehicles	5-10 years
Furniture and fixtures	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.6 Property, plant and equipment—continued

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other gains/(losses)—net" in the consolidated statement of comprehensive income.

2.7 Land use rights

Land use rights represent upfront prepayments made for the land use rights and are expensed in the profit or loss on a straight-line basis over the periods of the leases or when there is impairment, the impairment is expensed in the profit or loss.

2.8 Intangible assets

(a) Patent and proprietary technologies

Patent and proprietary technologies are initially recorded at cost and are amortized on a straight-line basis over the shorter of their useful lives or licence terms.

(b) Computer software

Acquired computer software are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 2 to 5 years.

2.9 Research and development

Research expenditures are recognized as expenses when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognized as intangible assets when the following criteria are fulfilled:

(i) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

(ii) Management intends to complete the intangible asset and use or sell it;

(iii) There is an ability to use or sell the intangible asset;

(iv) It can be demonstrated how the intangible asset will generate probable future economic benefits;

(v) Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and

(vi) The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.10 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment is reviewed for possible reversal of the impairment at each reporting date.

Provision for impairment of inventory is usually determined by the excess of cost over net realizable value on single item basis and recorded in the statement of comprehensive income. Net realizable value is determined based on the estimated selling price less estimated conversion costs, selling expenses and related taxes in the ordinary course of business. Provision for or reversal of impairment of inventory is recognized in the consolidated statement of comprehensive income.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise: "trade and notes receivable", "other receivables", "restricted cash", and "cash and cash equivalents" in the balance sheet.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognized on the trade date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.11 Financial assets—continued

2.11.2 Recognition and measurement—continued

loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated statement of comprehensive income. Dividend on available-for-sale equity instruments are recognized in the consolidated statements of comprehensive income as part of other income when the Group's right to receive payments is established.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.13 Impairment of financial assets

(a) Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.13 Impairment of financial assets—continued

(a) Assets carried at amortized cost—continued

contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss—is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

2.14 Inventories

Inventories mainly comprise raw materials, work in progress including power plant under development (Note 2.24(c)) and finished goods. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the moving average method except for construction of power plant which is stated at accumulated construction cost. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

2.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.19 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has a contractual or an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.20 Borrowing costs

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

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

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

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.21 Current and deferred income tax—continued

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.21 Current and deferred income tax—continued

(c) Offsetting—continued

liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

(a) Pension and social obligations

The Group companies operate various defined contribution plan in accordance with the local conditions and practices in which they operate. Defined contribution plans are pensions and the other social benefit plans under which the Group pay fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as labor costs when they are due.

(b) Housing benefits

The Group contributes to the state-prescribed housing fund. Such costs are charged to the consolidated statement of comprehensive income as incurred. Apart from this, the Group do not have other legal or constructive obligations over such benefits.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

2.23 Provisions

Provisions for product and service warranty are recognized when: the Group has a present contractual or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for sale of goods, construction contracts and rendering of services, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

(a) Rendering of ECC services under construction contracts

A construction contract is defined by International Accounting Standard ("IAS") 11 as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion. Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the "percentage-of-completion method" to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

On the balance sheet, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits (less recognized losses) exceed progress billings; a contract represents a liability where the opposite is the case. The respective balance items are "Amounts due from customers for contract work" and "Amounts due to customers for contract work."

(b) Rendering of other services

The Group also provides technology development, design, consultation and supervision services to power plant owners/operators and other manufacturers. The service revenue is

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.24 Revenue recognition—continued

(b) Rendering of other services—continued

recognized in the accounting period in which the services are rendered, by reference to state of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

(c) Sales of power plant projects

Under the Group's normal operation of ECC services, it establishes various subsidiaries as the owner of power plant projects to be disposed during or upon completion of the relevant construction ("project companies"). Before a buyer is identified, all construction costs in progress pertaining to these projects are recognized as inventories in the consolidated balance sheet. These projects will be sold to third-party customers at different stages by way of transferring the equity interest in these subsidiaries. These subsidiaries have no other commercial operation other than the holding of the relevant projects. In the opinion of the directors of the Company, the disposal of equity interest in these project companies is in substance the sales of inventories held by the Group.

Sales of power plant projects are recognized when the risks and rewards of the power plant projects are transferred to the customers, which occur when the relevant power plant projects have been delivered to the purchasers pursuant to the sales agreements.

(d) Sales of other goods

The Group manufactures and sells polysilicon and other products, as well as produces and sells electricity. Sales of goods are recognized when significant risks and rewards of ownership of the goods are transferred to the customer, and the customer has accepted the goods and collectability of the related receivables is reasonably assured.

(e) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

(f) Dividend income

Dividend income is recognized when the right to receive payment is established.

2.25 Leases—operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), are charged to the profit or loss on a straight-line basis over the period of the lease.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

2.26 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments to hedge these risk exposures.

Risk management is carried out by the Company's finance department under the policies and directions approved by its Board of Directors. The Company's finance department identifies, evaluates and manages financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.

The Group's operations are substantially located in the PRC and transacted at RMB. At December 31, 2012, 2013, 2014 and June 30, 2015, if RMB had weakened/strengthened by 1% against the USD with all other variables held constant, loss before tax for the year ended December 31, 2012 would have been RMB2,416,000 higher/lower, profit before tax for the years ended December 31, 2013 and 2014 and six months ended June 30, 2015 would have been RMB2,334,000, RMB1,912,000 and RMB1,706,000 lower/higher, respectively.

(ii) Cash flow interest rate risk

The Group's interest rate risk mainly arises from long-term borrowings. All borrowings obtained are at variable rates and expose the Group to cash flow interest rate risk which is

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

3 FINANCIAL RISK MANAGEMENT—CONTINUED

3.1 Financial risk factors—continued

(a) Market risk—continued

partially offset by cash held at variable rates. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing.

At December 31, 2012, 2013, 2014 and June 30, 2015, if interest rates on the Group's long-term borrowings at that dates had been 50 basis points higher/lower with all other variables held constant, loss before tax for the year ended December 31, 2012 would have been RMB23,800,000 higher/lower, profit before tax for the years ended December 31, 2013 and 2014 and six months ended June 30, 2015 would RMB25,800,000, RMB18,400,000 and RMB15,900,000 lower/higher, respectively.

(b) Credit risk

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions (including restricted cash), as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group assesses the credit quality of its customers by taking into account various factors including their financial position, past experience and other factors. Management does not expect any losses from non-performance by these counterparties except for those recognized.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

3 FINANCIAL RISK MANAGEMENT—CONTINUED

3.1 Financial risk factors—continued

(c) Liquidity risk

The liquidity risk of the Group is mainly controlled by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Group				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2012					
Borrowings	2,010,464	458,371	2,257,013	4,564,966	9,290,814
Trade payables (Note 23)	1,226,507	—	—	—	1,226,507
Notes payables (Note 23)	510,994	—	—	—	510,994
Other payables	989,456	—	—	—	989,456
	4,737,421	458,371	2,257,013	4,564,966	12,017,771
As of December 31, 2013					
Borrowings	2,989,769	897,241	3,589,054	2,192,193	9,668,257
Trade payables (Note 23)	2,081,495	—	—	—	2,081,495
Notes payables (Note 23)	2,384,788	—	—	—	2,384,788
Other payables	1,452,711	—	—	—	1,452,711
	8,908,763	897,241	3,589,054	2,192,193	15,587,251
As of December 31, 2014					
Borrowings	4,514,282	870,316	2,459,064	1,378,005	9,221,667
Trade payables (Note 23)	2,036,530	—	—	—	2,036,530
Notes payables (Note 23)	2,390,421	—	—	—	2,390,421
Other payables	1,006,521	—	—	—	1,006,521
	9,947,754	870,316	2,459,064	1,378,005	14,655,139
As of June 30, 2015					
Borrowings	4,636,725	952,075	1,989,393	1,025,824	8,604,017
Trade payables (Note 23)	2,573,118	—	—	—	2,573,118
Notes payables (Note 23)	2,206,956	—	—	—	2,206,956
Other payables	844,071	—	—	—	844,071
	10,260,870	952,075	1,989,393	1,025,824	14,228,162

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

3 FINANCIAL RISK MANAGEMENT—CONTINUED

3.1 Financial risk factors—continued

(c) Liquidity risk—continued

	Company				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2012					
Borrowings	513,630	311,102	2,108,606	4,564,457	7,497,795
Trade payables (Note 23)	106,867	—	—	—	106,867
Notes payables (Note 23)	119,125	—	—	—	119,125
Other payables	971,886	—	—	—	971,886
	1,711,508	311,102	2,108,606	4,564,457	8,695,673
As of December 31, 2013					
Borrowings	858,120	818,450	3,519,438	2,192,193	7,388,201
Trade payables (Note 23)	215,717	—	—	—	215,717
Notes payables (Note 23)	135,873	—	—	—	135,873
Other payables	1,378,194	—	—	—	1,378,194
	2,587,904	818,450	3,519,438	2,192,193	9,117,985
As of December 31, 2014					
Borrowings	1,811,788	819,710	2,440,058	1,378,005	6,449,561
Trade payables (Note 23)	234,488	—	—	—	234,488
Notes payables (Note 23)	332,309	—	—	—	332,309
Other payables	942,804	—	—	—	942,804
	3,321,389	819,710	2,440,058	1,378,005	7,959,162
As of June 30, 2015					
Borrowings	1,651,805	838,389	1,699,049	780,140	4,969,383
Trade payables (Note 23)	218,294	—	—	—	218,294
Notes payables (Note 23)	223,060	—	—	—	223,060
Other payables	728,304	—	—	—	728,304
	2,821,463	838,389	1,699,049	780,140	6,139,041

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to provide returns for the investors and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the debt ratio. This debt ratio is calculated as total liabilities divided by total assets as shown in the consolidated balance sheet. The Group aims to maintain the debt ratio at a reasonable level.

The debt ratio of the Group as of December 31, 2012, 2013 and 2014 and June 30, 2015 was 77%, 82%, 77% and 70%, respectively.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

3 FINANCIAL RISK MANAGEMENT—CONTINUED

3.3 Fair value estimation

Financial instruments are carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at December 31, 2014 and June 30, 2015:

	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000
As of December 31, 2014 and June 30, 2015			
Available-for-sale financial asset	—	—	1,000

As of December 31, 2014 and June 30, 2015, available-for-sale financial asset represented 10% equity interest in Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司) held by TBEA Xinjiang New Energy Co., Ltd. (特變電工新疆新能源股份有限公司, "Xinjiang New Energy"), a subsidiary of the Company.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value these financial instruments include discounted cash flow analysis.

Since Urumqi Xinte Power Generation Co., Ltd. has not commenced any major operations as of June 30, 2015, the level 3 fair value of this investment approximated the value of the cash contribution made.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS—CONTINUED

(a) Revenue from construction contracts

Revenue from individual contract is recognized under the percentage of completion method, which requires estimations by management. Anticipated losses are fully provided on contracts when identified. Because of the nature of the activity undertaken in construction and engineering businesses, the date at which the contract is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Management regularly reviews the progress of the contracts and the corresponding costs of the contract. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

(b) Income tax and deferred tax

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be reflected in the income tax expense and deferred tax provisions in the period in which such determination is made. In addition, the realization of future income tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilize income tax benefits and tax loss carry-forwards. Deviations of future profitability from estimates or in the income tax rate would result in adjustments to the value of future income tax assets and liabilities that could have a significant effect on the income tax expenses.

(c) Impairment of non-financial assets

At each balance sheet date, the Group considers both internal and external sources of information to assess whether there is any indication that assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized to reduce the carrying amount of the asset to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Management estimates value in use based on the estimated discounted future cash flows of the cash generating unit at the lowest level to which the asset belongs. Management uses a series of assumptions and estimations to determine the recoverable amount, including useful life of the asset, future market anticipation, future revenue, gross margin rate and discount rate, etc.

(d) Useful lives and residual values of property, plant and equipment

The management determines the residual values, useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual residual values and useful lives of property, plant and equipment of similar nature and

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS—CONTINUED

(d) Useful lives and residual values of property, plant and equipment—continued

functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where residual values or useful lives are less than previously estimated, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

5 SEGMENT INFORMATION

The CODM have been identified as the chief executive officer, deputy general manager and directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments on the basis of these reports. As the Group's operations are located in the PRC, the CODM considers the business from a product and service perspective. Management separately considers polysilicon production, ECC, inverter manufacturing, sales of electricity and PV wafer and module manufacturing as reportable operating segments. Others segment mainly comprises of businesses including trading design services and logistics services.

