Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CHINA SUNTIEN GREEN ENERGY CORPORATION LIMITED*

新天綠色能源股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00956)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2015, the Company's:

- revenue was RMB4,224 million, representing a decrease of 18.0% as compared with 2014
- profit before tax was RMB200 million, representing a decrease of 70.3% as compared with 2014
- net profit attributable to owners of the Company was RMB168 million, representing a decrease of 49.8% as compared with 2014
- earnings per share was RMB0.0453, representing a decrease of 50.2% as compared with 2014

The Board recommends a final dividend distribution of RMB0.015 per share (tax inclusive) for 2015.

RESULTS HIGHLIGHTS

The board (the "**Board**") of directors (the "**Director(s)**") of China Suntien Green Energy Corporation Limited (the "**Company**") is pleased to announce the audited annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2015. This announcement is compliant with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") regarding the information required to be included in the preliminary announcement of annual results.

As at 31 December 2015, the Group had consolidated assets of RMB26,924 million with a net gearing ratio of 63%; consolidated revenue of RMB4,224 million, representing a decrease of 18.0% from 2014; and net profits attributable to owners of RMB168 million, representing a decrease of 49.8% from 2014. Earning per share was RMB0.0453.

The Board recommends the payment of a final dividend in cash of RMB0.015 per share (tax inclusive) (RMB56 million in total (tax inclusive)) to all shareholders subject to the approval at the Company's annual general meeting for 2015 to be held on Monday, 13 June 2016 (the "**Annual General Meeting**").

Details of the Group's operating results are set out in the financial information contained in the appendix to this announcement.

REVIEW OF RESULTS OF 2015

I. Operating Environment

Since 2015, the issues of overcapacity in China still existed whereas the slowdown in investment growth and the pressure for economic downturn remained great. Facing the complicated situation, the PRC government promulgated a series of policies to stabilize economic growth, adjust economic structure, promote reformation, benefit the society and prevent risks. National economy remained in a reasonable level with a new progress in structure adjustment and continuous improvement of people's livelihood.

(i) Operating environment for the natural gas industry

1. Slowdown in the consumption growth of natural gas

In 2015, the government continued to step up its effort in air pollution control and vigorously promoted the clean energy such as natural gas. Affected by macro-economic downturn and price decrease in coal and oil, although the price of natural gas decreased during the year, natural gas was still lack of competitive advantages as compared to other alternative energy, resulting in a slowdown of natural gas consumption.

In 2015, the production capacity of natural gas in China amounted to 135 billion cubic meters, representing an increase of 5.6% as compared with 2014; the import of natural gas amounted to 61.4 billion cubic meters, representing an increase of 6.3% as compared with 2014; the consumption of natural gas amounted to 193.2 billion cubic meters, representing an increase of 5.7% as compared with 2014.

2. Continuously pushing forward the price reform of natural gas

In order to increase the supply capacity of natural gas, improve the utilization efficiency of natural gas, and further promote the market reform of natural gas price, on 28 February 2015, the NDRC promulgated the Notice on Rationalizing the Prices of Natural Gas for Non-residents (《關於理順非居民用天然氣價格的通知》) (NDRC Price No. [2015] 351). According to the "Three-Step" principle, the prices of stock gas and increment gas has been unified since 1 April, the highest city-gate price of natural gas in Hebei Province was RMB2.68/m^3, and the natural gas price for the residents remained unchanged.

On 18 November 2015, the NDRC promulgated the Notice on Reduction of City-gate Prices of Natural Gas for Non-residents and Further Promote the Price Market Reform (《關於降低非居民用天然氣門站價格并進一步推進價格市場化改革的通知》) (NDRC Price No. [2015] 2688), the highest city-gate price of natural gas for non-residents decreased by RMB700 per thousand cubic meters and instead of highest city-gate prices, natural gas prices for non-residents was regulated by basic city-gate prices. The reduced highest city-gate price of natural gas shall be the basic city-gate price. The supply and demand parties negotiated the specific city-gate price based on the basic city-gate price within the range of 20% increase and unlimited decrease. The city-gate price remained unchanged when the aforesaid measures were implemented and will be allowed to increase with effect from 20 November 2016. The basic city-gate price of natural gas in Hebei Province for non-residents was RMB1.98/m^3. The relevant measure was implemented on 20 November 2015.

(ii) Operating environment for the wind and photovoltaic power industry

1. Stable growth of connected grid capacity and on-grid capacity of wind power

According to the statistics of the National Energy Administration, the newly increased capacity of wind power connected to grid in China amounted to 32,970 MW and the accumulated capacity connected to grid reached 129,340 MW in 2015, with average utilization hours of 1,728 hours, representing a decrease of 172 hours as compared with 2014, and average wind curtailment rate of 15%.

In 2015, the newly increased capacity of wind power in Hebei Province amounted to 1,090 MW and the accumulated capacity connected to grid amounted to 10,220 MW, representing an increase of 11.94% as compared with 2014; the annual power generated of wind power amounted to 16.8 billion kWh; the curtailment rate of wind power was 10%; the utilization hours amounted to 1,808 hours, representing a decrease of 88 hours as compared with 2014.

2. Promulgation of price adjustment plan of onshore wind and photovoltaic power generation

In order to introduce new energy investment and facilitate the healthy development of new energy businesses such as onshore wind and photovoltaic power generation, on 22 December 2015, the NDRC promulgated the Notice on Policy of Improving the Benchmark On-grid Tariff of Electricity Generated by the Onshore Wind Power and Photovoltaic Power (《關於完善陸上風電光伏發電上網標桿電價政策的通知》) to implement pricing policy of the gradual reduction of the benchmark on-grid tariff of electricity generated from onshore wind and photovoltaic power in line with the development scale, of which (1) in 2016 and 2018, the benchmark on-grid tariff of onshore wind power of class I, II and III resources areas and of class IV resources area reduces RMB2 cents and RMB1 cent, respectively; onshore wind power projects approved after 1 January 2016 and 2018 should adopt the benchmark tariff of the corresponding year. Projects which have not yet commenced within the approved period of two years shall not adopt the corresponding benchmark tariff. Onshore wind power projects approved before 2016 but have not yet commenced construction by the end of 2017 shall adopt the 2016 benchmark on-grid tariff. (2) in 2016, the benchmark on-grid tariff of photovoltaic power generation in class I, II and III resources areas reduces RMB10 cents, RMB7 cents and RMB2 cents, respectively.

Photovoltaic power generation projects which obtained preliminary approval after 1 January 2016 and are included in the annual scale management shall adopt the 2016 benchmark on-grid tariff. Photovoltaic power generation projects which had obtained preliminary approvals prior to 2016 and are included in the annual scale management but have not put into full operation by 30 June 2016 shall adopt the 2016 benchmark on-grid tariff. The aforesaid policy was implemented on and after 1 January 2016.

3. *Promulgation of the levy policy of industrial enterprise restructuring project*

On 19 January 2016, Ministry of Finance promulgated the Notice on the Relevant Matters regarding to Levy on Industrial Enterprise Restructuring Project (《關於徵收工業企業結構調整專項資金有關問題的通知》) to support the industrial enterprise restructuring by imposing a levy according to the power delivered to grid generated from renewable energy and the requisite standard. This notice was implemented on 1 January 2016.

4. *Promulgation of various administrative measures on protection of purchasing all electricity generated from renewable energy*

In 2015, as the problems of curtailment and reduction of wind power generation over the country was getting worse, the NDRC promulgated the Advice on the Pilot Project of Consumption of Local Renewable Energy (Provisional) (《關於可再生能源就近消納試點的意見(暫行)》) in October 2015 to further establish the systems such as priority power generation rights of renewable energy and protective buyouts of renewable energy.

On 28 December 2015, the National Energy Administration promulgated the Administrative Measures on Protection of Purchasing All Electricity Generated from of Renewable Energy (Draft Version) (《可再生能源發電全額保障性收購管理辦法》(徵求意見稿)) to solve the situation regarding to the curtailment of wind and photovoltaic power generation and formulate the specific measures on priority grid connection of and protection of purchasing all electricity generated from renewable energy. After the formal promulgation and implementation of the advice, it is expected that it would be the main driving force of solving the problem regarding to curtailment of wind and photovoltaic power generation and facilitating the effective development of renewable energy such as wind and photovoltaic power generation.

On 3 March 2016, the National Energy Administration released the Guidance on the Establishment of Renewable Energy Development and Utilization Objective Guidance System (《關於建立可再生能源開發利用目標引導制度的指導意見》), which is established for procuring the development and utilization of renewable energy and ensuring the achievement of energy development strategic objectives of 15% and 20% in the ration of non-fossil fuels to primary energy consumption in 2020 and 2030. The guidance requires set up development and utilization objectives of renewable energy of each province. The implementation of Objective Guidance System helped form a strategic position of renewable energy and maintained a sustainable development of renewable energy industry.

II. Business Review

(i) Business review and major financial indicators of natural gas

1. Business review of natural gas

(1) Decrease in sales volume of natural gas as compared with 2014

During the reporting period, the Group recorded a decrease in the growth of its sales volume of natural gas under the double pressure of the decline of the macro-economic and the decrease in the prices of coal and petroleum, and realized a sales volume of 1,127 million cubic meters for the year, representing a decrease of 26.0% as compared with 2014, of which the wholesales volume amounted to 787 million cubic meters, representing a decrease of 6.1% as compared with 2014 and accounting for 69.84% of total sales volume; the retail sales volume amounted to 273 million cubic meters, representing a decrease of 55.7% as compared with 2014 and accounting for 24.22% of total sales volume; the sales volume of CNG amounted to 67 million cubic meters, representing a decrease of 2.9% as compared with 2014 and accounting for 5.94% of total sales volume.

(2) Actively promoting the construction of infrastructural projects

The Group increased 259.9 kilometers of natural gas pipeline in 2015. As of 31 December 2015, the Group accumulatively operated 1,973.4 kilometers of pipeline, including 602.8 kilometers of long-distance transmission pipeline and 1,370.6 kilometers of city gas pipeline; accumulatively operated 14 distribution stations and eight gate stations.

During the year, the pipework for ten countries in middle Hebei Province (Phase I) and Chengde natural gas utilization project (Phase I) of the Group were put into operation. The pipework for ten countries in middle Hebei Province (Phase I) successfully connected to the gas source of Sinopec.

During the reporting period, the pipework for ten counties in middle Hebei Province (Phase II) obtained the final approval and commenced the construction, and Gaoyi-Zanhuang gas pipeline project also obtained the final approval. Shanxi Licheng-Hebei Shahe coalbed methane pipeline network project has completed pipeline welding of 100 kilometers, and the Licheng station had completed 100%. The contructions of Shexian distribution station and Wuan distribution station have commenced, and the construction Yongnian terminal was 90% completed.

(3) Further exploration of downstream markets of natural gas

During the reporting period, the Group actively explored the natural gas market. In particular, new non-residential users increased by 306 (including 154 small business users) to a total of 1,620 users (including 1,093 small business users). New residential users increased by 32,860 (new cards increased by 23,347 users) to a total of 116,412 users (new cards increased to 87,155 users).

During the reporting period, the Group vigorously developed the city gas projects. The Group completed several equity cooperation projects in Raoyang and Qinghe and formed a joint venture to develop the local gas market, which has accumulatively established its market presence in 27 city gas markets in the province.

(4) Vigorously developing CNG and LNG businesses

During the reporting period, the Group rapidly developed CNG and LNG businesses. During the year of 2015, the Group has developed a total of 18 CNG and LNG projects. Of these projects, two CNG primary filling stations in Baoding and Chengde, three CNG refilling stations in Laiyuan, Chengde and Jinju and one LNG refilling station in Shahe were newly put into operation; Qinghe CNG primary filling station and Huang Liang Meng L-CNG refilling station obtained the completion acceptance; the main construction of Ningjin CGN primary filling station, two LNG refilling stations in Shahe and Chengde, Zhaoxian Anda L-CNG refilling station and Yuanshi CNG refilling station were completed; two CNG filling secondary stations in Chengde, two LNG refilling stations in Neiqiu and Gaoyi L-CNG refilling station were under construction. As of 31 December 2015, the Group accumulatively operated five CNG primary filling stations, seven CNG secondary filling stations and one LNG refilling station.

By the end of 2015, Shahe LNG liquefaction plant has completed the installation of its process units and auxiliary system as well as the LNG transportation facilities.

(5) Formation of multi gas resources supply pattern

During the reporting period, the pipework for ten countries in middle Hebei Province (Phase I) successfully connected to the gas source of Sinopec and Chengde natural gas utilization project (Phase I) connected the coal-made gas source of Datang. In the same time, the Group entered into long-term contract with Sinopec and obtained the right of pipeline tapping of the Shaanxi-Beijing Pipeline II in Anping. By entering letter of intent for supply of natural gas with Sinopec and Shanxi Guohua, the Group will connect the gas source of Sinopec to Shahe through the coal gas pipeline from Shanxi Licheng to Hebei Shahe.

(6) Safe operation safeguarded by advanced technology

During the year, Hebei Natural Gas, a subsidiary of the Group, took a proactive approach to solve the technical problems and obtained two utility model patent certificates, namely "wedges gripping tool" and "new wedges", respectively. Those two patents will enhance the Company's safe operation capability of the gas-fired power plant and provide a more reliable safety measure to handle the gas leakage incident.

2. *Key financial indicators of natural gas*

(1) Revenue

During the reporting period, the Group recorded a natural gas sales revenue of RMB2,796 million, representing a decrease of 28% as compared with 2014, and accounting for 66% of the Group's sales revenue. The decrease of revenue was mainly attributable to (1) the continued slowdown in macro economy and the significant decrease in gas sales resulting from certain users of the Group used the alternative energy with lower cost; and (2) the decrease in sales price of natural gas in 2015. In particular, the pipe wholesale business recorded sales revenue of RMB1,660 million, representing 59% of the Group's sales revenue from natural gas; retail business, such as city natural gas, recorded sales revenue of RMB753 million, representing 27% of the Group's sales revenue from natural gas; CNG business recorded sales revenue of RMB199 million, representing 7% of the Group's sales revenue from natural gas. Other revenue was RMB184 million, representing 7% of the Group's sales revenue from natural gas.

(2) Operating cost

During the reporting period, the operating cost (including cost of sales, selling and distribution expenses, administrative expenses and other expenses) of the Group's natural gas business amounted to RMB2,707 million, representing a decrease by 20% from the amount of RMB3,366 million last year. This was mainly due to a decrease in average purchasing unit price and supply of natural gas as compared with last year.

(3) Profit from operations

During the reporting period, the profit from operations of the natural gas business was RMB103 million, representing a decrease by 81% from last year, mainly due to the provision for bad debts of RMB214 million and a decrease in gas sales. Gross profit margin was 14.7%, which was 1.8 percentage point lower than that of 2014, mainly due to the adjustment of prices of gas for the year and the decrease in gross profit margin as compared with last year.

(ii) Business review and major financial indicators of wind power

1. Business review of wind power

(1) Stable growth of installed capacity

In 2015, the Group newly increased 396.8 MW of consolidated installed capacity of wind power, and the accumulative consolidated installed capacity was 2,093.6 MW; the newly increased attributable installed capacity was 391.3 MW, and the accumulated attributable installed capacity was 1,922 MW.