The CODM assesses the performance of the operating segments based on revenue and gross profit margin. Sales and other transactions between segments are carried out based on terms and conditions mutually agreed between the relevant parties. The CODM evaluate the performance of the reportable segments based on gross profit margin. The measurement of segment revenue and results reported to the CODM are in a manner consistent with that in the statement of comprehensive income. The amounts provided to the CODM with respect to total assets are measured in a manner consistent with that of the balance sheet. These assets are allocated based on the operations of the segment.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

5 SEGMENT INFORMATION—CONTINUED

The segment results for the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015 are as follows:

	Polysilicon production	ECC	Inverter manufacturing	Sales of electricity	PV wafer and module manufacturing	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended December 31, 2012:								
Segment revenue and results								
Total segment revenue	272,871	1,589,217	95,325	—	393,781	41,355	(152,732)	2,239,817
Inter-segment revenue	(13,095)	(49,725)	(726)	—	(59,906)	(29,280)	152,732	—
Revenue from external customers	259,776	1,539,492	94,599	—	333,875	12,075	—	2,239,817
Segment results	(110,286)	170,664	21,328	—	(163,892)	1,543	—	(80,643)
Other segment items								
Amortization	13,552	122	631	—	1,332	1,337	—	16,974
Depreciation	75,360	472	247	—	48,523	3,378	—	127,980
Provisions/(Reversals) of impairment:								
—trade and other receivables	(88)	5,236	995	—	(3,268)	1,249	—	4,124
—property, plant and equipment	—	—	—	—	43,943	—	—	43,943
—inventories	17,283	—	—	—	35,484	—	—	52,767
—construction contracts	—	15,600	—	—	—	—	—	15,600

	Polysilicon production	ECC	Inverter manufacturing	Sales of electricity	PV wafer and module manufacturing	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended December 31, 2013:								
Segment revenue and results								
Total segment revenue	869,069	4,250,786	373,420	328,814	305,503	50,022	(270,321)	5,907,293
Inter-segment revenue	(2,507)	(224,511)	—	—	(4,427)	(38,876)	270,321	—
Revenue from external customers	866,562	4,026,275	373,420	328,814	301,076	11,146	—	5,907,293
Segment results	99,904	350,072	87,048	125,137	(48,564)	1,082	—	614,679
Other segment items								
Amortization	14,621	1,895	619	—	120	906	—	18,161
Depreciation	140,063	3,936	1,997	41,723	45,446	1,092	—	234,257
Provisions/(Reversals) of impairment:								
—trade and other receivables	250	19,972	(527)	763	(2,094)	(1,455)	—	16,909
—property, plant and equipment	—	—	—	—	25,492	—	—	25,492
—inventories	—	—	—	—	6,357	—	—	6,357
—construction contracts	—	7,079	—	—	—	—	—	7,079
Share of profit of investments accounted for using the equity method	—	16,408	—	—	—	—	—	16,408

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

5 SEGMENT INFORMATION—CONTINUED

	Polysilicon production	ECC	Inverter manufacturing	Sales of electricity	PV wafer and module manufacturing	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended December 31, 2014:								
Segment revenue and results								
Total segment revenue	2,056,533	4,342,946	431,455	711,509	311,111	265,982	(717,016)	7,402,520
Inter-segment revenue	(7,435)	(199,212)	—	(314,438)	(37,547)	(158,384)	717,016	—
Revenue from external customers	2,049,098	4,143,734	431,455	397,071	273,564	107,598	—	7,402,520
Segment results	838,895	478,765	86,595	59,015	(51,106)	16,337	—	1,428,501
Other segment items								
Amortization	15,170	1,804	1,973	—	896	55	—	19,898
Depreciation	398,080	5,168	4,416	61,070	42,345	120	—	511,199
Provisions/(Reversals) of impairment:								
—trade and other receivables	27,406	21,999	1,593	(721)	2,252	2,032	—	54,561
—property, plant and equipment	—	—	—	—	16,314	—	—	16,314
—inventories	—	—	—	—	4,881	—	—	4,881
—construction contracts	—	2,499	—	—	—	—	—	2,499
Share of profit of investments accounted for using the equity method	—	2,106	—	—	—	—	—	2,106

	Polysilicon production	ECC	Inverter manufacturing	Sales of electricity	PV wafer and module manufacturing	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)								
For the six months ended June 30, 2014:								
Segment revenue and results								
Total segment revenue	871,989	1,567,204	166,125	364,604	153,879	52,149	(287,007)	2,888,943
Inter-segment revenue	(4,659)	(80,880)	—	(143,842)	(21,715)	(35,911)	287,007	—
Revenue from external customers	867,330	1,486,324	166,125	220,762	132,164	16,238	—	2,888,943
Segment results	371,082	137,415	33,056	37,195	(6,190)	4,913	—	577,471
Other segment items								
Amortization	7,059	632	986	—	452	—	—	9,129
Depreciation	181,678	2,636	2,040	33,382	23,109	107	—	242,952
Provisions/(Reversals) of impairment:								
—trade and other receivables	432	2,470	2,183	(376)	277	1,058	—	6,044
—inventories	—	—	—	—	492	—	—	492
Share of profit of investments accounted for using the equity method	—	5,670	—	—	—	—	—	5,670

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

5 SEGMENT INFORMATION—CONTINUED

	Polysilicon production	ECC	Inverter manufacturing	Sales of electricity	PV wafer and module manufacturing	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the six months ended June 30, 2015:								
Segment revenue and results								
Total segment revenue	999,228	2,467,996	208,042	386,363	122,251	164,450	(397,740)	3,950,590
Inter-segment revenue	(10,532)	(96,157)	(157)	(173,404)	(567)	(116,923)	397,740	—
Revenue from external customers	988,696	2,371,839	207,885	212,959	121,684	47,527	—	3,950,590
Segment results	320,569	250,172	46,663	53,890	(22,195)	3,903	—	653,002
Other segment items								
Amortization	7,377	1,247	987	—	417	90	—	10,118
Depreciation	199,233	2,120	2,208	30,735	20,617	1,873	—	256,786
Provisions/(Reversals) of impairment:								
—trade and other receivables	2,239	(245)	1,329	968	1,770	(1,718)	—	4,343
—inventories	—	—	—	—	19,196	—	—	19,196
—construction contracts	—	(201)	—	—	—	—	—	(201)
Share of loss of investments accounted for using the equity method	—	(50)	—	—	—	—	—	(50)

A reconciliation of segment results to (loss)/profit before income tax is provided as follows:

	Year ended December 31			Six months end June 30	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Polysilicon production	(110,286)	99,904	838,895	371,082	320,569
ECC	170,664	350,072	478,765	137,415	250,172
Inverter manufacturing	21,328	87,048	86,595	33,056	46,663
Sales of electricity	—	125,137	59,015	37,195	53,890
PV wafer and module manufacturing	(163,892)	(48,564)	(51,106)	(6,190)	(22,195)
Others	1,543	1,082	16,337	4,913	3,903
Total gross (loss)/profit for reportable segments	(80,643)	614,679	1,428,501	577,471	653,002
Selling and marketing expenses	(76,826)	(152,563)	(188,966)	(70,562)	(86,261)
General and administrative expenses	(168,022)	(231,894)	(371,729)	(124,342)	(202,916)
Other income	123,112	128,546	138,499	66,659	105,243
Other gains/(losses)—net	19,054	12,862	17,533	3,416	(2,962)
Finance expenses—net	(40,595)	(131,374)	(364,439)	(181,423)	(157,278)
Share of profit/(loss) of investments accounted for using the equity method	—	16,408	2,106	5,670	(50)
(Loss)/Profit before income tax	(223,920)	256,664	661,505	276,889	308,778
Income tax benefit /(expense)	32,873	(56,290)	(8,144)	(4,738)	(37,906)
(Loss)/Profit for the year/period	(191,047)	200,374	653,361	272,151	270,872

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

5 SEGMENT INFORMATION—CONTINUED

The segment assets as of December 31, 2012, 2013, 2014 and June 30, 2015 are as follows:

	Polysilicon production	ECC	Inverter manufacturing	Sales of electricity	PV wafer and module manufacturing	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2012								
Segment assets	7,362,195	2,975,377	188,883	1,805,073	918,166	295,100	(973,617)	12,571,177
Unallocated assets								44,937
Total assets								12,616,114
Additions to non-current assets	2,213,201	1,891	3,410	1,695,833	449	36,610	—	3,951,394
As of December 31, 2013								
Segment assets	8,073,432	6,542,487	433,514	2,344,892	758,391	390,564	(1,064,933)	17,478,347
Investments accounted for using the equity method	2,383	79,947	—	—	—	—	—	82,330
	8,075,815	6,622,434	433,514	2,344,892	758,391	390,564	(1,064,933)	17,560,677
Unallocated assets								21,754
Total assets								17,582,431
Additions to non-current assets	792,138	2,674	64,780	509,572	1,275	50,044	—	1,420,483
As of December 31, 2014								
Segment assets	8,776,488	7,687,056	699,268	2,246,875	646,555	345,108	(1,728,562)	18,672,788
Investments accounted for using the equity method	2,387	46,692	—	—	—	—	—	49,079
	8,778,875	7,733,748	699,268	2,246,875	646,555	345,108	(1,728,562)	18,721,867
Unallocated assets								41,460
Total assets								18,763,327
Additions to non-current assets	93,378	4,221	72,620	29,556	8,737	926	—	209,438
As of June 30, 2015								
Segment assets	9,207,438	10,065,588	679,810	2,283,511	672,492	474,905	(2,948,905)	20,434,839
Investments accounted for using the equity method	2,386	54,847	—	—	—	—	—	57,233
	9,209,824	10,120,435	679,810	2,283,511	672,492	474,905	(2,948,905)	20,492,072
Unallocated assets								42,689
Total assets								20,534,761
Additions to non-current assets	37,787	333	6,854	1,743	6,170	71,723	—	124,610

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

5 SEGMENT INFORMATION—CONTINUED

Entity-wide information

Breakdown of the revenue from all goods and services is as follows:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Provision of ECC services	1,539,492	4,026,275	4,143,734	1,486,324	2,371,839
Sales of goods	688,250	1,869,872	3,151,188	1,386,381	1,531,224
Provision of services other than ECC	12,075	11,146	107,598	16,238	47,527
	2,239,817	5,907,293	7,402,520	2,888,943	3,950,590

Revenue from external customers in the PRC and other countries is as follows:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
The PRC	2,227,437	5,896,888	7,166,134	2,857,235	3,330,646
Other countries	12,380	10,405	236,386	31,708	619,944
	2,239,817	5,907,293	7,402,520	2,888,943	3,950,590

There were no single external customers contributed more than 10% of the total revenue for the year ended December 31, 2013 and 2014, and six months ended June 30, 2014. For the year ended December 31, 2012 and six months ended June 30, 2015, there were one and one external customers, respectively, individually contributed more than 10% of the total revenue and all attributable to ECC services segment, with their proportion as 16% and 16%, respectively, in the total revenue of the year/period.

At December 31, 2012, 2013, 2014 and June 30, 2015, all the Group's non-current assets, other than financial instruments and deferred income tax assets, are located in the PRC.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

6 PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2012						
Cost	583,862	1,816,108	23,489	14,196	1,751,071	4,188,726
Accumulated depreciation	(51,258)	(169,148)	(5,922)	(1,876)	—	(228,204)
Net book value	532,604	1,646,960	17,567	12,320	1,751,071	3,960,522
Year ended December 31, 2012						
Opening net book value	532,604	1,646,960	17,567	12,320	1,751,071	3,960,522
Additions	—	10,550	10,289	2,330	3,887,447	3,910,616
Transfers	349,596	507,788	—	120	(857,504)	—
Disposals	(2)	(3,239)	(8,449)	(168)	(601)	(12,459)
Depreciation charge	(24,329)	(105,736)	(544)	(1,788)	—	(132,397)
Impairment provisions	—	(43,899)	(44)	—	—	(43,943)
Closing net book value	857,869	2,012,424	18,819	12,814	4,780,413	7,682,339
As of December 31, 2012						
Cost	933,456	2,331,207	25,329	16,478	4,780,413	8,086,883
Accumulated depreciation	(75,587)	(274,884)	(6,466)	(3,664)	—	(360,601)
Accumulated impairment provisions	—	(43,899)	(44)	—	—	(43,943)
Net book value	857,869	2,012,424	18,819	12,814	4,780,413	7,682,339
Year ended December 31, 2013						
Opening net book value	857,869	2,012,424	18,819	12,814	4,780,413	7,682,339
Additions	130,340	23,279	7,440	4,791	1,223,989	1,389,839
Transfers	1,545,179	4,432,316	1,323	4,408	(5,983,226)	—
Disposals	—	(9,039)	(510)	(258)	—	(9,807)
Depreciation charge	(51,217)	(184,386)	(1,654)	(3,083)	—	(240,340)
Impairment provisions	—	(25,492)	—	—	—	(25,492)
Closing net book value	2,482,171	6,249,102	25,418	18,672	21,176	8,796,539
As of December 31, 2013						
Cost	2,608,975	6,777,763	33,582	25,419	21,176	9,466,915
Accumulated depreciation	(126,804)	(459,270)	(8,120)	(6,747)	—	(600,941)
Accumulated impairment provisions	—	(69,391)	(44)	—	—	(69,435)
Net book value	2,482,171	6,249,102	25,418	18,672	21,176	8,796,539
Year ended December 31, 2014						
Opening net book value	2,482,171	6,249,102	25,418	18,672	21,176	8,796,539
Additions	—	24,623	8,225	6,030	108,425	147,303
Transfers	9,143	51,361	—	2,421	(62,925)	—
Disposals	(470)	(8,969)	(3,835)	(1,097)	—	(14,371)
Depreciation charge	(67,881)	(448,454)	(2,135)	(4,792)	—	(523,262)
Impairment provisions	—	(16,309)	—	(5)	—	(16,314)
Closing net book value	2,422,963	5,851,354	27,673	21,229	66,676	8,389,895

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

6 PROPERTY, PLANT AND EQUIPMENT—CONTINUED

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2014						
Cost	2,617,648	6,844,778	37,972	32,773	66,676	9,599,847
Accumulated depreciation	(194,685)	(907,724)	(10,255)	(11,539)	—	(1,124,203)
Accumulated impairment provisions	—	(85,700)	(44)	(5)	—	(85,749)
Net book value	2,422,963	5,851,354	27,673	21,229	66,676	8,389,895
Six months ended June 30, 2015						
Opening net book value	2,422,963	5,851,354	27,673	21,229	66,676	8,389,895
Additions	2,440	23,807	2,281	1,228	84,613	114,369
Transfers	131	7,647	—	101	(7,879)	—
Disposals	(4)	(80)	(182)	—	—	(266)
Depreciation charge	(39,000)	(217,054)	(2,030)	(2,898)	—	(260,982)
Impairment provisions	—	4	1	5	—	10
Closing net book value	2,386,530	5,665,678	27,743	19,665	143,410	8,243,026
As of June 30, 2015						
Cost	2,620,145	6,875,933	40,026	34,094	143,410	9,713,608
Accumulated depreciation	(233,615)	(1,124,559)	(12,240)	(14,429)	—	(1,384,843)
Accumulated impairment provisions	—	(85,696)	(43)	—	—	(85,739)
Net book value	2,386,530	5,665,678	27,743	19,665	143,410	8,243,026

The depreciation expense has been charged into accounts as below:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of sales	110,045	201,865	471,248	227,244	236,719
Selling and marketing expenses	198	508	1,147	519	316
General and administrative expenses	17,737	31,884	38,804	15,189	19,751
Capitalized in inventories	4,417	6,083	12,063	11,964	4,196
	132,397	240,340	523,262	254,916	260,982

For the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015, interest expenses of RMB178,796,000, RMB191,650,000, RMB4,881,000, RMB420,000 and RMB10,987,000, respectively , have been capitalized in property, plant and equipment at average interest rate of 6.90%, 6.48%, 6.20%, 6.26% and 5.63%, respectively.

As of December 31, 2012, 2013, 2014 and June 30, 2015, the Group's certain buildings, machinery and equipment with original book value of RMB2,985,088,000, RMB8,977,973,000, RMB9,029,131,000 and RMB9,130,429,000, respectively, were pledged as security for the Group's borrowings.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

6 PROPERTY, PLANT AND EQUIPMENT—CONTINUED

Impairment losses of property, plant and equipment

During the year ended December 31, 2012, an impairment loss amounting to RMB43,899,000 was recognized on certain machinery and equipment to reduce their carrying value to the estimated recoverable amount of RMB39,634,000, which was calculated based on value in use. The pre-tax discount rate used in the calculation of recoverable amount is 10.57%.

During the year ended December 31, 2013, as a result of continual unstable market condition for the solar industry, the Group has suspended its wafer production which operated under the PV wafer and module manufacturing segment. At December 31, 2013, the Group expected the wafer production to be resumed no later than 2016. Based on impairment assessment, an impairment loss amounting to RMB25,492,000 was recognized on certain machinery and equipment in relation to the wafer production lines to reduce their carrying value to the estimated recoverable amount of RMB15,461,000, which was calculated based on value in use. The pre-tax discount rate used in the calculation of recoverable amount is 9.20%.

In December 2014, in accordance with the Group's business plans and strategy, the Group decided to close one of its wafer production lines. Consequently, an additional impairment loss amounting to RMB16,314,000 was recognized in relation to the wafer production lines to reduce the carrying value to zero.

The above-mentioned recoverable amounts were determined based on value in use calculations, which use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates which not exceeding the long-term average growth rate for the businesses in which the relevant cash generated units operate. Other key assumptions applied in the value in use calculations include the expected product price, production costs and related expenses. Management determined the underlying key assumptions of these projections based on past performance and expectations on market development.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

6 PROPERTY, PLANT AND EQUIPMENT—CONTINUED

Company

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2012						
Cost	470,024	1,170,870	14,359	8,943	1,724,081	3,388,277
Accumulated depreciation	(32,355)	(91,176)	(2,421)	(445)	—	(126,397)
Net book value	437,669	1,079,694	11,938	8,498	1,724,081	3,261,880
Year ended December 31, 2012						
Opening net book value	437,669	1,079,694	11,938	8,498	1,724,081	3,261,880
Additions	—	3,439	5,820	1,493	3,835,454	3,846,206
Transfers	345,124	491,836	—	—	(836,960)	—
Disposals	—	—	(3,878)	—	—	(3,878)
Depreciation charge	(20,499)	(61,159)	(2,011)	(550)	—	(84,219)
Closing net book value	762,294	1,513,810	11,869	9,441	4,722,575	7,019,989
As of December 31, 2012						
Cost	815,148	1,666,145	14,154	10,436	4,722,575	7,228,458
Accumulated depreciation	(52,854)	(152,335)	(2,285)	(995)	—	(208,469)
Net book value	762,294	1,513,810	11,869	9,441	4,722,575	7,019,989
Year ended December 31, 2013						
Opening net book value	762,294	1,513,810	11,869	9,441	4,722,575	7,019,989
Additions	129,672	20,523	4,101	2,571	1,164,179	1,321,046
Transfers	1,465,519	4,421,235	—	—	(5,886,754)	—
Disposals	—	—	—	—	—	—
Depreciation charge	(45,695)	(145,928)	(1,757)	(736)	—	(194,116)
Closing net book value	2,311,790	5,809,640	14,213	11,276	—	8,146,919
As of December 31, 2013						
Cost	2,410,339	6,107,903	18,255	13,007	—	8,549,504
Accumulated depreciation	(98,549)	(298,263)	(4,042)	(1,731)	—	(402,585)
Net book value	2,311,790	5,809,640	14,213	11,276	—	8,146,919
Year ended December 31, 2014						
Opening net book value	2,311,790	5,809,640	14,213	11,276	—	8,146,919
Additions	—	15,995	4,138	3,735	83,120	106,988
Transfers	—	22,002	—	—	(22,002)	—
Disposals	—	(70)	(2,586)	—	—	(2,656)
Depreciation charge	(60,726)	(407,365)	(1,494)	(3,747)	—	(473,332)
Closing net book value	2,251,064	5,440,202	14,271	11,264	61,118	7,777,919

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

6 PROPERTY, PLANT AND EQUIPMENT—CONTINUED

	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of December 31, 2014						
Cost	2,410,339	6,145,830	19,807	16,742	61,118	8,653,836
Accumulated depreciation	(159,275)	(705,628)	(5,536)	(5,478)	—	(875,917)
Net book value	2,251,064	5,440,202	14,271	11,264	61,118	7,777,919
Six months ended June 30, 2015						
Opening net book value	2,251,064	5,440,202	14,271	11,264	61,118	7,777,919
Additions	2,440	21,114	897	37	17,123	41,611
Disposals	—	(46)	—	—	—	(46)
Depreciation charge	(35,163)	(195,372)	(1,193)	(1,509)	—	(233,237)
Closing net book value	2,218,341	5,265,898	13,975	9,792	78,241	7,586,247
As of June 30, 2015						
Cost	2,412,779	6,166,898	20,704	16,779	78,241	8,695,401
Accumulated depreciation	(194,438)	(901,000)	(6,729)	(6,987)	—	(1,109,154)
Net book value	2,218,341	5,265,898	13,975	9,792	78,241	7,586,247

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

7 LAND USE RIGHTS

Group

	Land use rights
	RMB'000
As of January 1, 2012	
Cost	222,351
Accumulated amortization	(9,151)
Net book value	213,200
Year ended December 31, 2012	
Opening net book value	213,200
Additions	41,291
Amortization charge	(5,151)
Closing net book value	249,340
As of December 31, 2012	
Cost	263,642
Accumulated amortization	(14,302)
Net book value	249,340
Year ended December 31, 2013	
Opening net book value	249,340
Additions	26,242
Disposals	(6,144)
Amortization charge	(6,421)
Closing net book value	263,017
As of December 31, 2013	
Cost	283,515
Accumulated amortization	(20,498)
Net book value	263,017
Year ended December 31, 2014	
Opening net book value	263,017
Additions	67,731
Amortization charge	(7,494)
Closing net book value	323,254
As of December 31, 2014	
Cost	351,246
Accumulated amortization	(27,992)
Net book value	323,254
Six months ended June 30, 2015	
Opening net book value	323,254
Additions	9,548
Amortization charge	(3,557)
Closing net book value	329,245
As of June 30, 2015	
Cost	360,794
Accumulated amortization	(31,549)
Net book value	329,245

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

7 LAND USE RIGHTS—CONTINUED

Company

	Land use rights
	RMB'000
As of January 1, 2012	
Cost	181,056
Accumulated amortisation	(6,808)
Net book value	174,248
Year ended December 31, 2012	
Opening net book value	174,248
Additions	33,730
Amortisation charge	(3,829)
Closing net book value	204,149
As of December 31, 2012	
Cost	214,786
Accumulated amortisation	(10,637)
Net book value	204,149
Year ended December 31, 2013	
Opening net book value	204,149
Additions	19,663
Amortisation charge	(4,875)
Closing net book value	218,937
As of December 31, 2013	
Cost	234,449
Accumulated amortisation	(15,512)
Net book value	218,937
Year ended December 31, 2014	
Opening net book value	218,937
Additions	41
Amortisation charge	(4,702)
Closing net book value	214,276
As of December 31, 2014	
Cost	234,490
Accumulated amortisation	(20,214)
Net book value	214,276
Six months ended June 30, 2015	
Opening net book value	214,276
Amortisation charge	(2,351)
Closing net book value	211,925
As of June 30, 2015	
Cost	234,490
Accumulated amortisation	(22,565)
Net book value	211,925

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

7 LAND USE RIGHTS—CONTINUED

Amortization of land use rights were all included in "general and administrative expenses" of the Group for the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015.

As of December 31, 2012, 2013, 2014 and June 30, 2015, the Group's land use rights pledged as security for long-term borrowings with the original book value amounted to RMB11,556,000, RMB47,297,000, RMB47,297,000 and RMB281,746,000, respectively (Note 21).