As at 31 December 2015, the total designed capacity of the projects under construction of the Group was 704.9 MW.

(2) Decrease in the utilization hours of wind farms

In 2015, the average utilization hours of the Group's consolidated wind farm were 1,887 hours, representing a decrease of 109 hours as compared with 2014, yet still 79 hours more than the average utilization hours in Hebei Province, mainly due to the significantly dropped of wind speed in November and December. The Group's controlled wind farms realized a power generation of 3.161 billion kWh, representing an increase of 15.36% as compared with 2014. The average availability factor of the wind power generation units was 95.25%, representing a decrease of 2.53 percentage points as compared with 2014, mainly due to the faults in transmission line caused by the wires and iron towers in the wind farm covered with ice under the bad weather in the located areas.

(3) Continued to seek approvals for wind power projects

In 2015, the Group acquired 722.5 MW newly approved reserve capacity, in which class II resources area and class IV resources area were allocated with 432.5 MW and 290 MW, respectively, and the total approved reserve capacity amounted to 1,595.4 MW.

During the reporting period, wind power projects with 561 MW of the Group were listed as national approved plans and the accumulative capacity of the Group's national approved plans has reached to 4,650.8 MW and the wind power project are located in 13 provinces across China.

(4) Enhancement of professional management level of construction

During the reporting period, the Group focused on enhancing the professional management level of construction and completed "the typical design of wind farm booster station" to standardise the outlook and function of the booster station. Chongli Jiaocheshan 49.3 MW wind farm project won the 2014-2015 Annual National Quality Investment Projects Award. Zhangjiakou Centralized Control Center was the first batch of "Hebei Province Management Innovation Business Model Corporations" awarded the "Honorary Title" by the Industry and Information Technology Department of Hebei Province.

2. *Key financial indicators of wind power business (including photovoltaic power)*

(1) Revenue

During the reporting period, the Group realized wind power sales revenue of RMB1,428 million, representing an increase of 14.6% as compared with 2014 and accounting for 34% of the Group's sales revenue. The increase of revenue was mainly due to two wind farms and one photovoltaic project were put into operation during the year, despite of the wind resources this year were less than last year.

(2) Operating cost

During the reporting period, the operating cost (including cost of sales, selling and distribution expenses, administrative expenses and other expenses) of the Group's wind power business was RMB811 million, representing an increase of 17.7% as compared with 2014. This was mainly due to an increase in operating cost resulting from the wind farms and photovoltaic project gradually put into operation.

(3) Profit from operations

During the reporting period, the profit from operations of the wind power business was RMB617 million, representing an increase of 9.1% as compared with 2014. The increase was mainly due to an increase in wind power revenue, which resulted in the increase of profit. The gross profit margin was 49.8%, which was 2.4 percentage points lower than that in 2014. This was mainly due to the weaker wind resources and the reduction of utilization hours of wind power during the year, which resulted in a decrease in the gross profit margin.

(iii) Other clean energy business

During the reporting period, the Group put efforts on the development of natural gas and wind power businesses, also proactively and steadily developed and established other new energy projects.

1. *Photovoltaic projects*

In 2015, the Group proactively developed the photovoltaic power generation projects. The agreed capacity of the new photovoltaic projects amounted to 630 MW, and the accumulated agreed capacity amounted to 3,899 MW; the newly approved capacity of photovoltaic projects amounted to 80 MW and the accumulative approved capacity was 160 MW.

During the reporting period, the project of Hebei Lulong Shimen 20 MW Photovoltaic Power Station connected to the grid and generated 7 MW; the project of Liaoning Zhaoyang Nanshuangmiao 10 MW Photovoltaic Power Station completed the installation of 9 MW photovoltaic modules. By the end of 2015, the Group developed photovoltaic power generation projects with accumulated operating capacity of 31 MW.

2. *Hydropower projects*

During the year, the Company participated in an equity investment for the construction of Hebei Fengning pumped storage power station, the designed total installed capacity of which amounted to 3,600 MW, which will be developed in two phases with installed capacity of 1,800 MW for pumping and water retention functions such as peak load regulation and valley filling. Phase I is currently under construction and it is expected to complete in 2019. Phase II has obtained approval from the Development and Reform Commission in Hebei in July 2015 and commenced the construction in September 2015.

III. Management Discussion and Analysis on Financial Condition and Operating Results

(i) Overview

According to the audited consolidated financial statements for 2015, the Group's net profit for the year was RMB189 million, representing a decrease of 62.1% as compared with 2014, of which, the profit attributable to the equity holders of the Group was RMB168 million, representing a decrease of 49.8% as compared with 2014, mainly due to (1) a significant drop in sales of natural gas affected by a decline in the national macro-economic situation and a decrease in coal and oil prices; (2) the provision for impairment resulting from the significant overdue trade receivable of Hebei Natural Gas due to the outstanding amount due from certain users of Hebei Natural Gas, (3) a decrease in annual utilization hours of the Group caused by the poor wind resources in the areas where the wind farms operated by the Group were located during the year as compared with 2014.

(ii) Revenue

In 2015, the Group recorded revenue of RMB4,224 million, representing a decrease of 18.0% as compared with 2014, of which:

1. Natural gas business recorded revenue of RMB2,796 million, representing a decrease of 28.4% as compared with 2014. This was mainly attributable to a decrease in gas sales and gas sales unit price during the reporting period.

2. Wind power business achieved revenue of RMB1,428 million, representing an increase of 14.6% as compared with 2014. This was mainly due to an increase in sales of electricity as compared to last year resulting from two wind farms and one photovoltaic project being gradually put into operation during the year, despite of the wind resources in 2015 were less than 2014.

(iii) Other income and net gains

During the reporting period, the Group recorded other income and net gains of RMB77 million, representing an increase of 38.0% as compared with 2014. This was mainly due to an increase in foreign exchange gains arising from the unused portion of the proceeds from the 2014 placing of H shares during the reporting period.

(iv) Operating costs

During the reporting period, the Group's operating costs (including cost of sales, selling and distribution expenses, administrative expenses and other expenses) aggregated to RMB3,592 million, representing a decrease of 12.7% as compared with 2014, of which:

1. Cost of sales was RMB3,103 million, representing a decrease of 19.5% as compared with 2014. This was mainly because the purchase of natural gas represented the major sales costs of the Group, and the gas purchase volume and unit price decreased.

2. Administrative expenses was RMB272 million, representing an increase of 6.7% as compared with 2014. This was mainly due to the corresponding increase in staff costs and administrative costs as a result of the expansion of the Group's production scale.

3. Other expenses were RMB216 million, representing an increase of 5,859.6% as compared with 2014. This was mainly due to a provision of RMB214 million for bad debts made by Hebei Natural Gas as compared with 2014.

(v) Finance cost

During the reporting period, the Group's finance costs were RMB572 million, representing an increase of 17.5% as compared with RMB487 million in 2014. This was mainly due to the fact that following the expansion of production capacity of the Company, the increase of borrowings contributed to the rise of interest expenses, and interests from the projects being put into operation were expensed.

(vi) Share of profit of associates

During the reporting period, the Group's share of profit of associates was RMB63 million, representing a decrease of RMB6 million as compared with RMB69 million last year. This was mainly due to a decrease in profitability of the enterprises in which the Group has non-controlling interest.

(vii) Income tax expenses

During the reporting period, the Group's net income tax expense was RMB11 million, representing a decrease of RMB165 million as compared with RMB176 million last year. The main reasons for this decrease were as follows: (1) a decrease in profit before tax of Hebei Natural Gas as compared with last year, which resulted in a decrease in income tax expenses of approximately RMB122 million; (2) the Group has paid RMB 32 million as the one-off income tax of CDM for previous years at the request of the State Administration of Taxation, Hebei Branch in 2014 and there was no such matter in 2015.

(viii) Net profit

During the reporting period, the Group recorded a net profit of RMB189 million, representing a decrease of 62.1% as compared with 2014. Among others, the natural gas segment realized a net profit of RMB38 million, representing a decrease of 89.8% as compared with 2014, which was mainly due to a decrease in natural gas sales and the provisions for impairment; the wind power segment recorded a net profit of RMB161 million, representing an increase of 8.7% as compared with 2014, which was mainly due to an increase in sales revenue of wind power sector.

(ix) Profit attributable to owners of the Company

During the reporting period, the profit attributable to owners of the Company was RMB168 million, representing a decrease of RMB167 million as compared with RMB335 million last year. This was primarily attributable to a decrease in net profit of the Group as compared with the same period last year.

The basic earnings per share attributable to shareholders of the Company was RMB0.0453.

(x) Profit attributable to non-controlling interests

During the reporting period, the profit attributable to non-controlling interests of the Company was RMB21 million, representing a decrease of RMB142 million as compared with RMB163 million last year. This was primarily attributable to a decrease in net profit of the Group as compared with last year.

(xi) Trade and bills receivables

As of 31 December 2015, the Group's trade and bills receivables amounted to RMB1,384 million, representing a decrease of RMB18 million, which was mainly attributable to a decrease in the sale of gas of Hebei Natural Gas and a significant increase in provisions for impairment of Hebei Natural Gas.

(xii) Bank and other borrowings

As of 31 December 2015, the Group's long-term and short-term borrowings totaled RMB15,826 million, representing an increase of RMB4,800 million as compared with the end of 2014. Among all borrowings, the short-term borrowings (including current portion of long-term borrowings) aggregated to RMB2,440 million and long-term borrowings amounted to RMB13,386 million.

During the reporting period, the Group actively expanded finance channels and maintained close relationship with financial institutions effectively reduced financing costs by obtaining domestic and overseas bank loans at a low interest rate and guarantee the smooth operation of capital chain. Firstly, with its good banking credit in the PRC, the Group seized the opportunities of decrease in domestic rate and obtained RMB-denominated loans at favorable lending rates. Secondly, the Group established an issuance of short-term debenture project, amounting to RMB1 billion and successfully issued the first tranche short-term debenture, amounting to RMB500 million with bond interest of 4% and integrated costs of 4.22%. It broke the lowest rate among comparable companies within Hebei Province since 2011, representing a decrease by 8.3% in the benchmark interest rate for loans as compared with last year. Thirdly, Hebei Natural Gas and Shenzhen Suntien obtained a cross-border loan of RMB660 million in total, the interest rate of which was 5-15% lower than the benchmark interest rate for domestic loans in the corresponding period. Fourthly, as the Group has a relatively large number of wind power projects under construction and the capital paid increased, the Group actively promoted the capital settlement of bank electronic exchange of bills project, which effectively decreased expenses on loan interests and reduced fund precipitation.

(xiii) Liquidity and capital resources

As of 31 December 2015, the Group's net current assets was RMB677 million, and the net decrease in cash and cash equivalents was RMB29 million. The Group has obtained total credit facilities of RMB42.992 billion from various domestic banks, of which RMB15.483 billion was utilized.

(xiv) Capital expenditure

During the reporting period, capital expenditures mainly included project construction costs for new wind power projects, natural gas pipelines and additions to property, plant and equipment and prepayment for leased lands. Capital resources mainly included self-owned capital, bank borrowings and cash flow from the Group's operating activities. During the reporting period, the Group's capital expenditure was RMB5,687 million, representing an increase of 132.3% as compared with RMB2,448 million last year. A breakdown of capital expenditure is as follows:

	2015	2014	Change
	(RMB'000)	*(RMB'000)*	*(%)*
Natural gas	**487,053**	477,211	2.1%
Wind power and solar energy	**5,199,528**	1,968,788	164.1%
Unallocated capital expenditures	**0**	1,579	-100%
Total	**5,686,581**	2,447,578	132.3%

(xv) Net Gearing ratio

As at 31 December 2015, the net gearing ratio (net debt divided by the sum of net debt and equity) of the Group was 63%, representing an increase of 11 percentage points as compared with 52% as at 31 December 2014, which was mainly due to the increase in debts as a result of the increase in external financing of the Group to meet the capital needs in the increase in wind power projects and natural gas projects of the Group.

(xvi) Material investments

The Group had no material investments during the year.

(xvii) Material acquisitions and disposals

The Group did not have material acquisitions and disposals during the year.

(xviii) Material charge on assets

During the year, the Group had no material charges on its assets.

(xix) Contingent liabilities

As at 31 December 2015, the banking facility granted to a joint venture subject to guarantee given to a bank by the Group was utilized to the extent of RMB200 million.

IV. Prospects for 2016

(i) Prospects for the natural gas business

As the first year of the "13th Five Year Plan", the long-term economic development of China will remain positive in 2016. However, due to the combined effect of structural and cyclical factors, the economic development will still be subject to greater downward pressure in 2016 and the economy of Hebei Province will continue to be under enormous pressure as a result of the industrial structure adjustment. The Group will implement flexible measures to strengthen its efforts on marketing and market development and to expand its transmission pipeline, city gas, as well as CNG and LNG businesses in order to ensure the healthy and sound development trend of natural gas business.

1. *Long-distance transmission pipeline business*

The Group will accelerate the construction progress of the pipework for ten counties in middle Hebei Province (Phase II) and strive to complete 80% of pipework during the year. Upon Phase II being put into operation, it will be connected to Phase I so as to greatly support the expansion of the Company in the downstream market of middle Hebei Province.

The Group will actively push forward the construction of Gaoyi-Zanhuang transmission pipeline, kick off the approved the preliminary work of Beijing-Handan double pipeline project, and plan to commence the Tianjin-Hebei-Shanxi pipeline connection project.

The Group will accelerate and push forward the construction of Shanxi Licheng-Hebei Shahe coalbed methane pipeline project and strive to put it into operation during the year.

2. *City gas business*

By grasping the opportunity of green energy development in Hebei Province, guaranteeing the stability of the existing users and based on the principle of "capturing every opportunity, whether big or small", the Group will take advantage of the Company's pipleline network within the province to continue to explore in great depth the potential gas market and quality customers in the province, profoundly develop the city gas markets in the surrounding areas of the city pipeline network to improve the structure of retail users, thus boosting the gas sales volume of the Company. In the meanwhile, the Group will step up its effort to develop the gas market in other provinces with a view to realizing the diversified profit growth of the gas business as soon as possible.

3. *CNG and LNG business*

The Group will accelerate the construction progress of the projects of CNG and LNG refilling stations, and strive to put into operation the projects of Ningjing CNG primary and secondary filling stations and Qinghe CNG primary and secondary filling stations, to complete the construction of Anping CNG primary filling stations during the year and to commence the trial operation of the projects of CNG/LNG refilling stations in places such as Neiqiu, Zhao County, Huangliangmeng and Chengde. The Group will carefully develop new projects and seek for quality projects and resources while implementing stringent risk control in a bid to improve the layout of CNG/LNG segment.

(ii) Prospects for the wind power and solar energy businesses

In 2016, on the backdrop of addressing climate change, economic downturn and haze governance, the energy segment is stepping into a new normal era. Problems such as the overcapacity of traditional energies, unreasonable energy structure and abandonment of wind and photovoltaic power generation are serious and a series of conflicts are developing. As such, the Group will reasonably allocate resources to accelerate the infrastructure of the wind power generation projects approved prior to 2016 so as to facilitate the projects to be put into operation as soon as possible. Taking into account the existing government policies, the Group will also continue to develop new onshore wind resources areas and keep a close watch on any offshore wind power generation projects with good quality and actively explore the photovoltaic resources with an aim to further enrich the Group's resources reserves.