8 INTANGIBLE ASSETS

Group

	Patent and proprietary technologies	Software	Total
	RMB'000	RMB'000	RMB'000
As of January 1, 2012			
Cost	113,935	4,976	118,911
Accumulated amortization	(28,246)	(3,045)	(31,291)
Net book amount	85,689	1,931	87,620
Year ended December 31, 2012			
Opening net book value	85,689	1,931	87,620
Additions	—	1,980	1,980
Amortization charge	(10,823)	(1,000)	(11,823)
Closing net book value	74,866	2,911	77,777
As of December 31, 2012			
Cost	113,935	6,956	120,891
Accumulated amortization	(39,069)	(4,045)	(43,114)
Net book value	74,866	2,911	77,777
Year ended December 31, 2013			
Opening net book value	74,866	2,911	77,777
Additions	—	1,180	1,180
Amortization charge	(10,860)	(880)	(11,740)
Closing net book value	64,006	3,211	67,217
As of December 31, 2013			
Cost	113,935	8,136	122,071
Accumulated amortization	(49,929)	(4,925)	(54,854)
Net book value	64,006	3,211	67,217
Year ended December 31, 2014			
Opening net book value	64,006	3,211	67,217
Additions	—	3,726	3,726
Amortization charge	(10,861)	(1,543)	(12,404)
Closing net book value	53,145	5,394	58,539
As of December 31, 2014			
Cost	113,935	11,862	125,797
Accumulated amortization	(60,790)	(6,468)	(67,258)
Net book value	53,145	5,394	58,539

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

8 INTANGIBLE ASSETS—CONTINUED

	Patent and proprietary technologies	Software	Total
	RMB'000	RMB'000	RMB'000
Six months ended June 30, 2015			
Opening net book value	53,145	5,394	58,539
Additions	—	693	693
Amortization charge	(5,432)	(1,129)	(6,561)
Closing net book value	47,713	4,958	52,671
As of June 30, 2015			
Cost	113,935	12,555	126,490
Accumulated amortization	(66,222)	(7,597)	(73,819)
Net book value	47,713	4,958	52,671

Company

	Patent and proprietary technologies	Software	Total
	RMB'000	RMB'000	RMB'000
As of January 1, 2012			
Cost	95,000	770	95,770
Accumulated amortisation	(18,983)	(401)	(19,384)
Net book amount	76,017	369	76,386
Year ended December 31, 2012			
Opening net book value	76,017	369	76,386
Additions	—	143	143
Amortisation charge	(9,468)	(255)	(9,723)
Closing net book value	66,549	257	66,806
As of December 31, 2012			
Cost	95,000	913	95,913
Accumulated amortisation	(28,451)	(656)	(29,107)
Net book value	66,549	257	66,806
Year ended December 31, 2013			
Opening net book value	66,549	257	66,806
Amortisation charge	(9,507)	(239)	(9,746)
Closing net book value	57,042	18	57,060
As of December 31, 2013			
Cost	95,000	913	95,913
Accumulated amortisation	(37,958)	(895)	(38,853)
Net book value	57,042	18	57,060
Year ended December 31, 2014			
Opening net book value	57,042	18	57,060
Additions	—	3,359	3,359
Amortisation charge	(9,507)	(960)	(10,467)
Closing net book value	47,535	2,417	49,952

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

8 INTANGIBLE ASSETS—CONTINUED

	Patent and proprietary technologies	Software	Total
	RMB'000	RMB'000	RMB'000
As of December 31, 2014			
Cost	95,000	4,272	99,272
Accumulated amortisation	(47,465)	(1,855)	(49,320)
Net book value	47,535	2,417	49,952
Six months ended June 30, 2015			
Opening net book value	47,535	2,417	49,952
Additions	—	358	358
Amortisation charge	(4,754)	(855)	(5,609)
Closing net book value	42,781	1,920	44,701
As of June 30, 2015			
Cost	95,000	4,630	99,630
Accumulated amortisation	(52,219)	(2,710)	(54,929)
Net book value	42,781	1,920	44,701

The Group's patent and proprietary technologies represent solar energy, monocrystalline silicon, silicon dioxide and polycrystalline silicon related proprietary technologies that were all purchased from third parties.

The amortization expense has been charged into items in the consolidated statement of comprehensive income as below:

Group

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of sales	9,468	9,507	10,441	4,754	4,754
General and administrative expenses	2,355	2,233	1,963	1,006	1,807
	11,823	11,740	12,404	5,760	6,561

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

9 SUBSIDIARIES

(a) Investments in subsidiaries

	As of December 31, 2012	As of December 31, 2013	As of December 31, 2014	As of June 30, 2015
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted investments:				
Investments in subsidiaries at cost	699,050	705,050	1,360,189	2,161,189

The following is a list of the principal subsidiaries, all of which are incorporated and operated in the PRC:

Name	Principal activities	As of December 31, 2012 Registered capital	2013 Registered capital	2014 Registered capital	2012 Equity interest held by the Group (%)	2013 Equity interest held by the Group (%)	2014 Equity interest held by the Group (%)	As of June 30, 2015 Registered capital	Equity interest held by the Group (%)
		RMB'000	RMB'000	RMB'000				RMB'000	
Xinjiang New Energy	ECC services	469,800	469,800	1,253,900	96.39%	96.39%	97.89%	1,859,961	98.58%
TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司)	Production of invertor products	40,000	40,000	150,000	100.00%	100.00%	100.00%	150,000	100.00%
Shaanxi TBEA New Energy Co., Ltd. (陝西特變電工新能源有限公司, "Shaanxi TBEA")	Trading of module products	42,230	42,230	42,230	100.00%	100.00%	100.00%	42,230	100.00%
Xi'an Purui Xinte Energy Co., Ltd. (西安普瑞新特能源有限公司, "Xi'an Purui")	Trading of module products	41,176	41,176	41,176	100.00%	100.00%	100.00%	41,176	100.00%
Xi'an TBEA Electric Power Design Co., Ltd. (西安特變電工電力設計有限責任公司)	Consulting, design, research and development	5,000	5,000	10,000	51.00%	51.00%	66.09%	10,000	66.09%
TBEA Xi'an Flexible Power Transmission & Distribution Co., Ltd. (特變電工西安柔性輸配電有限公司)	Production of static var generator products	—	—	50,000	—	—	100.00%	50,000	100.00%
TBEA Hami Photovoltaic Technology Co., Ltd. (特變電工哈密光伏科技有限公司)	Production of invertor products	10,000	10,000	10,000	100.00%	100.00%	100.00%	10,000	100.00%

All English names represent the Company's directors' best effort of translations and are for reference only. The official names of these entities are in Chinese.

The statutory auditor of these companies for the Relevant Periods is ShineWing Certified Public Accountants LLP.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

9 SUBSIDIARIES—CONTINUED

(b) Material non-controlling interests

The balance of total non-controlling interests as of December 31, 2012, 2013, 2014 and June 30, 2015 were RMB27,158,000, RMB34,490,000, RMB39,447,000 and RMB41,278,000, respectively, of which RMB25,393,000, RMB30,414,000, RMB34,691,000 and RMB35,921,000 were for Xinjiang New Energy. The non-controlling interests in respect of other subsidiaries were not material.

Set out below are the summarized financial information for the subsidiary that has non-controlling interests that are material to the Group.

Summarized balance sheet

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Assets	3,388,230	7,084,947	8,198,807	10,487,011
Liabilities	(3,088,444)	(6,746,297)	(7,218,984)	(8,234,918)
Total current net assets	299,786	338,650	979,823	2,252,093
Non-current				
Assets	746,640	789,202	901,085	903,430
Liabilities	(341,249)	(281,276)	(232,133)	(638,582)
Total non-current net assets	405,391	507,926	668,952	264,848
Net assets	705,177	846,576	1,648,775	2,516,941
Net assets allocated to non-controlling interests	25,393	30,414	34,691	35,921

Summarized statement of comprehensive income

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	2,053,347	4,805,122	4,908,904	1,793,535	2,717,494
(Loss)/Profit before income tax	(120,265)	177,907	189,411	56,326	85,572
Income tax benefit/(expense)	13,262	(36,808)	(9,827)	(4,541)	(19,275)
(Loss)/Profit for the year/period	(107,003)	141,099	179,584	51,785	66,297
Total comprehensive (loss)/income	(107,003)	141,099	179,584	51,785	66,297
Total comprehensive (loss)/income allocated to non-controlling interests	(59,951)	2,012	77,309	18,850	1,230
Dividends paid to non-controlling interests	—	—	(638)	—	—

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

9 SUBSIDIARIES—CONTINUED

(b) Material non-controlling interests—continued

Summarized cash flows

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cash flows from operating activities					
Cash (used in)/generated from operations	(439,300)	302,120	(893,081)	(1,327,603)	816,666
Income tax paid	(2,268)	(7,181)	(14,579)	(13,619)	(51,853)
Net cash (used in)/generated from operating activities	(441,568)	294,939	(907,660)	(1,341,222)	764,813
Net cash (used in)/generated from investing activities	(280,944)	(480,272)	(134,391)	82,266	316,230
Net cash generated from financing activities	1,109,028	528,557	1,018,714	1,185,127	569,118
Net increase/(decrease) in cash and cash equivalents	386,516	343,224	(23,337)	(73,829)	1,650,161
Cash and cash equivalents at beginning of year/period	172,090	558,279	901,320	901,320	878,131
Exchange (losses)/gains on cash and cash equivalents	(327)	(183)	148	(20)	342
Cash and cash equivalents at end of year/period	558,279	901,320	878,131	827,471	2,528,634

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group's investments accounted for using the equity method represent investment in associates, all of which are incorporated and operated in the PRC. These companies are private companies and there are no quoted price available for their shares.

As of December 31, 2013, 2014 and June 30, 2015, in the opinion of the directors of the Company, no associates are considered individually material to the Group. Movements of investments in associates are set out as follows:

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period	—	—	82,330	49,079
Transfer from subsidiaries to associates (Note (b))	—	55,200	—	—
Additional capital injections (Note (c))	—	110,690	36,526	—
Disposals (Note (d))	—	—	(111,040)	—
Share of profit	—	1,413	7,979	1,180
Elimination of transactions with associates, net of tax (Note (e))	—	(84,973)	33,284	6,974
At end of the year/period	—	82,330	49,079	57,233

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD—CONTINUED

(a) There are no contingent liabilities relating to the Group's interest in the associates.

(b) Under the Group's normal operation of the Group's ECC service business, it establishes various subsidiaries as the owner of power plant projects to be disposed in future (these entities are refer as "project companies" thereafter). Before a buyer is identified, all construction costs in progress pertaining to these projects are recognized as inventories in the consolidated balance sheet. These projects will be sold to third-party customers at different stages by way of transferring the equity interest in these subsidiaries. These subsidiaries have no other commercial operation other than the holding of the relevant projects. In the opinion of the directors of the Company, the disposal of equity interest in these project companies is in substance the sales of inventories held by the Group.

During the year ended December 31, 2013, the Group sold a number of ECC projects to third party customers by way of transferring equity interest in the relevant project companies. The Group retained equity interest ranging 20% to 49% in some of these disposed project companies and continue to exercise significant influence by virtue of its contractual right to appoint at least one director to the board of directors of them and has power to participate in the financial and operating policy decisions in them. Accordingly, these relevant project companies are accounted for as associates after the disposals. During the year ended December 31, 2013, initial investments amounting to RMB55,200,000 represented the proportionate share of the estimated value of the relevant project companies at the date of the disposal.

(c) During the year ended December 31, 2013 and 2014 the Group made further capital injections to its associates amounting to RMB110,690,000 and RMB36,526,000, respectively.

(d) During the year ended December 31, 2014, the Group sold certain ECC projects to third party customers by way of transferring all the equity interest in the relevant project companies held by the Group. Total consideration received was RMB111,040,000, of which the cash consideration received was RMB90,400,000 and the outstanding consideration receivables was RMB20,640,000 as of December 31, 2014 and June 30, 2015 (Note 16).

(e) Since the Group sold inventories and provided construction services to its associates ("downstream transactions"), the unrealized profits resulting from such transactions are eliminated against the carrying amount of its investment in associates. As a result, the deferred tax consequences arising from the elimination are also charged to the carrying amount of the investment in associates, with corresponding adjustments in consolidated statement of comprehensive income within "share of profit/(loss) of investments accounted for using the equity method". When the related assets are disposed or consumed by the associate, or the associates are disposed by the Group, the unrealized profit, as well as the corresponding tax adjustment, will be reversed. Below table summarized the financial impact arising from the downstream transactions for the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Elimination effect arising from downstream transactions with associates	—	(99,968)	39,157	(12,915)	8,204
Relevant tax effect	—	14,995	(5,873)	1,937	(1,230)
Elimination of transactions with associates, net of tax	—	(84,973)	33,284	(10,978)	6,974

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD—CONTINUED

Summarized financial information for associates

Set out below are the summarized financial information in aggregate for associates, which are all individually immaterial and accounted for using the equity method.