1. The Group will accelerate the construction progress of the projects in Guyuan and Chongli in Zhangjiakou, Fengning in Chengde and Lingqiu in Shanxi and strive to connect them to the grid for power generation at the end of the year. The Group will also actively facilitate the construction of the approved wind power generation projects in areas such as Jianshui in Yunnan and Junan in Shandong so as to realize the grid connection for power generation as soon as possible.

2. The Group will continue to promote the approval of wind power projects in Hebei Province while vigorously developing wind power projects in the areas outside Hebei Province with favorable resources such as Yunan, Guangxi, and Jiangxi.

3. The Group will continue to keep track of the development trend in domestic and international carbon markets, actively seize the market opportunities and make plans in advance for gaining first-mover advantage and obtaining the profits of reducing carbon emissions as soon as possible.

4. The Group will proactively follow the relevant government policies by focusing on diversified development of clean energy and exploring new methods to utilize the power generated by solar thermal and wind energy.

5. The Group will explore the photovoltaic resources in different ways, accelerate the progress of filing of developed projects and facilitate the photovoltaic projects under construction to be put into operation as soon as possible.

(iii) Diversification of financing channels

In 2016, the Group will endeavor to formulate a better financing plan and strive to establish the best capital structure in order to effectively reduce the capital costs.

1. By analyzing the government policy, macro-economic situation and trend of market interest rates, the Group will issue financing instruments such as bonds and obtains funds through multiple channels in order to further optimize its debt structure and reduce capital costs.

2. The Group will continue to strengthen its cooperation with financial institutions such as domestic and foreign banks for the purpose of obtaining bank credit facility and low-interest funds for the use of project construction and replacement of high interest rate loans.

3. Leveraging on the advantage of Suntien Hong Kong and Shenzhen Suntien as the platform, the Group will strive to obtain greater amount of domestic and overseas at a low cost capital.

V. Risk Factors and Risk Management

(i) Natural gas business

1. *The slowdown of economic growth affects the sales volume of gas*

   In 2016, an in-depth adjustment to the national macro economy will continue. The negative impacts of continuous downward pressure on economy and the deep-rooted conflicts accumulated for long time may possibly become more obvious. There will be multiple constrains on the changes and connection of economic growth momentum, which will result in a severe and complicated economic situation. Due to the special issues such as the prominent structural contradiction in the industry and severe air pollution in Hebei Province, the Hebei government will continue to reduce the backward production capacity of the industries such as iron and steel, cement and glass. As a result, certain period of time will be required for the recovery of production of industrial customers in the Group's retail segment, which will restrict the growth of gas volume.

   As such, the Group will grasp the opportunity in the enhancement of the industrial structure in Hebei province to explore new market and quality customers, optimize the customer structure, enhance the market coverage and facilitate the growth of gas sales volume of the Group.

2. *Reduction of price of alternative energy restricts the gas sales volume*

In 2015, affected by the drop in international oil price and the downward pressure of the national macro-economic situation, the prices of alternative energy such as oil and coal continued to decrease. The competitive advantages of natural gas were also affected. It is expected that the price reduction will restrict the gas sales volume of the Group in 2016. In this regard, the Group will actively explore quality resources and develop downstream users in order to increase the gas sales volume.

3. *Difficult in recovering trade receivables*

In the last two years, along with the adjustment of the national economic structure, overcapacity in glass and construction materials industries and the long term market downturn, the arrears amount of the users from the glass industry in Shahe area increased. Through the joint effort of the Group, arrears amount has stopped increasing and the situation is under control. The glass industry has a slight improvement since the beginning of this year, nonetheless it is expected that the market will need some time to recover.

In respect of the above problems, the Group will actively adopt effective measures and use different techniques to accelerate the recovery of trade receivables so as to protect the interest of the Group.

(ii) Wind power business

1. *Decrease in tariff rate*

On 22 December 2015, the NDRC promulgated the Notice on Improvement of the Policy Regarding the Benchmark On-grid Tariff of Electricity Generated by the Onshore Wind and Photovoltaic Power (《關於完善陸上風電光伏發電上網標桿電價政策的通知》) stated that the benchmark on-grid tariff of electricity generated by onshore wind power would implement policies which will be in line with the reduction in the scale of development. Such policies will to certain extent affect the construction progress arrangement of certain projects under construction and the expected economic benefits of the subsequent projects pending development of the Group.

The Group will fully study the relevant government policies and understand the actual situations of the projects pending development and under construction as well as arrange the project development and construction progress proactively and reasonably to ensure the projects are running smoothly as scheduled.

2. *Wind resources are uncertain*

The power generation of wind farm largely depends, on climatic conditions, especially the wind conditions. All these conditions will vary significantly with the changes in seasons and geographic locations, which might reduce the operating efficiency and power generation of the Group and would have adverse impact on the business, financial position and operating results of the Group. During the phase of project planning and before the construction of wind farms, the Group will comprehensively analyse the wind resources to evaluate the potential installed capacity of such locations in order to reduce the risks relating to climates.

3. *The problem of wind curtailment and power constraints are getting worse*

As the construction of power grids is lagging behind the construction of wind power projects, and the development of wind power projects is limited by wind power output, especially in the region of Zhangjiakou and Chengde with concentrated wind resources. As the installed capacity of wind farms in the region continues to expand the power constraints are likely to further intensify.

The Group will, based on the construction of power grids in the place where each wind power project is located, prioritize the development and construction of wind power projects in the regions with great availability of power grid facilities and grid connection. At the same time, along with the advancement of power grid restructuring by power grid companies and investment in and construction of extra-high voltage power distribution network, the power grid output issue is expected to be improved.

4. *Increased construction difficulties*

Uncontrollable factors such as project obstacles and slow land approval during the construction of the wind power projects affect the overall progress of the construction. The Group will arrange reasonable schedule and coordinate and communicate with the wind power equipment manufacturers and local governments to effectively control the unfavorable factors in the construction of the wind power project, to ensure the projects will commence operation as scheduled and to avoid the adverse effects on the profitability of the project.

5. *Decrease in utilization of the wind power equipment*

In recent years, transmission line failures in wind farms are usually caused by severe weather conditions such as extreme cold, hail and snow storms. Such unexpected natural disasters cause failures in the wind farms' output transmission, decrease in utilization of the wind power equipment, and to certain extent affects the power generation of the wind farms. The Group will actively implement protection measures to enhance the maintenance level and the ability to handle contingent situation, reduce the equipment failure rate and increase the utilization of the wind power equipment.

(iii) Impacts of exchange rate

The Group still retains some capital in foreign currency, which are mainly HK dollars that have not been settled and are derived from the proceeds of share issue. Fluctuations in exchange rate have certain impacts on retained capitals in foreign currency. The Company has adopted measures to prevent exchange rate risk. Firstly, the Company settles foreign currency in a timely manner for project construction; secondly, the Company actively follows the national policies relating to foreign exchange, analyses the exchange rate trend and adopts hedging measures in advance; thirdly, the Company adoptes forward foreign exchange settlement to lock up exchagne rates so as to prevent exchange rate risk, and to ensure the increasing value of capital.

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

During the reporting period, the Company did not redeem any of its securities, and neither the Company nor any of its subsidiaries purchased or sold any of the Company's securities that listed on the Hong Kong Stock Exchange.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company focuses on high standards of corporate governance, so as to enhance value for shareholders and protect their interests. The Company has established a modern corporate governance structure and set up shareholders meeting, the Board, the board of supervisors, Board committees and senior management in accordance with the PRC Company Law, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas and the Corporate Governance Code set out in the Listing Rules. During the reporting period, the Company has complied with all provisions set out in the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by all Directors and supervisors of the Company.