Summarized statement of comprehensive income

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	—	22,117	145,456	68,067	60,782
Operating income	—	7,399	39,877	18,666	5,902
Income tax expense	—	(128)	(1)	(1)	—
Profit for the year/period	—	7,271	39,876	18,665	5,902
Total comprehensive income	—	7,271	39,876	18,665	5,902

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

11 DEFERRED INCOME TAX

Group

	As of December 31,			As of June 30, 2015
	2012	2013	2014	
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets:				
Deferred income tax assets to be recovered within 12 months	38,288	11,142	30,534	32,248
Deferred income tax assets to be recovered after more than 12 months	6,649	10,612	10,926	10,441
	44,937	21,754	41,460	42,689

The gross movement of the Group's deferred income tax account is as follows:

	Year ended December 31,			Six months ended June 30, 2015
	2012	2013	2014	
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year/period	8,732	44,937	21,754	41,460
Credited/(Charged) to the consolidated statements of comprehensive income (Note 30)	36,205	(23,183)	19,706	1,229
End of the year/period	44,937	21,754	41,460	42,689

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

11 DEFERRED INCOME TAX—CONTINUED

The movements in deferred income tax assets of the Group during the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2015, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Taxable losses	Impairment provisions	Government grant	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2012	7,591	1,141	—	—	8,732
Credited to the consolidated statements of comprehensive income	22,362	13,843	—	—	36,205
As of December 31, 2012	29,953	14,984	—	—	44,937
(Charged)/Credited to the consolidated statements of comprehensive income	(29,953)	4,657	2,113	—	(23,183)
As of December 31, 2013	—	19,641	2,113	—	21,754
Credited to the consolidated statements of comprehensive income	—	7,454	4,860	7,392	19,706
As of December 31, 2014	—	27,095	6,973	7,392	41,460
Credited/(Charged) to the consolidated statements of comprehensive income	—	2,348	(2,531)	1,412	1,229
As of June 30, 2015	—	29,443	4,442	8,804	42,689

Others mainly represent unrealized profit of inter-group transactions and accrued warranty provision.

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets:				
Deferred income tax assets to be recovered within 12 months	19,485	206	4,377	5,032
Deferred income tax assets to be recovered after more than 12 months	39	47	253	279
	19,524	253	4,630	5,311

The gross movement of the Company's deferred income tax account is as follows:

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year/period	62	19,524	253	4,630
Credited/(charged) to the consolidated statements of comprehensive income (Note 30)	19,462	(19,271)	4,377	681
End of the year/period	19,524	253	4,630	5,311

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

11 DEFERRED INCOME TAX—CONTINUED

The movements in deferred income tax assets of the Company during the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2015, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Taxable losses	Impairment provision	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2012	—	62	—	62
Credited to the consolidated statements of comprehensive income	16,883	2,579	—	19,462
As of December 31, 2012	16,883	2,641	—	19,524
Charged to the consolidated statements of comprehensive income	(16,883)	(2,388)	—	(19,271)
As of December 31, 2013	—	253	—	253
Credited to the consolidated statements of comprehensive income	—	3,909	468	4,377
As of December 31, 2014	—	4,162	468	4,630
Credited to the consolidated statements of comprehensive income	—	349	332	681
As of June 30, 2015	—	4,511	800	5,311

As of December 31, 2012, 2013, 2014 and June 30, 2015, the Group did not recognize deferred tax assets as follows:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	1,618	3,668	8,905	13,359
Other temporary differences	9,264	15,796	14,338	14,580
	10,882	19,464	23,243	27,939

Deferred income tax assets are recognized for tax loss carry-forward to the extent that the realization of the related tax benefit through future taxable profits is probable. As of December 31, 2012, 2013, 2014 and June 30, 2015, the Group did not recognize deferred tax assets of RMB1,618,000, RMB3,668,000, RMB8,905,000 and RMB13,359,000 in respect of tax losses amounting to RMB10,784,000, RMB24,455,000, RMB59,374,000 and RMB89,059,000, respectively, as the directors of the Company believe it is more likely than not that such tax losses would not be utilized before they expire.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

11 DEFERRED INCOME TAX—CONTINUED

Year of expiry	As of December 31, 2012	2013	2014	As of June 30, 2015
	RMB'000	RMB'000	RMB'000	RMB'000
2013	—	—	—	—
2014	—	—	—	—
2015	608	608	608	608
2016	714	714	714	714
2017	9,462	9,462	9,462	9,462
2018	—	13,671	13,671	13,671
2019	—	—	34,919	34,919
2020	—	—	—	29,685
	10,784	24,455	59,374	89,059

12 INVENTORIES

Group

	As of December 31, 2012	2013	2014	As of June 30, 2015
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	62,319	105,482	510,376	878,949
Finished goods	136,130	160,337	419,756	321,834
Work in progress	332,184	641,692	1,953,271	2,087,580
Spare parts	3,701	5,062	5,307	5,139
	534,334	912,573	2,888,710	3,293,502
Less: provision for impairment	(36,677)	(14,699)	(15,126)	(29,434)
	497,657	897,874	2,873,584	3,264,068

Company

	As of December 31, 2012	2013	2014	As of June 30, 2015
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	21,542	62,003	79,949	80,236
Finished goods	56,207	17,567	113,522	87,577
Work in progress	16,739	33,984	54,223	98,718
Spare parts	3,117	4,527	4,637	4,731
	97,605	118,081	252,331	271,262
Less: provision for impairment	(17,283)	—	—	—
	80,322	118,081	252,331	271,262

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

12 INVENTORIES—CONTINUED

Movements of Group's provision for inventory obsolescence are analyzed as follows:

Group

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year/period	338	36,677	14,699	15,126
Additions	52,767	6,357	4,881	19,196
Write-off	(16,428)	(28,335)	(4,454)	(4,888)
End of the year/period	36,677	14,699	15,126	29,434

For the years ended December 31, 2012, 2013, 2014, and six months ended June 30, 2014 and 2015, the Group's total cost of inventories recognized are RMB1,073,166,000, RMB1,436,412,000, RMB1,951,588,000, RMB1,055,348,000 and RMB1,659,258,000, respectively.

13 AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Contract cost incurred plus recognized profit less recognized losses	1,417,294	4,055,646	4,557,228	6,488,420
Less: Progress billings	(1,360,335)	(3,146,150)	(4,003,049)	(5,519,630)
Net balance sheet position for ongoing contracts	56,959	909,496	554,179	968,790
Representing:				
Amounts due from customers for contract work	101,626	934,231	693,443	1,208,536
Amounts due to customers for contract work	(44,667)	(24,735)	(139,264)	(239,746)
	56,959	909,496	554,179	968,790

For the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015, total contract revenue recognized are RMB1,389,937,000, RMB4,006,690,000, RMB3,380,132,000, RMB1,316,576,000 and RMB1,769,350,000, respectively.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

14 TRADE AND NOTES RECEIVABLE

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	1,475,909	2,023,989	1,904,587	1,751,671
Notes receivable	258,486	852,283	1,142,587	925,602
	1,734,395	2,876,272	3,047,174	2,677,273
Less: provision for impairment	(17,123)	(33,137)	(54,480)	(55,244)
	1,717,272	2,843,135	2,992,694	2,622,029

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	3,178	39,899	73,046	125,002
Notes receivable	69,219	344,446	588,406	304,112
	72,397	384,345	661,452	429,114
Less: provision for impairment	(64)	(798)	(1,461)	(2,454)
	72,333	383,547	659,991	426,660

Notes receivables of the Group and the Company are bank acceptance notes and trade acceptance notes with maturity dates within six months.

Ageing analysis of the Group and the Company's gross trade receivables based on the due date at the respective balance sheet dates is as follows:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	905,619	1,143,622	1,012,860	668,494
4 to 6 months	353,921	321,884	202,352	170,259
6 months to 1 year	94,875	139,531	456,811	696,114
1 to 2 years	108,641	398,602	182,534	165,765
2 to 3 years	4,239	12,313	39,269	39,971
Over 3 years	8,614	8,037	10,761	11,068
	1,475,909	2,023,989	1,904,587	1,751,671

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

14 TRADE AND NOTES RECEIVABLE—CONTINUED

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	3,178	38,064	72,959	91,464
4 to 6 months	—	60	84	10,728
6 months to 1 year	—	1,775	3	22,810
	3,178	39,899	73,046	125,002

Most of the Group's trade receivables are due upon the issuance of invoices, except for retention money which would normally be collected one to three years after the completion of the sales.

As of December 31, 2012, 2013, 2014 and June 30, 2015, retention money included in trade receivables amounted to RMB180,903,000, RMB177,567,000, RMB202,524,000 and RMB343,019,000, which were neither past due nor impaired.

As of December 31, 2012, 2013, 2014 and June 30, 2015, the Group's trade receivables amounting to RMB1,075,860,000, RMB1,255,000,000, RMB1,314,274,000 and RMB184,200,000, respectively, were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and these were trade receivables with recourse clauses according to the factoring agreement with the relevant banks did not qualify for de-recognition and were accounted for as secured short-term bank borrowings, as the substantial risks and rewards associated with the trade receivables were not transferred. Based on past experience, the directors of the Company are of the opinion that the overdue amounts can be fully recovered. The ageing analysis of these receivables are as follows:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Less than 1 year	1,034,155	1,145,000	1,314,274	184,200
1 year to 2 years	41,705	110,000	—	—
	1,075,860	1,255,000	1,314,274	184,200

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

14 TRADE AND NOTES RECEIVABLE—CONTINUED

As of December 31, 2012, 2013, 2014 and June 30, 2015, trade receivables of RMB219,146,000, RMB591,422,000, RMB387,789,000 and RMB1,224,452,000, respectively, were partially impaired. The amount of the related provisions for impairment pertaining to these receivables was approximately RMB17,123,000, RMB33,137,000, RMB54,480,000 and RMB55,244,000 at December 31, 2012, 2013, 2014 and June 30, 2015, respectively. It was assessed that a portion of the receivables is expected to be recovered. The ageing analysis of these receivables are as follows:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Less than 1 year	171,972	372,409	267,599	1,132,560
1 year to 2 years	35,348	202,030	110,585	75,096
2 years to 3 years	3,595	9,702	2,368	14,123
Over 3 years	8,231	7,281	7,237	2,673
	219,146	591,422	387,789	1,224,452

Movement of the Group's provisions for impairment of trade and notes receivable are as follows:

Group

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year/period	12,667	17,123	33,137	54,480
Additions	6,456	23,315	34,746	40,306
Reversal	(2,000)	(7,301)	(13,403)	(37,101)
Write-off	—	—	—	(2,441)
End of the year/period	17,123	33,137	54,480	55,244

As of December 31, 2012, 2013, 2014 and June 30, 2015, the carrying amounts of trade and notes receivable approximated their fair values due to short maturity.

The carrying amounts of the Group's trade and notes receivable are denominated in the following currencies:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	1,714,873	2,842,424	2,992,694	2,622,029
USD	2,399	711	—	—
	1,717,272	2,843,135	2,992,694	2,622,029

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

15 OTHER CURRENT/NON-CURRENT ASSETS

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments for purchase of property, plant and equipment	—	—	12,676	12,676
Value-added tax recoverable	473,081	515,522	547,872	326,092
Prepaid income tax	20,000	20,000	48,129	8,363
Deposit for borrowings (Note 21)	—	—	—	15,000
	493,081	535,522	608,677	362,131
Less: Current portion of:				
— Value-added tax recoverable	(252,392)	(401,735)	(441,941)	(281,085)
— Prepaid income tax	(20,000)	(20,000)	(48,129)	(8,363)
	(272,392)	(421,735)	(490,070)	(289,448)
	220,689	113,787	118,607	72,683

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Value-added tax recoverable	467,808	475,820	283,312	172,445
Prepaid income tax	20,000	20,000	48,129	4,962
Deposit for borrowings (Note 21)	—	—	—	15,000
	487,808	495,820	331,441	192,407
Less: current portion of				
— Value-added tax recoverable	(250,027)	(362,113)	(283,312)	(172,445)
— Prepaid income tax	(20,000)	(20,000)	(48,129)	(4,962)
	(270,027)	(382,113)	(331,441)	(177,407)
	217,781	113,707	—	15,000

Value-added tax ("VAT") recoverable represents the input VAT relating to purchase of property, plant and equipment, which can be deducted from the output VAT arising from future sales.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

16 PREPAYMENTS AND OTHER RECEIVABLES

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Staff advances	16,825	24,069	30,201	61,311
Deposits as guarantee for contract execution	42,417	55,594	36,983	92,074
Consideration receivable from disposal of associates (Note 10(d))	—	—	20,640	20,640
Others	6,540	8,750	32,713	43,860
Total other receivables	65,782	88,413	120,537	217,885
Less: provision for impairment	(4,321)	(5,216)	(11,794)	(12,607)
	61,461	83,197	108,743	205,278
Prepayments to suppliers	216,455	1,246,412	834,846	852,318
Less: provision for impairment	—	—	(26,640)	(26,640)
	216,455	1,246,412	808,206	825,678
	277,916	1,329,609	916,949	1,030,956

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Staff advances	5,567	10,917	13,529	31,652
Deposits as guarantee for contract execution	829	11,431	480	15,425
Receivables from subsidiaries	217	1,104	29,294	24,484
Others	125	3,392	2,234	1,856
Total other receivables	6,738	26,844	45,537	73,417
Less: provision for impairment	(259)	(747)	(1,630)	(2,070)
	6,479	26,097	43,907	71,347
Prepayments to suppliers	17,326	57,965	176,866	159,684
Less: provision for impairment	—	—	(24,659)	(24,659)
	17,326	57,965	152,207	135,025
	23,805	84,062	196,114	206,372

As of December 31, 2012, 2013, 2014 and June 30, 2015, the carrying amounts of the Group and the Company's other receivables approximated their fair values due to short maturity.

The provision for impairment of prepayments is mainly for a supplier in the process of liquidation.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

16 PREPAYMENTS AND OTHER RECEIVABLES—CONTINUED

Movements on the Group's allowance for impairment of other receivables are as follows:

Group

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year/period	4,653	4,321	5,216	11,794
Addition	2,155	985	7,092	5,757
Reversal	(2,487)	(90)	(514)	(4,619)
Write-off	—	—	—	(325)
End of the year/period	4,321	5,216	11,794	12,607

As of December 31, 2012, 2013 and 2014 and June 30, 2015, the Group's other receivables were all denominated in RMB.

17 CASH AND BANK BALANCES

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Restricted cash:				
Bank deposits	443,367	723,516	852,065	486,016
Cash and cash equivalents:				
Cash on hand	9	6	10	20
Cash in bank	1,030,793	1,087,681	962,678	2,835,141
	1,030,802	1,087,687	962,688	2,835,161
Total cash and bank balances	1,474,169	1,811,203	1,814,753	3,321,177

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Restricted cash:				
Bank deposits	40,511	29,847	82,773	99,900
Cash and cash equivalents:				
Cash in bank	472,495	180,153	57,040	290,285
Total cash and bank balances	513,006	210,000	139,813	390,185

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

17 CASH AND BANK BALANCES—CONTINUED

The restricted bank deposits were held as security for letter of credit, letter of guarantee and bank acceptance notes.

Cash and bank balances were denominated in the following currencies:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	1,471,044	1,807,387	1,797,584	3,313,501
USD	1,794	2,847	4,165	4,076
PKR	—	—	8,628	—
Others	1,331	969	4,376	3,600
	1,474,169	1,811,203	1,814,753	3,321,177

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	512,419	207,702	138,938	389,310
USD	587	2,298	875	875
	513,006	210,000	139,813	390,185

18 SHARE CAPITAL/PAID-IN CAPITAL AND SHARE PREMIUM

Group and Company

Ordinary shares, issued and fully paid:

	Number of ordinary shares	Nominal value	Paid-in capital and capital surplus	Share premium	Total share capital and share premium
	(thousands)	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2012	—	—	2,556,880	—	2,556,880
Capital contributions in 2012	—	—	311,394	—	311,394
Issue of ordinary shares upon conversion into a joint stock company in 2012 (a)	568,000	568,000	(2,868,274)	2,294,705	(5,569)
At December 31, 2012 and 2013	568,000	568,000	—	2,294,705	2,862,705
Issuance of shares (b)	105,050	105,050	—	532,631	637,681
At December 31, 2014	673,050	673,050	—	2,827,336	3,500,386
Capital contributions in 2015 (c)	204,678	204,678	—	1,195,322	1,400,000
At June 30, 2015	877,728	877,728	—	4,022,658	4,900,386

(a) The Company converted into a joint stock company with limited liability under the Company Law of the PRC in October 2012. The net assets of the Group as of the conversion base date, including paid-in capital, capital surplus, other reserves and accumulated deficits, amounting to RMB2,862,705,000 were converted into 568,000,000 ordinary shares at RMB1.00 each. The excess of net assets converted over nominal value of the ordinary shares was credited to share premium.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

18 SHARE CAPITAL/PAID-IN CAPITAL AND SHARE PREMIUM—CONTINUED

(b) In December 2014, the Company issued 105,050,000 shares with par value RMB1.00 each to its parent company TBEA as the consideration of acquisition of 41.55% equity interest in Xinjiang New Energy with the value amounting to RMB637,681,000 (Note 20(c)).

(c) In April 2015, the Company entered into pre-IPO share subscription agreements with TBEA, Jinglong Technology Holdings Limited, CM International Capital Limited, GF Energy Investment Limited and L.R. Capital China Growth I Company Limited, respectively, pursuant to which the Company issued 204,678,362 shares, divided into 146,198,830 unlisted foreign shares and 58,479,532 domestic shares with par value of RMB1.00 per share at RMB6.84 per share, for a total cash consideration of approximately RMB1,400 million.

As of June 30, 2015, 877,728,362 ordinary shares were in issue, including 731,529,532 domestic shares and 146,198,830 unlisted foreign shares.

Pursuant to the terms of the pre-IPO subscription agreements, if the Company cannot complete a qualifying IPO prior to the end of 2015 and the audited net profit after tax for the year ended December 31, 2015 cannot achieve its target, each of CM International Capital Limited, GF Energy Investment Limited and L.R. Capital China Growth I Company Limited would have the subscription price adjustments right as set out in the agreements. The number of shares held by each pre-IPO investor shall be adjusted accordingly.

The directors of the Company believe that based on the financial performance up to the date of this report and the profit forecast for the year ended December 31, 2015, the impact of the price adjustments is immaterial.

Also pursuant to the agreements, the above right shall be exempt, if, the Company can complete its IPO on the Stock Exchange of Hong Kong Limited on or before June 30, 2016.

19 OTHER RESERVES

Group

	Surplus reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2012	2,268	80,631	82,899
Conversion to a joint stock company	(651)	—	(651)
Acquisition of additional interests in subsidiaries (Note 20(a))	—	52,105	52,105
At December 31, 2012 and 2013	1,617	132,736	134,353
Appropriation of surplus reserve (Note a)	45,414	—	45,414
Share-based payments (Note b)	—	6,125	6,125
Contributions from non-controlling interests of a subsidiary (Note 20(c))	—	47,126	47,126
Acquisition of additional interests in a subsidiary (Note 20(b))	—	8,130	8,130
Currency translation differences	—	(292)	(292)
At December 31, 2014	47,031	193,825	240,856
Share-based payments (Note b)	—	4,426	4,426
Currency translation differences	—	(322)	(322)
At June 30, 2015	47,031	197,929	244,960

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

19 OTHER RESERVES—CONTINUED

Company

	Surplus reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2012	651	80,631	81,282
Conversion to a joint stock company	(651)	—	(651)
At December 31, 2012 and 2013	—	80,631	80,631
Appropriation of surplus reserve (Note a)	45,414	—	45,414
Share-based payments (Note b)	—	3,120	3,120
At December 31, 2014	45,414	83,751	129,165
Share-based payments (Note b)	—	2,213	2,213
At June 30, 2015	45,414	85,964	131,378

(a) In accordance with the Company Law of the PRC and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve. The Company can cease such appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid-in capital/share capital after approval from the appropriate authorities. For the year ended December 31, 2014, according to a resolution of the Board of Directors, the Company made appropriation of statutory surplus reserve amounting to RMB45,414,000.

(b) Restricted share incentive plan

The Group's directors and employees participated in a restricted share incentive plan operated by its parent company TBEA in 2014.

For the year ended December 31, 2014, 12,802,000 restricted shares of TBEA were granted to the Group's directors and employees at a price of RMB5.65 per share for their services rendered to the Company.

These restricted shares would vest at the rate of 20%, 30% and 50% respectively for each 12-month period commencing from the 12 months after the grant date, subject to TBEA achieving its growth target of profit over the vesting period.

Movements in the number of restricted shares granted and related fair value are as follows:

	Fair value	Number of restricted shares granted
	(RMB per share)	(thousands)
As of January 1, 2014		—
Granted	3.03	12,802
As of December 31, 2014 and June 30, 2015		12,802

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

19 OTHER RESERVES—CONTINUED

The fair value of restricted shares granted was determined by reference to the market price of TBEA on the date of grant. For the year ended December 31, 2014 and six months ended June 30, 2015, the share-based compensation expense recognized in the consolidated statement of comprehensive income as employee benefits expenses (Note 28) were RMB6,125,000 and RMB4,426,000, respectively. During the year ended December 31, 2014 and three months ended June 30, 2015, none of the shares was vested.

20 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) In October 2012, the Group acquired 49% equity interest in Shaanxi TBEA and Xi'an Purui from the respective non-controlling shareholders at nil consideration. Upon completion of this acquisition, Shaanxi TBEA and Xi'an Purui became wholly owned subsidiaries of the Group. The carrying amount of the non-controlling interests in Shaanxi TBEA and Xi'an Purui on the date of acquisition was on aggregate RMB52,105,000. The excess of carrying amount of the non-controlling interest over the consideration is credited to other reserves (Note 19).

(b) In March 2014, TBEA injected cash amounting to RMB620,004,000 to Xinjiang New Energy, a subsidiary of which the Company holds 96.39% interests. Pursuant to the capital injection, the Company's interests over Xinjiang New Energy decreased from 96.39% to 56.34%, while TBEA increased its interests of Xinjiang New Energy up to 41.55%. The Group recognized the difference between its share of the net assets of Xinjiang New Energy before and after TBEA's investment as an increase in equity attributable to owners the Company of RMB8,130,000 (Note 19), and an increase in non-controlling interests of RMB611,874,000.

(c) In December 2014, the Company issued 105,050,000 shares to TBEA to acquire all 41.55% equity interest of Xinjiang New Energy from TBEA at a valuation of RMB637,681,000. Upon this acquisition, the Company's interests over Xinjiang New Energy increased from 56.34% to 97.89%. The Group recognized the difference between the consideration and the additional share of net assets in Xinjiang New Energy as an increase in equity attributable to owners the Company of RMB47,126,000 (Note 19), and a decrease in non-controlling interests of RMB684,807,000.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

21 BORROWINGS

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term borrowings				
Bank borrowings:				
—Secured (a)	1,075,860	1,255,000	1,370,415	896,092
—Unsecured	458,340	530,000	560,000	2,382,000
	1,534,200	1,785,000	1,930,415	3,278,092
Other borrowings:				
—Unsecured (b)	—	240,400	1,494,222	—
Current portion of long-term borrowings	330,021	537,151	726,061	970,857
Total current borrowings	1,864,221	2,562,551	4,150,698	4,248,949
Long-term borrowings				
Bank borrowings:				
—Secured (a)	4,283,099	4,916,976	4,405,388	3,857,640
—Unsecured	28,750	—	—	—
	4,311,849	4,916,976	4,405,388	3,857,640
Other borrowings:				
—Secured	—	—	—	297,436
—Unsecured (b)	780,187	779,999	—	—
	780,187	779,999	—	297,436
Less: current portion of long-term borrowings	(330,021)	(537,151)	(726,061)	(970,857)
Total non-current borrowings	4,762,015	5,159,824	3,679,327	3,184,219
Total borrowings	6,626,236	7,722,375	7,830,025	7,433,168

The maturities of the Group's total borrowings at the balance sheet date are as follows:

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	1,864,221	2,562,551	4,150,698	4,248,949
1 year to 2 years	97,500	547,500	623,077	735,362
2 years to 5 years	1,219,514	2,761,824	1,843,750	1,507,356
Over 5 years	3,445,001	1,850,500	1,212,500	941,501
	6,626,236	7,722,375	7,830,025	7,433,168

The carrying amount of the Group's borrowings are denominated in the following currencies:

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	6,412,965	7,513,974	7,651,464	7,273,105
USD	213,271	208,401	178,561	160,063
	6,626,236	7,722,375	7,830,025	7,433,168

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

21 BORROWINGS—CONTINUED

(a) As of December 31, 2012, 2013, 2014 and June 30, 2015, secured short-term bank borrowings with amount of RMB1,075,860,000, RMB1,255,000,000, RMB1,314,274,000 and RMB314,200,000, respectively, represented proceeds received under trade receivable factoring agreements with recourse with banks (Note 14).