After making specific enquiries to all of the Directors and supervisors of the Company, all Directors and supervisors confirmed that during the reporting period, they had fully complied with the obligations of Model Code regarding securities transactions by all Directors and supervisors of the Company, and no breaches were found.

FINAL DIVIDEND

The Board recommends the distribution of a final dividend of RMB0.015 per share (tax inclusive) (RMB56 million in total (tax inclusive)) for the year ended 31 December 2015 to all shareholders subject to the approval of the shareholders at the Company's annual general meeting to be held on Monday, 13 June 2016.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining H shareholders' entitlement to attend the Annual General Meeting, the H share register of members of the Company will be closed from Friday, 13 May 2016 to Monday, 13 June 2016 (both days inclusive), during which period no transfer of shares will be registered. In order to attend the Annual General Meeting, H shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 12 May 2016.

In order to determine the shareholders who are entitled to receive the above-mentioned final dividend, the register of members of the Company will be closed from Saturday, 18 June 2016 to Thursday, 23 June 2016 (both days inclusive). To be eligible to receive the final dividend for the year ended 31 December 2015 (subject to the approval of the Company's shareholders), unregistered holders of H shares of the Company shall lodge relevant share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 June 2016.

REVIEW OF ACCOUNTS

The Audit Committee of the Board has reviewed the 2015 annual results of the Group and the financial statements for the year ended 31 December 2015 prepared in accordance with the International Financial Reporting Standards.

PUBLICATION OF ANNUAL REPORT

The Company's annual report will be published on the Company's website (http://www.suntien.com) and the HKExnews website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) before end of April 2016.

By order of the Board of
China Suntien Green Energy Corporation Limited
Gao Qing Yu
Executive Director and Chairman

Shijiazhuang City, Hebei Province, the PRC
24 March 2016

As at the date of this announcement, the non-executive Directors are Dr. Cao Xin, Dr. Liu Zheng, Mr. Qin Gang, Ms. Sun Min and Mr. Wu Huijiang; the executive Directors are Mr. Gao Qing Yu and Mr. Wang Hong Jun; and the independent non-executive Directors are Mr. Qin Hai Yan, Mr. Ding Jun, Mr. Wang Xiang Jun and Mr. Yue Man Yiu Matthew.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2015

	Notes	**2015** **RMB'000**	2014 RMB'000
REVENUE	*4*	**4,224,207**	5,149,432
Cost of sales	*5*	**(3,102,880)**	(3,853,539)
Gross profit		**1,121,327**	1,295,893
Other income and gains, net	*4*	**77,457**	56,118
Selling and distribution expenses		**(302)**	(388)
Administrative expenses		**(272,435)**	(255,441)
Other expenses		**(216,393)**	(3,631)
PROFIT FROM OPERATIONS		**709,654**	1,092,551
Finance costs	*6*	**(572,268)**	(486,643)
Share of profits of associates		**62,981**	68,703
PROFIT BEFORE TAX	*5*	**200,367**	674,611
Income tax expense	*7*	**(11,424)**	(176,281)
PROFIT FOR THE YEAR		**188,943**	498,330
Attributable to:			
Owners of the Company		**168,353**	335,053
Non-controlling interests		**20,590**	163,277
		188,943	498,330
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**188,943**	498,330
Total comprehensive income attributable to:			
Owners of the Company		**168,353**	335,053
Non-controlling interests		**20,590**	163,277
		188,943	498,330
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	*8*	**RMB4.53 cents**	RMB9.11 cents
Diluted	*8*	**RMB4.53 cents**	RMB9.11 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2015

	Notes	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**14,970,566**	11,731,130
Investment properties		**32,620**	16,769
Prepaid land lease payments		**253,449**	255,517
Goodwill		**38,198**	34,846
Intangible assets		**2,062,660**	2,162,757
Investments in associates		**1,073,985**	923,868
Investments in joint ventures		**75,600**	60,000
Held-to-maturity investments		**7,500**	7,500
Available-for-sale investments		**103,400**	103,400
Deferred tax assets		**78,693**	4,432
Trade receivables	*10*	**142,848**	–
Prepayments and other receivables		**2,851,956**	978,856
Total non-current assets		**21,691,475**	16,279,075
CURRENT ASSETS			
Prepaid land lease payments		**7,900**	7,657
Inventories		**48,342**	43,108
Trade and bills receivables	*10*	**1,240,806**	1,401,705
Prepayments, deposits and other receivables		**566,315**	450,994
Available-for-sale investments		**230,000**	230,000
Pledged deposits		**65**	30,397
Cash and cash equivalents		**3,138,606**	3,167,419
Total current assets		**5,232,034**	5,331,280
CURRENT LIABILITIES			
Trade and bills payables	*11*	**553,362**	437,247
Other payables and accruals		**1,540,440**	1,310,888
Interest-bearing bank and other borrowings		**2,440,313**	1,729,938
Tax payable		**20,672**	52,464
Derivative financial instrument		**–**	364
Total current liabilities		**4,554,787**	3,530,901
NET CURRENT ASSETS		**677,247**	1,800,379
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,368,722**	18,079,454

	Notes	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,368,722**	18,079,454
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**13,385,805**	9,296,055
Other payables and accruals		**82,397**	21,007
Total non-current liabilities		**13,468,202**	9,317,062
Net assets		**8,900,520**	8,762,392
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**3,715,160**	3,715,160
Reserves		**3,698,056**	3,644,414
		7,413,216	7,359,574
Non-controlling interests		**1,487,304**	1,402,818
Total equity		**8,900,520**	8,762,392

1. CORPORATE AND GROUP INFORMATION

China Suntien Green Energy Corporation Limited (the "Company") was established as a joint stock company with limited liability on 9 February 2010 in the PRC. The registered office of the Company is located at 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang, Hebei Province, the PRC.

The Company's H shares were issued and listed on the main board of The Stock Exchange of Hong Kong Limited ("The Hong Kong Stock Exchange") in the last quarter of 2010.

On 28 January 2014, the Company issued additional 476,725,396 H shares, which were listed on The Hong Kong Stock Exchange on the same day. The issue price of these H shares was HK$3.35 per share. The net proceeds from the issuance amounted to RMB1,229,280,000. The registered capital of the Company increased from RMB3,238,435,000 to RMB3,715,160,000 accordingly upon completion of the issue of the new shares.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the investment, development, management and operation of wind power and solar energy generation, sale of natural gas and gas appliances, and the connection and construction of natural gas pipelines.

In the opinion of the directors of the Company (the "Directors"), the holding company and the ultimate holding company of the Company is Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司, "HECIC"), a state-owned enterprise in the PRC.

2.1 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain available-for-sale investments and derivative financial instruments which have been measured at fair value. These consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to IFRSs 2010-2012 Cycle
Annual Improvements to IFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to IAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to IFRSs 2010-2012 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- IAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The *Annual Improvements to IFRSs 2011-2013 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of IFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- IFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 or IAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which IFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in IFRS 13.

- IAS 40 *Investment Property*: Clarifies that IFRS 3, instead of the description of ancillary services in IAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the acquisition of investment properties during the year was not a business combination and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) Natural gas – this segment engages in the sale of natural gas and gas appliances and the provision of construction and connection services of natural gas pipelines.

(b) Wind power and solar energy – this segment develops, manages and operates wind power and solar energy plants and generates electric power for sales to external power grid companies.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that interest income and head office and corporate expenses are excluded from measurement.

Segment assets exclude the unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude the unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 December 2015 and 2014.

Year ended 31 December 2015

	Natural gas *RMB'000*	**Wind power and solar energy** *RMB'000*	**Total** *RMB'000*
Segment revenue:			
Sales to external customers	**2,795,727**	**1,428,480**	**4,224,207**
Intersegment sales	**–**	**–**	**–**
Total revenue	**2,795,727**	**1,428,480**	**4,224,207**
Segment results	**123,656**	**643,855**	**767,511**
Interest income	**5,914**	**9,485**	**15,399**
Finance costs	**(86,795)**	**(485,473)**	**(572,268)**
Income tax expense	**(4,741)**	**(6,676)**	**(11,417)**
Profit of segments for the year	**38,034**	**161,191**	**199,225**
Unallocated interest income			**10,279**
Corporate and other unallocated expenses			**(20,554)**
Unallocated income tax expense			**(7)**
Profit for the year			**188,943**
Segment assets	**4,812,547**	**20,755,011**	**25,567,558**
Corporate and other unallocated assets			**1,355,951**
Total assets			**26,923,509**
Segment liabilities	**3,115,815**	**14,871,699**	**17,987,514**
Corporate and other unallocated liabilities			**35,475**
Total liabilities			**18,022,989**
Other segment information:			
Impairment of trade receivables	**(214,322)**	**–**	**(214,322)**
Depreciation and amortisation	**(82,378)**	**(607,061)**	**(689,439)**
Unallocated depreciation and amortisation			**(4,267)**
			(693,706)
Share of profits of associates	**26,310**	**36,671**	**62,981**
Investments in associates	**568,447**	**505,538**	**1,073,985**
Investments in joint ventures	**75,600**	**–**	**75,600**
Capital expenditure *	**487,053**	**5,199,528**	**5,686,581**
Unallocated capital expenditure *			**2,020**
			5,688,601

Year ended 31 December 2014

	Natural gas *RMB'000*	Wind power and solar energy *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	3,903,393	1,246,039	5,149,432
Intersegment sales	–	–	–
Total revenue	3,903,393	1,246,039	5,149,432
Segment results	574,692	599,666	1,174,358
Interest income	2,613	5,079	7,692
Finance costs	(77,253)	(409,262)	(486,515)
Income tax expense	(127,025)	(47,134)	(174,159)
Profit of segments for the year	373,027	148,349	521,376
Unallocated interest income			23,353
Unallocated interest expense			(128)
Corporate and other unallocated expenses			(44,149)
Unallocated income tax expense			(2,122)
Profit for the year			498,330
Segment assets	4,277,644	15,595,609	19,873,253
Corporate and other unallocated assets			1,737,102
Total assets			21,610,355
Segment liabilities	2,535,531	10,274,113	12,809,644
Corporate and other unallocated liabilities			38,319
Total liabilities			12,847,963
Other segment information:			
Impairment of trade receivables	(2,807)	–	(2,807)
Depreciation and amortisation	(76,256)	(517,744)	(594,000)
Unallocated depreciation and amortisation			(3,529)
			(597,529)
Share of profits of associates	29,009	39,694	68,703
Investments in associates	553,303	370,565	923,868
Investment in a joint venture	60,000	–	60,000
Capital expenditure *	477,211	1,968,788	2,445,999
Unallocated capital expenditure *			1,579
			2,447,578

Note:

* Capital expenditure mainly consists of additions to property, plant and equipment, prepaid land lease payments and intangible assets as well as the non-current prepayment on acquisition of items of property, plant and equipment.

Geographical information

No further geographical segment information is presented as the Group's revenue is derived from customers based in Mainland China, and the Group's non-current assets are located in Mainland China.

Information about major customers

For the year ended 31 December 2015, revenue generated from sales to one of the Group's customers in the wind power segment amounting to RMB755,138,000 (2014: RMB643,781,000) individually accounted for over 10% of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents: (1) the net invoiced value of natural gas and electricity sold, net of value-added tax and government surcharges; and (2) the value of services rendered.

An analysis of the Group's revenue, other income and gains is as follows:

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Sale of natural gas	**2,611,930**	3,718,367
Sale of electricity	**1,412,995**	1,239,892
Construction and connection of natural gas pipelines	**153,069**	127,383
Natural gas transportation revenue	**26,630**	57,643
Wind power services	**13,994**	6,147
Others	**5,589**	–
	4,224,207	5,149,432
Other income and gains, net		
Foreign exchange gain, net	**26,295**	7,161
Bank interest income	**25,678**	31,045
Value-added tax refunds	**8,851**	7,071
Gain on disposal of items of property, plant and equipment	**5,734**	–
Gain from available-for-sale investments	**4,115**	3,061
Certified Emission Reductions ("CERs") income, net	**2,224**	–
Gain from held-to-maturity investments	**417**	492
Fair value gain on a derivative instrument, net	**364**	–
Gain from a derivative instrument	**–**	4,610
Others	**3,779**	2,678
	77,457	56,118

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		2015	2014
		RMB'000	*RMB'000*
Cost of goods sold		**3,022,313**	3,783,516
Cost of services rendered		**80,567**	70,023
Total cost of sales		**3,102,880**	3,853,539
Depreciation of items of property, plant and equipment *(note a)*		**579,873**	486,879
Depreciation of investment properties		**1,415**	61
Amortisation of prepaid land lease payments		**7,872**	6,958
Amortisation of intangible assets		**104,546**	103,631
Total depreciation and amortisation		**693,706**	597,529
Minimum lease payments under operating leases of land and buildings		**9,292**	8,023
Auditors' remuneration		**3,873**	3,675
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):			
Wages, salaries and allowances		**148,640**	143,539
Pension scheme contributions (defined contribution schemes) *(note b)*		**18,387**	14,268
Welfare and other expenses		**64,077**	57,260
		231,104	215,067
Fair value differences, net			
Derivative instrument – transactions not qualifying as hedges		**(364)**	364
Gain from held-to-maturity investments		**(417)**	(492)
Gain from available-for-sale investments		**(4,115)**	(3,061)
Loss/(gain) from a derivative instrument		**2,071**	(4,610)
(Gain)/loss on disposal of items of property, plant and equipment, net		**(5,734)**	4
Foreign exchange gain, net		**(26,295)**	(7,161)
Impairment of trade receivables	*10*	**214,322**	2,807
Rental income on investment properties		**(1,491)**	(67)
Direct operating expenses (include repairs and maintenance) arising from rental-earning investment properties		**1,415**	61

Notes:

(a) Depreciation of approximately RMB552,245,000 (2014: RMB458,481,000) is included in the cost of sales on the face of the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015.

(b) All of the Group's full-time employees in Mainland China are covered by various government-sponsored retirement plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group is required to make monthly contributions to these plans at 20% of the employees' salaries. Contributions to these plans are expensed as incurred. As at 31 December 2015 and 2014, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

6. FINANCE COSTS

	2015 ***RMB'000***	2014 *RMB'000*
Interest on bank loans and other borrowings wholly repayable within five years	**514,623**	422,771
Interest on bank loans and other borrowings wholly repayable beyond five years	**200,745**	163,634
Total interest expense	**715,368**	586,405
Less: Interest capitalised to items of property, plant and equipment	**(150,482)**	(99,762)
	564,886	486,643
Other finance costs:		
Discounted amounts of non-current portion of trade receivables	**7,382**	–
	572,268	486,643

Borrowing costs capitalised for the year are calculated by applying the following capitalisation rates per annum to expenditure on qualifying assets:

	2015	2014
Capitalisation rates	**3.2%-6.0%**	5.6%-6.7%

7. INCOME TAX EXPENSE

Pursuant to Caishui [2008] No. 46 *Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment* (財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知), certain subsidiaries of the Company, which were set up after 1 January 2008 and are engaged in public infrastructure projects, are entitled to a tax holiday of a three-year full exemption followed by a three-year 50% exemption commencing from their respective first years generating operating income (the "3+3 tax holiday"). As at 31 December 2015, certain entities were in the process of the preparation and submission of the required documents to the respective tax authorities to qualify for the 3+3 tax holiday.

Pursuant to Caishui [2012] No. 10 *Notice on Preferential Tax Treatment for Projects relating to Public Infrastructure, Environment Protection, and Water and Energy Conservation* (財政部、國家稅務總局關於公共基礎設施項目和環境保護、節能節水項目企業所得稅優惠政策問題的通知) issued on 5 January 2012, certain subsidiaries of the Company, which were established before 1 January 2008 and are engaged in public infrastructure projects, are entitled to the 3+3 tax holiday commencing 1 January 2008. These entities obtained the approval from the respective tax authorities in 2012 to deduct from their future income tax liabilities by income tax paid during 2008 to 2011.

Under the relevant PRC Corporate Income Tax Law and respective regulations, except for certain preferential treatment available to certain subsidiaries of the Company as mentioned above, the PRC entities within the Group were subject to corporate income tax at a rate of 25% during the years ended 31 December 2015 and 2014.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong for the years ended 31 December 2015 and 2014.

	2015	2014
	RMB'000	*RMB'000*
Current income tax – Mainland China	**85,685**	176,983
Deferred income tax	**(74,261)**	(702)
Tax charge for the year	**11,424**	176,281

A reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rate applicable to the Company to the income tax expense at the Group's effective income tax rate for the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Profit before tax	**200,367**	674,611
Income tax charge at the statutory income tax rate of 25%	**50,092**	168,653
Effect of tax exemption for specific locations or enacted by local authorities	**(30,399)**	(33,269)
Adjustment of current income tax of previous periods *(note)*	**–**	38,318
Deductible temporary differences not recognised in prior years	**(11,870)**	–
Tax effect of share of profits of associates	**(15,745)**	(17,176)
Non-taxable income	**(1,028)**	(205)
Expenses not deductible for tax	**5,877**	5,401
Tax losses not recognised	**17,146**	14,851
Tax losses utilised from previous periods	**(2,649)**	(292)
Tax charge for the year at the effective rate	**11,424**	176,281

Note: Pursuant to the Announcement on Corporate Income Tax Policies (河北省國家稅務局關於企業所得稅若干政策問題的公告) issued on 9 April 2014, CERs income shall be subject to income tax at a tax rate of 25%. Additionally, local tax bureaus clarified that value-added tax refunds shall also be subject to income tax at a tax rate of 25%. Consequently, certain entities in the Group, which were entitled to the 3+3 tax holiday, provided for income tax for CERs income and value-added tax refunds recognised in their respective 3+3 tax holidays in 2014.

8. DIVIDENDS

The dividends for the year are set out below:

	2015	2014
	RMB'000	*RMB'000*
Dividends:		
Proposed:		
Proposed final dividend – RMB1.5 cents (2014: RMB3.1 cents) per share	**55,727**	115,170

The Board of Directors of the Company proposed, on 24 March 2016, the payment of a final dividend of RMB0.015 per share in respect of the year ended 31 December 2015, based on the enlarged issued share capital of the Company of 3,715,160,396 shares. The proposed final dividend is subject the approval of the Company's shareholders at the forthcoming annual general meeting.

At the annual general meeting held on 5 June 2015, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2014 of RMB0.031 per share, which amounted to RMB115,170,000 and was settled in full in July 2015.

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No. 897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of the profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividend after deducting enterprise income tax at the rate of 10%.

Due to the repeal of Guoshuifa [1993] No. 45 *Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income* (關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知(國稅發[1993]45號)), the Company is required from 4 January 2011 under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) and its implementing rules and regulations to withhold and pay individual income tax at rates ranging from 10% to 20% when it distributes dividends to its non-PRC resident individual shareholders out of the profit earned in 2010 and beyond.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts for the years ended 31 December 2015 and 2014 is based on the profit attributable to ordinary equity holders of the Company for those years, and the weighted average number of ordinary shares in issue during those years.

	2015	2014
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**168,353**	335,053

	Number of shares	
	2015	2014
Shares:		
Weighted average number of ordinary shares in issue during the years used in the basic earnings per share calculation	**3,715,160,396**	3,678,589,681

The Company did not have any dilutive potential ordinary shares during the years ended 31 December 2015 and 2014.

10. TRADE AND BILLS RECEIVABLES

The majority of the Group's revenues are generated through sales of natural gas and electricity. The credit period offered by the Group to customers of natural gas and electricity generally ranges from one month to two months. The Group seeks to maintain strict control over its outstanding receivables and minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group holds collateral or other credit enhancements over certain receivable balances. Trade and bills receivables are non-interest-bearing.

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Trade and bills receivables	**1,651,837**	1,457,073
Impairment	**(268,183)**	(55,368)
	1,383,654	1,401,705
Portion classified as non-current assets	**(142,848)**	–
Current portion	**1,240,806**	1,401,705

Included in the trade receivables as at 31 December 2015 were receivables under two service concession arrangements in an aggregate amount of RMB47,860,000 (31 December 2014: RMB61,409,000).

An aging analysis of trade and bills receivables, based on the invoice date, as at the reporting date is as follows:

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Within 3 months	**577,397**	865,511
3 to 6 months	**261,364**	454,973
6 months to 1 year	**209,957**	69,118
1 to 2 years	**330,225**	10,690
2 to 3 years	**3,775**	1,088
Over 3 years	**936**	325
	1,383,654	1,401,705

The movements in provision for impairment of trade receivables are as follows:

	2015	2014
	RMB'000	*RMB'000*
At 1 January	**55,368**	77,881
Impairment losses recognised *(note 5)*	**214,421**	7,263
Reversal *(note 5)*	**(99)**	(4,456)
Write-off	**(1,507)**	(25,320)
At 31 December	**268,183**	55,368

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB268,183,000 (31 December 2014: RMB55,368,000) with an aggregate carrying amount before provision of RMB1,030,844,000 (31 December 2014: RMB112,875,000).

The individually impaired trade receivables relate to customers that were in default in principal payments or were in financial difficulties and only a portion of the receivables is expected to be recovered.

An aging analysis of the trade and bills receivables, that are neither individually nor collectively considered to be impaired, is as follows:

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**430,396**	442,098
Less than 3 months past due	**110,027**	507,686
3 to 6 months past due	**68,001**	357,341
6 months to 1 year past due	**11,345**	26,502
1 to 2 years past due	**–**	9,347
2 to 3 years past due	**–**	919
More than 3 years past due	**1,224**	305
	620,993	1,344,198

Receivables that were neither past due nor impaired primarily relate to local power grid companies and certain long-term customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The weighted average effective interest rate on non-current trade receivables is as follows:

	31 December 2015
Effective interest rate	**4.75%**

The weighted average effective interest rate is determined by reference to the prevailing commercial bank borrowing interest rate for bank loans with similar maturity.

The carrying amounts of the current trade and bills receivables approximate to their fair value. As the non-current trade receivables have been discounted based on the effective interest rate, the carrying amounts of the non-current trade receivables approximate to their fair values.

11. TRADE AND BILLS PAYABLES

Trade and bills payables are non-interest-bearing and are normally settled within six months.

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Bills payable	**49,220**	124,000
Trade payables	**504,142**	313,247
	553,362	437,247

An aging analysis of the Group's trade and bills payables, based on the invoice date, as at the reporting date is as follows:

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Within 6 months	**431,453**	325,788
6 months to 1 year	**41,073**	46,072
1 to 2 years	**61,218**	47,980
2 to 3 years	**7,569**	9,216
More than 3 years	**12,049**	8,191
	553,362	437,247

12. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been restated to conform with the current year's presentation and disclosures.