As of December 31, 2014 and June 30, 2015, secured short-term bank borrowings with amount of RMB56,141,000 and RMB20,570,000, respectively, were pledged with letters of credit.

As of June 30, 2015, secured short-term bank borrowings with amount of RMB188,322,000, RMB230,000,000 and RMB143,000,000, were pledged with the Group's certain property, plant and equipment (Note 6), stock right and receivable collection right, respectively.

As of December 31, 2012, 2013, 2014 and June 30, 2015, secured long-term bank borrowings were pledged with the Group's certain property, plant and equipment (Note 6) and land use rights (Note 7), and partially guaranteed by the Company's parent company.

(b) Other borrowings represent unsecured loans from TBEA, the Company's parent company (Note 36 (c)) and secured loan from Industrial Bank Financial Leasing Co., Ltd.

As of June 30, 2015, included in other loans was borrowing of RMB300,000,000 from Industrial Bank Financial Leasing Co., Ltd. Pursuant to the related loan agreement, certain property, plant and equipment of polysilicon production are pledged as security and cash amounting to RMB15,000,000 was held in a deposit account (Note 15). Therefore, the net proceeds received under this agreement amounted to RMB285,000,000.

(c) For the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2015, the average interest rates of borrowings were ranging from 5.51% to 7.21%, 5.24% to 7.21%, 5.50% to 6.90% and from 5.10% to 6.55%, respectively.

(d) The Group has the following undrawn bank borrowing facilities:

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Expiring within 1 year	1,273,298	1,740,046	1,846,220	4,464,963
Expiring beyond 1 year	250,390	100,040	400,000	3,388,767
	1,523,688	1,840,086	2,246,220	7,853,730

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term borrowings				
Bank borrowings:				
—Secured (a)	181,843	177,916	197,988	438,892
—Unsecured	200,000	—	—	50,000
	381,843	177,916	197,988	488,892
Other borrowings:				
—Unsecured (b)	—	—	810,255	—
Current portion of long-term borrowings	100,428	267,985	511,714	903,780
Total current borrowings	482,271	445,901	1,519,957	1,392,672

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

21 BORROWINGS—CONTINUED

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Long-term borrowings				
Bank borrowings:				
—Secured	3,845,428	4,508,485	4,124,214	3,310,063
Other borrowings:				
—Unsecured	780,187	779,996	—	297,436
Less: current portion of long-term borrowings	(100,428)	(267,985)	(511,714)	(903,780)
Total non-current borrowings	4,525,187	5,020,496	3,612,500	2,703,719
Total borrowings	5,007,458	5,466,397	5,132,457	4,096,391

The maturities of the Company's total borrowings at the balance sheet date are repayable as follows:

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	482,271	445,901	1,519,957	1,392,672
1 year to 2 years	—	475,000	575,000	647,862
2 years to 5 years	1,080,187	2,694,996	1,825,000	1,280,856
Over 5 years	3,445,000	1,850,500	1,212,500	775,001
	5,007,458	5,466,397	5,132,457	4,096,391

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Wholly repayable within 5 years	381,843	177,916	866,396	786,328
Wholly repayable after 5 years	4,625,615	5,288,481	4,266,061	3,310,063
	5,007,458	5,466,397	5,132,457	4,096,391

The carrying amount of the Company's borrowings are denominated in the following currencies:

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	4,794,187	5,257,996	4,953,896	3,936,328
USD	213,271	208,401	178,561	160,063
	5,007,458	5,466,397	5,132,457	4,096,391

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

21 BORROWINGS—CONTINUED

The Company has the following undrawn bank borrowing facilities:

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Expiring within 1 year	514,609	425,817	690,000	1,350,448

22 DEFERRED GOVERNMENT GRANTS

As of December 31, 2012, 2013, 2014 and June 30, 2015, deferred government grants represented assets-related government grants received mainly with respect to the infrastructure construction of solar power projects and production of polysilicon.

23 TRADE AND NOTES PAYABLE

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	1,226,507	2,081,495	2,036,530	2,573,118
Notes payables	510,994	2,384,788	2,390,421	2,206,956
	1,737,501	4,466,283	4,426,951	4,780,074

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	106,867	215,717	234,488	218,294
Notes payables	119,125	135,873	332,309	223,060
	225,992	351,590	566,797	441,354

The ageing analysis of trade payables is as follows:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	1,160,083	1,960,815	1,894,373	2,376,529
1 to 2 years	39,259	88,176	92,431	158,332
2 to 3 years	8,955	24,487	20,405	18,761
Over 3 years	18,210	8,017	29,321	19,496
	1,226,507	2,081,495	2,036,530	2,573,118

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

23 TRADE AND NOTES PAYABLE—CONTINUED

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	87,986	181,863	172,026	179,958
1 to 2 years	17,679	17,479	32,466	38,336
2 to 3 years	1,202	15,249	14,461	—
Over 3 years	—	1,126	15,535	—
	106,867	215,717	234,488	218,294

As of December 31, 2012 and 2013, 2014 and June 30, 2015, the carrying amounts of trade and notes payable approximated their fair values due to short maturity.

The carrying amounts of the Group's trade and notes payable are denominated in the following currencies:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	1,712,912	4,444,358	4,415,235	4,769,243
USD	24,164	21,443	8,437	6,413
Others	425	482	3,279	4,418
	1,737,501	4,466,283	4,426,951	4,780,074

24 PROVISIONS AND OTHER PAYABLES

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Payables relating to purchase of property, plant and equipment	926,594	1,328,191	893,756	718,600
Advances and deposits	164,018	529,593	601,227	834,339
Warranty provisions	20,809	18,529	18,937	19,430
Accrued wages and other benefits	16,236	36,106	43,693	53,406
Tax payable other than income taxes	8,838	2,691	2,999	7,633
Others	7,816	9,779	5,816	25,662
	1,144,311	1,924,889	1,566,428	1,659,070

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

24 PROVISIONS AND OTHER PAYABLES—CONTINUED

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Payables relating to purchase of property, plant and equipment	926,594	1,328,191	893,756	718,600
Advances and deposits from customers	65,654	117,725	89,923	101,741
Payables to subsidiaries	29,594	31,232	29,703	270,000
Accrued wages and other benefits	5,988	21,898	25,675	26,803
Tax payable other than income taxes	2,267	1,301	1,190	357
Others	611	6,775	6,262	2,630
	1,030,708	1,507,122	1,046,509	1,120,131

Movements on the Group's provision for warranty expenses are as follows:

Group

	Year ended December 31,			Six months ended June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year/period	11,503	20,809	18,529	18,937
Additional provisions	14,938	12,200	10,821	7,512
Utilization	(5,632)	(14,480)	(10,413)	(5,319)
Reversal	—	—	—	(1,700)
End of the year/period	20,809	18,529	18,937	19,430

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

25 EXPENSE BY NATURE

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Changes in inventories of finished goods and work in progress	95,338	(742,041)	(381,480)	(722,191)	(108,948)
Raw materials, equipment and consumables used	1,306,033	4,331,890	3,984,155	2,201,476	2,154,212
Subcontract costs	330,580	802,762	982,425	221,761	454,808
Employee benefit expense (Note 28)	169,114	279,463	586,281	212,355	279,239
Depreciation and amortization (Notes 6,7 and 8)	144,954	252,418	531,097	252,081	266,904
Utilities	183,772	346,530	195,196	84,797	67,385
Repair and maintenance	7,027	27,704	137,895	61,896	88,024
Impairment of assets	116,434	55,837	78,255	6,536	23,338
Transportation	17,928	28,265	35,382	12,113	127,442
Travelling expenses	13,893	20,071	35,158	8,670	14,244
Taxation	19,313	27,134	36,650	8,655	13,555
Warranty expenses (Note 24)	14,938	12,200	10,821	4,945	5,812
Rental expenses	5,673	9,615	18,595	9,303	9,235
Auditor's remuneration					
—audit and audit related services	226	273	715	321	738
—non-audit services	1,084	52	272	246	225
Listing expenses	—	—	1,968	—	5,892
Others	139,001	224,898	281,329	143,412	184,660
	2,565,308	5,677,071	6,534,714	2,506,376	3,586,765

26 OTHER INCOME

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Government grants	113,949	100,873	124,487	62,354	83,759
Sales of raw materials	8,417	15,241	12,173	2,797	8,837
Commission	746	12,432	1,839	1,508	12,647
	123,112	128,546	138,499	66,659	105,243

For the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015, the Group's government grant income included amortization of asset-related government grants (Note 22) with amount of RMB8,197,000, RMB10,759,000, RMB45,481,000, RMB26,390,000 and RMB27,443,000, respectively.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

27 OTHER GAINS/(LOSSES)—NET

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Gains/(Losses) on disposal of property, plant and equipment	4,481	(841)	1,010	358	191
Gains on compensations and penalties	14,660	13,669	17,797	2,380	7,551
Donations	—	(48)	(10,020)	—	(10,000)
Others	(87)	82	8,746	678	(704)
	19,054	12,862	17,533	3,416	(2,962)

For the years ended December 31, 2013, 2014 and six months ended June 30, 2015, donations mainly represent the amounts which the Group donated for local public utility construction projects to local government in Xinjiang Uygur Autonomous Region and Shanxi Province, the PRC.

28 EMPLOYEE BENEFIT EXPENSE

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Wages and salaries	135,373	220,815	486,119	179,627	225,361
Social insurance costs	21,721	34,388	58,021	19,238	31,409
Welfare benefits	12,020	24,260	36,016	13,490	18,043
Share-based payment (Note 19(b))	—	—	6,125	—	4,426
	169,114	279,463	586,281	212,355	279,239

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

28 EMPLOYEE BENEFIT EXPENSE—CONTINUED

(a) Director's emoluments

The remuneration of every director for the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2015 are set out as follows:

	Fees	Salaries and allowances	Discretionary bonuses	Other benefits including pension	Share-based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2012						
Executive Directors						
Zhang Jianxin	—	585	—	—	—	585
Ma Xuping	—	648	—	—	—	648
Non-executive Directors						
Zhang Xin	—	—	—	—	—	—
Guo Junxiang	—	—	—	—	—	—
Chen Weilin	—	—	—	—	—	—
Jia Fei	—	—	—	—	—	—
Li Jianhua	—	—	—	—	—	—
Year ended December 31, 2013						
Executive Directors						
Zhang Jianxin	—	698	—	—	—	698
Ma Xuping	—	483	58	—	—	541
Non-executive Directors						
Zhang Xin	—	—	—	—	—	—
Guo Junxiang	—	—	—	—	—	—
Chen Weilin	—	—	—	—	—	—
Jia Fei	—	—	—	—	—	—
Li Jianhua	—	—	—	—	—	—
Year ended December 31, 2014						
Executive Directors						
Zhang Jianxin	—	700	—	—	120	820
Ma Xuping	—	261	73	—	57	391
Non-executive Directors						
Zhang Xin	—	—	—	—	—	—
Guo Junxiang	—	—	—	—	—	—
Chen Weilin	—	—	—	—	—	—
Jia Fei	—	—	—	—	—	—
Six months ended June 30, 2014 (unaudited)						
Executive Directors						
Zhang Jianxin	—	324	—	—	—	324
Ma Xuping	—	185	—	—	—	185
Non-executive Directors						
Zhang Xin	—	—	—	—	—	—
Guo Junxiang	—	—	—	—	—	—
Chen Weilin	—	—	—	—	—	—
Jia Fei	—	—	—	—	—	—

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

28 EMPLOYEE BENEFIT EXPENSE—CONTINUED

(a) Director's emoluments—continued

	Fees	Salaries and allowances	Discretionary bonuses	Other benefits including pension	Share based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended June 30, 2015						
Executive Directors						
Zhang Jianxin	—	394	—	—	88	482
Ma Xuping	—	197	—	—	88	285
Yin Bo*	—	24	—	—	7	31
Non-executive Directors						
Zhang Xin	—	—	—	—	—	—
Guo Junxiang	—	—	—	—	—	—
Wang Jian	—	—	—	—	—	—
Yang Deren	—	—	—	—	—	—
Qin Haiyan	—	—	—	—	—	—
Wang Ruiqiang	—	—	—	—	—	—
Chen Weilin	—	—	—	—	—	—

During the years of 2012, 2013, 2014 and six months ended June 30, 2014 and 2015, no directors of the Group waived any emoluments and no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

* *Yinbo was appointed in June 2015.*

(b) Five highest paid individuals

For years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015, the five individuals whose emoluments were the highest in the Group were as follows:

	Number of individuals				
	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
				(unaudited)	
Directors	2	2	2	2	2
Non-director individuals	3	3	3	3	3
	5	5	5	5	5

The Directors' emoluments were reflected in the analysis shown above. The emoluments payable to the remaining individuals were as follows:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 unaudited	RMB'000
Basic salaries and allowances	839	1,037	973	501	512
Discretionary bonuses	—	75	251	—	—
Share-based compensation	—	—	124	—	126
	839	1,112	1,348	501	638

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

28 EMPLOYEE BENEFIT EXPENSE—CONTINUED

(b) Five highest paid individuals—continued

The emoluments fell within the following bands:

	Number of individuals				
	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
				(unaudited)	
Emolument bands					
HK$ 1,000,000 and below	3	3	2	3	3
HK$ 1,000,000 to 1,500,000	—	—	1	—	—

29 FINANCE EXPENSES—NET

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest expenses on borrowing	255,847	393,368	467,658	227,419	252,121
Less: amounts capitalized	(202,050)	(252,812)	(80,426)	(27,508)	(65,049)
—in property, plant and equipment	(178,796)	(191,650)	(4,881)	(420)	(10,987)
—in inventories and construction contracts	(23,254)	(61,162)	(75,545)	(27,088)	(54,062)
Net foreign exchange (gains)/losses	—	(1,816)	1,724	2,138	(14,190)
Finance expenses	53,797	138,740	388,956	202,049	172,882
Interest income	(13,202)	(7,366)	(24,517)	(20,626)	(15,604)
	40,595	131,374	364,439	181,423	157,278

30 INCOME TAX (BENEFIT)/EXPENSE

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current income tax expense	3,332	33,107	27,850	11,010	39,135
Deferred income tax (benefit)/expense (Note 11)	(36,205)	23,183	(19,706)	(6,272)	(1,229)
	(32,873)	56,290	8,144	4,738	37,906

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

30 INCOME TAX (BENEFIT)/EXPENSE—CONTINUED

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/Profit before income tax	(223,920)	256,664	661,505	276,889	308,778
Tax expense calculated at applicable statutory tax rate of 25%	(55,980)	64,166	165,376	69,222	77,195
Effect of difference between applicable tax rate and statutory tax rate	21,916	(35,326)	(51,328)	(23,530)	(27,718)
Tax losses and other temporary differences for which no deferred income tax assets were recognized	17,088	18,941	19,449	1,948	7,825
Utilization of previously unrecognised temporary differences	(131)	(4,637)	(13,149)	(9,232)	(119)
Elimination of transactions with associates (Note 10)	—	21,243	(8,321)	2,745	(1,744)
Expenses not deductible for taxation purposes	13,592	31,312	12,424	995	1,136
Tax credits and additional deduction entitlements	(29,358)	(39,409)	(116,307)	(37,410)	(18,669)
	(32,873)	56,290	8,144	4,738	37,906

Most of the companies now comprising the Group are subject to PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% on the assessable income of each of these companies during the year as determined in accordance with the relevant PRC income tax rules and regulations except that certain subsidiaries were exempted or taxed at preferential rate of 15%.

Tax credits and additional deduction entitlements mainly represent tax credit for purchases of qualified environmental protection equipment and research and development expenses allowable for tax deduction.

31 EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during Relevant Periods. In determining the weighted average number of ordinary shares, the 568,000,000 shares issued upon conversion into a joint stock company were treated as if they had been in issue since January 1, 2012.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

31 EARNINGS PER SHARE—CONTINUED

(a) Basic—continued

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
				(unaudited)	
(Loss)/Profit attributable to owners of the Company (RMB'000)	(129,596)	193,341	574,833	252,929	268,723
Weighted average number of ordinary shares in issue (thousands)	568,000	568,000	576,754	568,000	731,772
Basic (loss)/earnings per share (RMB)	(0.23)	0.34	1.00	0.45	0.37

(b) Diluted

No diluted effect on (loss)/earnings per share for the years ended December 31, 2012, 2013 and 2014 and six months ended June 30, 2014, as the Group had no dilutive potential ordinary shares.

Diluted earnings per share for the six months ended June 30, 2015 is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has contingency in issuance of shares as stated in Note 18(c), whereby pursuant to the pre-IPO subscription agreements, the Company would need to issue additional shares to certain shareholders if the Company cannot complete the IPO prior to the end of 2015 nor meet the net profit target for the year ended December 31, 2015. A calculation is done to determine the number of shares that would have been issued, based on the year to date position at the end of the interim period, i.e. the net profit for the six months ended June 30, 2015. The resulting number of shares would be issued is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

	Six months ended June 30, 2015
Profit attributable to owners of the Company (RMB'000)	268,723
Weighted average number of ordinary shares in issue (thousands)	731,772
Adjustments for contingent issuance of shares (thousands)	50,966
Weighted average number of ordinary shares for diluted earnings per share (thousands)	782,738
Diluted earnings per share (RMB)	0.34

32 DIVIDENDS

No dividend has been paid or declared by the Company during each of the years ended December 31, 2012, 2013, 2014 and six months ended June 30, 2014 and 2015.

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

33 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of (loss)/profit before income tax to net cash (used in)/generated from operations:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cash (used in)/generated from operations					
(Loss)/Profit before income tax	(223,920)	256,664	661,505	276,889	308,778
Adjustments for:					
—Provision for impairment of inventories	52,767	6,357	4,881	492	19,196
—Depreciation of property, plant and equipment	127,980	234,257	511,199	242,952	256,786
—Amortization of land use rights	5,151	6,421	7,494	3,369	3,557
—Amortization of intangible assets	11,823	11,740	12,404	5,760	6,561
—Provision for impairment of property, plant and equipment	43,943	25,492	16,314	—	(10)
—Allowance for impairment of trade and other receivables	4,124	16,909	54,561	6,044	4,343
—Share of (profit)/loss from investments accounted for using the equity method	—	(16,408)	(2,106)	(5,670)	50
—Share-based payment	—	—	6,125	—	4,426
—Losses/(Gains) on disposal of subsidiaries	—	340	—	(148)	—
—(Gains)/Losses on disposal of property, plant and equipment	(4,481)	841	(1,010)	(358)	(191)
—Amortization of asset-related deferred government grants	(8,197)	(10,759)	(45,481)	(26,390)	(27,443)
—Provision/(Reversal) for impairment of construction contracts	15,600	7,079	2,499	—	(201)
—Finance expenses—net	40,595	131,374	364,439	181,423	171,252
—Elimination effect arising from downstream transactions with associates (Note 10(e))	—	99,968	(39,157)	12,915	(8,204)
Changes in working capital:					
—Inventories	(194,513)	(489,203)	(2,313,834)	(606,379)	(355,618)
—Trade and notes receivable	(1,020,760)	(1,142,634)	(201,238)	(164,938)	367,460
—Trade and notes payable	119,309	2,901,875	359,982	(1,158,426)	353,123
—Prepayments and other receivables	140,777	(1,390,922)	395,573	868,700	(115,145)
—Advances from customers and other payables	(81,920)	388,872	8,327	(186,683)	267,805
—Amount due to/from customers for contract work	243,466	(854,479)	364,880	72,591	(414,410)
—Value-added tax recoverable	(309,150)	(64,494)	(73,549)	9,915	221,780
Cash (used in)/generated from operations	(1,037,406)	119,290	93,808	(467,942)	1,063,895

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

33 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS—CONTINUED

(b) In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net book amount (Note 6)	12,459	9,807	14,371	7,765	266
Gains/(Losses) on disposal of property, plant and equipment (Note 27)	4,481	(841)	1,010	358	191
Proceeds from disposal of property, plant and equipment	16,940	8,966	15,381	8,123	457

34 CONTINGENCY AND LITIGATION

In June 2013, Jiangsu Zhongneng Silicon Technology Development Co., Ltd. (江蘇中能硅業科技發展有限公司, "Jiangsu Zhongneng") filed a claim with the Jiangsu Province People's Court against the Company for certain patent infringement and commercial secrets, for a total compensation amounting to RMB62 million. In December 2014, after an appeal filed the Company, the Supreme People's Court of the PRC ruled to the case should be under the jurisdiction of the Xinjiang Province People's Court. As of the date of this Financial Information, the aforementioned litigation is in the process of transfer therefore no trial session has been conducted by Xinjiang Province People's Court yet. After considering the opinion of an independent legal counsel, the directors of the Company are of the opinion that this litigation is still at a very early stage with the outcome and the contingent obligation cannot be measured with sufficient reliability. Accordingly, no provision is made with respect to the aforementioned claim at June 30, 2015.

Apart from the above, the Group and the Company have contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As of December 31, 2012, 2013, 2014 and June 30, 2015, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the Financial Information.

35 COMMITMENTS

(a) Capital commitments

At December 31, 2012, 2013, 2014 and June 30, 2015, capital commitment with respect to capital expenditure of property, plant and equipment is as follows:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Contractual but not yet incurred	390,085	542	87,925	990,825

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

35 COMMITMENTS—CONTINUED

(a) Capital commitments—continued

Company

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Contractual but not yet incurred	390,085	—	85,900	77,131

(b) Operating lease commitments

The Group leases various offices and warehouses under non-cancellable operating lease agreements. The future minimum lease payable under non-cancellable operating leases contracted for at the balance sheet dates but not recognized as liabilities, are as follows:

Group

	As of December 31,			As of June 30,
	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	1,790	1,718	1,313	7,835
Between 1 to 5 years	—	292	—	1,388
	1,790	2,010	1,313	9,223

36 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

(a) Significant transactions with related parties

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
With parent company:					
—Sales of goods	93	—	—	—	71
—Rental expense charged	1,874	5,757	23,922	11,228	8,726
—Proceeds from borrowings (gross amount)	766,000	860,000	1,270,000	720,000	400,000
—Interest expenses charged	30,954	20,458	86,479	35,724	46,381
With fellow subsidiaries:					
—Sales of goods or services	6,963	29,116	48,238	1,094	29,111
—Purchases of goods or services	377,531	285,037	241,965	79,593	143,538
With associates of parent company:					
—Sales of goods or services	—	1,129	2,760	—	—
—Purchases of goods or services	3,945	14,422	25,644	12,132	15,898
With associates:					
—ECC services provided	—	1,443,925	436,828	325,094	161,578

II NOTES TO THE FINANCIAL INFORMATION—CONTINUED

36 RELATED PARTY TRANSACTIONS—CONTINUED

(a) Significant transactions with related parties—continued

These transactions are carried out on terms mutually agreed with the counter parties in the ordinary course of business.

(b) Key management compensation

The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and bonuses	2,948	3,152	2,324	1,066	1,297
Pension and others	—	174	292	148	162
Share-based payment	—	—	507	—	379
	2,948	3,326	3,123	1,214	1,838

(c) Balances with related parties

	As of December 31,			As of June 30, 2015
	2012	2013	2014	
	RMB'000	RMB'000	RMB'000	RMB'000
Included in "trade and notes receivable"				
Receivable from:				
—parent company	479	2,479	—	—
—fellow subsidiaries	1,289	6,007	17,747	33,171
—associates of parent company	—	60	—	9,469
—associates	500	90,492	156,293	188,090
	2,268	99,038	174,040	230,730
Included in "prepayments and other receivables"				
Prepaid to or receivable from:				
—parent company	517	2,881	255	32,060
—fellow subsidiaries	55,386	28,628	16,716	13,404
—associates of parent company	—	2,885	1,961	1,961
—associates	—	308	3,169	148
	55,903	34,702	22,101	47,573
Included in "trade and notes payable"				
Payable to:				
—parent company	—	330	1,736	5
—fellow subsidiaries	80,077	151,817	111,491	298,335
—associates of parent company	2,446	970	18,440	18,261
	82,523	153,117	131,667	316,601
Included in "provisions and other payables"				
Advances received from:				
—parent company	479	479	499	479
—fellow subsidiaries	1,734	1,634	21,097	4,895
—associates of parent company	953	—	70	905
—associates	—	52,474	148	5,000
	3,166	54,587	26,814	11,279
Included in "borrowings"				
Borrowings due to:				
—parent company	780,187	1,020,399	1,494,222	—

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to June 30, 2015 up to the date of this report. Save as disclosed in this report, no dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to June 30, 2015.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong