

High Flying Solar Development Pakistan Limited

House No. 24-A Ground Floor Room#2 Tech Societ Canal Bank New Campus Lahore.

Tel : +92-042-35295395(97) Fax : +92-042-35295394

Registrar
National Electric Power Regulatory Authority
NEPRA Tower Attaturk Avenue (East),
Sector G-5/1,
Islamabad.

27th March, 2015



Subject: Application for a Generation License for 100 MWp Solar PV Power Generation Project

I, Zhu Hui, being the duly authorized representative of **High Flying Solar Development Pakistan Limited**, by virtue of Board Resolution 20th March, 2015 hereby apply to the National Electric Power Regulatory Authority for the grant of a Generation License for solar based power generation project to **High Flying Solar Development Pakistan Limited** pursuant to section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999, and undertake to abide by the terms and provisions of the above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

A copy of bank draft/pay order has already been submitted collectively for 5x100 MWp Projects amounting to the sum of PKR. 1,693,400 being the nonrefundable license application fee calculated in accordance with Schedule II to the National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999, is also attached herewith.

Zhu Hui
Authorized Representative



Note: Please see cover letter attached

Generation License
High Flying Solar Development Pakistan Limited
Checklist for 100 MWp Solar Power Project

S. No	Required Information/documents	Evidence (Annexure/page No.)
1	Application for Generation License as per Schedule I of the Regulation	Annex 1
2	Board Resolution in Favor of Authorized Signatory	Annex 2
3	Affidavit by Authorized Signatory	Annex 3
4	Copy of Bank Draft	Annex 4
	Company Documents	
5	Certificate of Incorporation	Annex 5
6	Memorandum and Articles of Association	Annex 6
7	Information as per Annual Return	Annex 7
8	Company Profile (New Company, Profile of Sponsor Zonergy Company Ltd. attached)	Annex 8
9	CVs of Key Personnel	Annex 9

	Evidence of Financial and Technical Strength	
10	Bank Certificate	Annex 10
11	Letter of Support from Sponsor and Shareholding Structure showing ultimate ownership by Zonergy Company Ltd. attached (English and Chinese versions)	Annex 11
12	Financial Statements of Zonergy Company Ltd.	Annex 12
13	Expression of Interest from Chinese EXIM Bank for Debt Financing (English and Chinese versions)	Annex 13
14	Employment Record of Engineering and Technical Staff	Annex 14
15	Profile and Experience of EPC Contractor	Annex 15
16	Power Sector Experience (experience of Sponsor Zonergy Company Ltd. provided)	Annex 16
17	Details of Technical Plan	Included as part of Annex 18
18	Details of Financial Plan	Included as part of Annex 18
19	Technical Details of Power Plant	Included as part of Annex 18

20	Prospectus	Annex 17
21	Project Information as per Schedule III of Regulations	Annex 18
22	Feasibility Report (not required as Company opting for Upfront Tariff)	N/A

High Flying Solar Development Pakistan Limited

House No. 24-A, Ground Floor Room # 2, Tech Society, Canal Bank, New Campus Lahore.

Tel : +92-042-35295395(97) Fax : +92-042-35295394

RESOLUTION BY CIRCULATION BY THE BOARD OF

DIRECTORS OF HIGH FLYING SOLAR DEVELOPMENT PAKISTAN LIMITED

("COMPANY")

HELD AT 11:00 AM AT FRIDAY ON 20TH MARCH, 2015

The Board of Directors of **HIGH FLYING SOLAR DEVELOPMENT PAKISTAN**

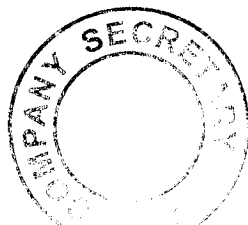
LIMITED have discussed and resolved unanimously that:

Mr. Zhu Hui, Project Manager of the Company, be and is hereby authorized representative of the Company, to file applications for **Generation License and Up-front Tariff** to National Electric Power Regulatory Authority (NEPRA) in respect of its 100 MW Solar based Power Plant to be located at Quaid-e-Azam Solar Park, Laal Sohnara, Bahawalpur, Punjab (the Project), and in relation thereto enter into and execute all required documents, make all filings and pay all applicable fees, in each case, of any nature whatsoever as required."

"**FURTHER RESOLVED THAT Mr. Zhu Hui**, Project Manager of the Company, is hereby authorized to sign all documents including applications for **Generation license and Up-front tariff**, pay all relevant fees, appear before NEPRA and provide any information required by NEPRA in respect of the Project, and do all acts and things necessary, processing, completion and finalization of the aforementioned application."

"**AND FURTHER RESOLVED THAT Mr. Zhu Hui**, Project Manager of the Company, is also authorized to delegate all or any of the above powers, in respect of the foregoing, to any other officials of the Company regarding to the Project as deemed appropriate."

[Handwritten Signature]

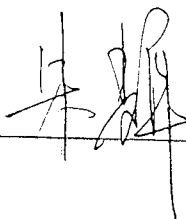


High Flying Solar development Pakistan Limited

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The specimen signature of Mr. Zhu Hui the Project Manager appears below:



Mr. Zhu Hui

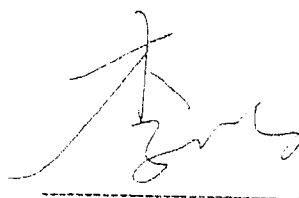
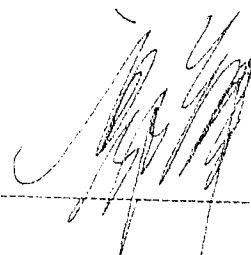
Project Manager

PASSPORT NO. G29120815

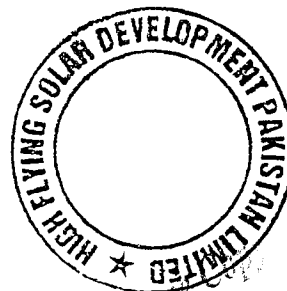
FOR AND ON BEHALF OF

HIGH FLYING SOLAR DEVELOPMENT PAKISTAN LIMITED

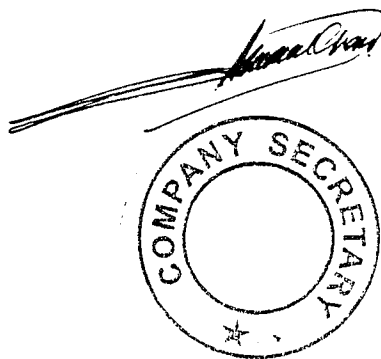
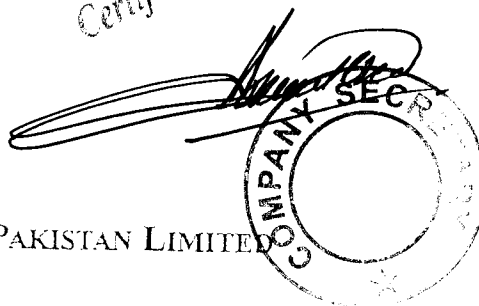
DIRECTORS

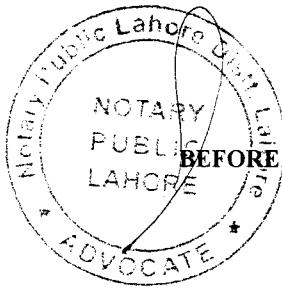
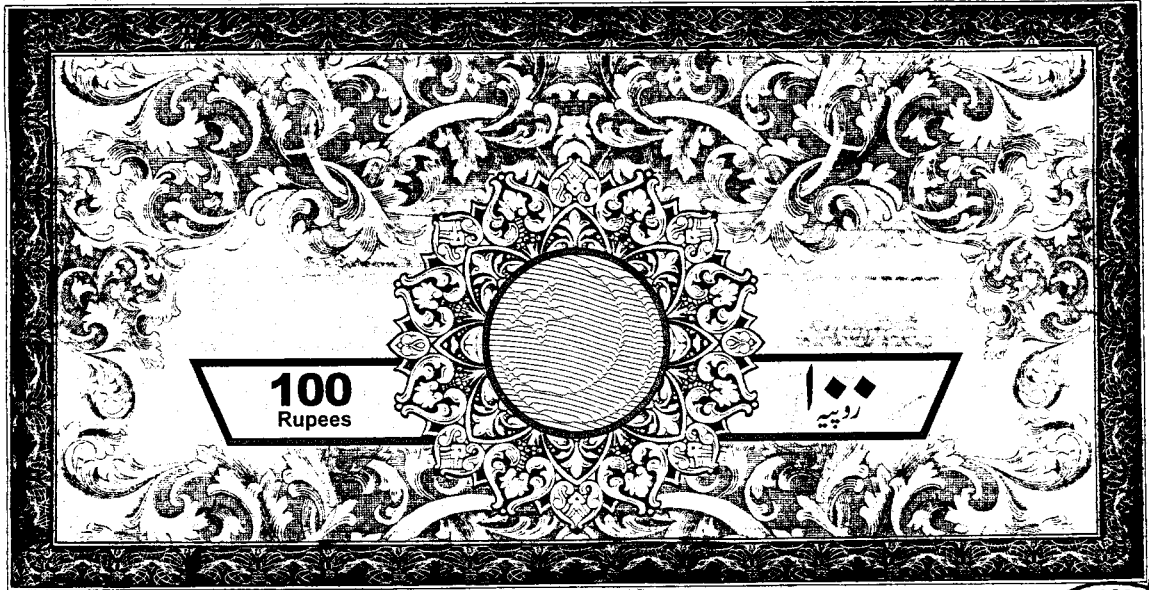


DATE _____



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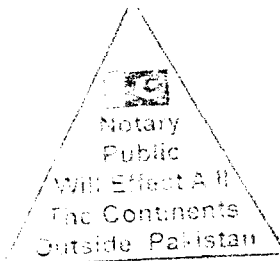
BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY



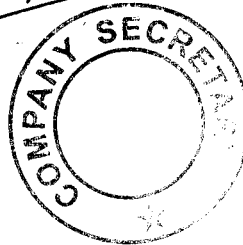
AFFIDAVIT

I, **Zhu Hui S/o Zhu Wanheng**, Passport No. G29120815, Project Manager, **High Flying Solar**

Development Pakistan Limited, hereby solemnly affirm and declare on oath that the contents of the accompanying application for generation license dated 27.03.2015 including all attached documents-in-support are true and correct to the best of my knowledge and belief and that nothing has been concealed.



Certified True Copy



DEPONENT

Signature: *[Signature]*

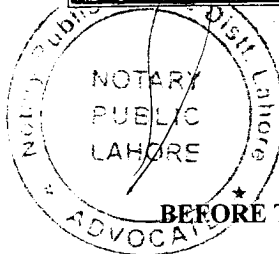
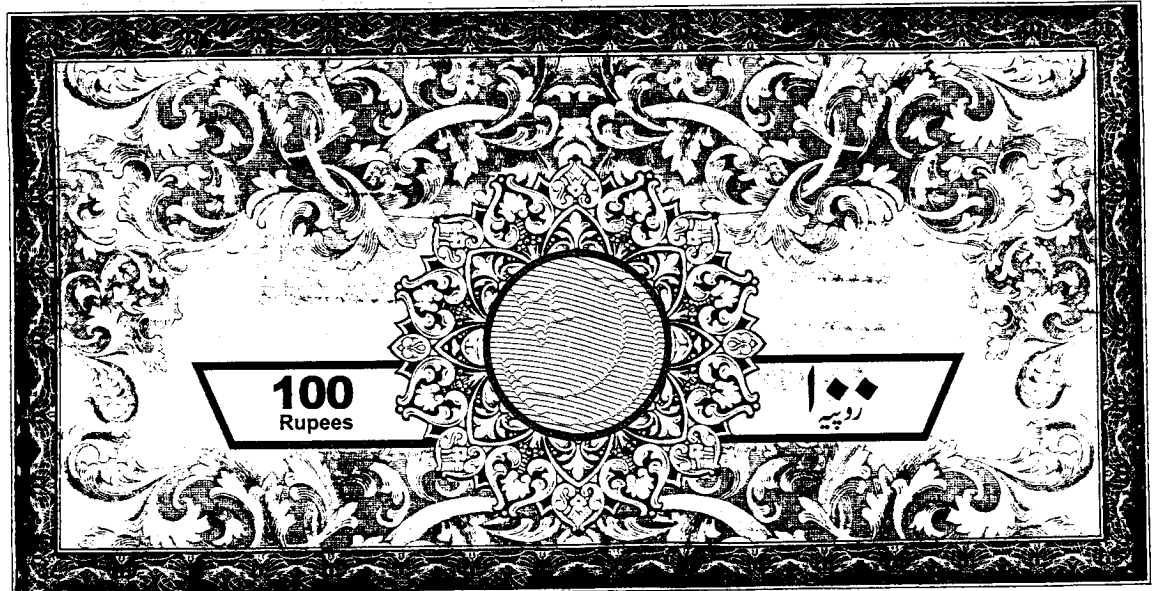
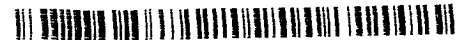
Name Zhu Hui

Dated: 27-03-15

ATTESTED

M. S. CHOUDHRY
Oath Commissioner
Lahore District Lahore

ATTESTED
M.S. CHOUDHRY
NOTARY PUBLIC
Lahore District Lahore
29/3/15

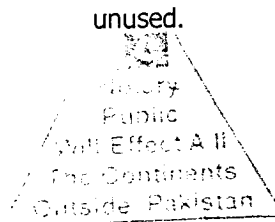


BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY



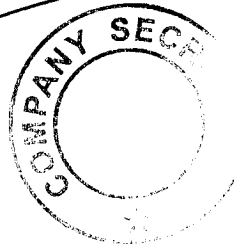
AFFIDAVIT

I, **Zhu Hui S/o Zhu Wanheng**, Passport No. G29120815, Project Manager, **High Flying Solar Development Pakistan Limited**, hereby solemnly affirm and declare on oath that all the plant and equipment for the 100 MWp Project shall be new and unused.



Certified True Copy

[Signature]



DEPONENT

Signature: *[Signature]*

Name Zhu Hui

Dated: 27-03-15

ATTESTED

M. S. CHOUDHRY
Oath Commissioner
Lahore District Lahore

ATTESTED

M. S. CHOUDHRY
NOTARY PUBLIC
Lahore District Lahore
27/3/15

askari bank



Head Office Branch, Islamabad. (00008)

BANKER'S CHEQUE

Payee's A/C Only

Not Over PKR***1,693,400.00 Only ***

BC No. 00801537/801537

Date: 16-Mar-2015

Pay to

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

or order

PKR***1,693,400.00***

Pak Rupees One million Six Hundred Ninety-Three thousand Four Hundred Only

For Askari Bank Limited

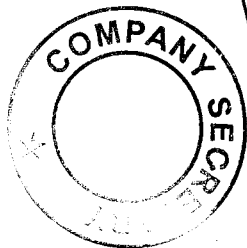
Authorized Signature

Authorized Signature

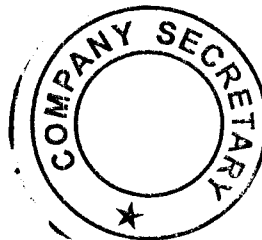
Payable at any branch of Askari Bank Ltd in Pakistan

DRAGON

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A005475

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
COMPANY REGISTRATION OFFICE, LAHORE

CERTIFICATE OF INCORPORATION

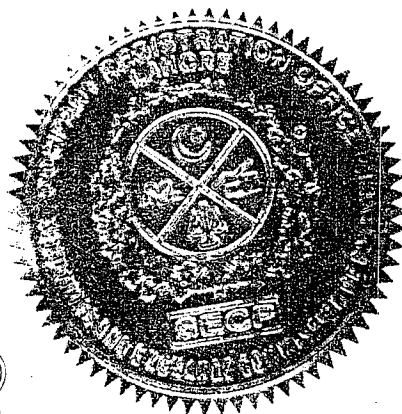
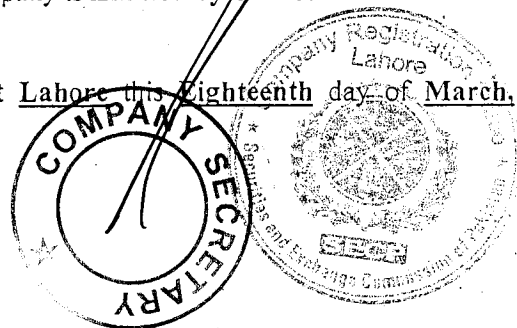
[Under section 32 of the Companies Ordinance, 1984 (XLVII of 1984)]

Corporate Universal Identification No. 0092488

I hereby certify that HIGH FLYING SOLAR DEVELOPMENT
PAKISTAN LIMITED is this day incorporated under the Companies Ordinance,
1984 (XLVII of 1984) and that the company is Limited by Shares.

Given under my hand at Lahore this Eighteenth day of March, Two
Thousand and Fifteen.

Fee Rs. 7,000/-



(LIAQAT ALI DOLLA)
Additional Registrar

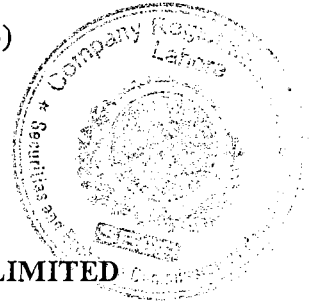
CERTIFIED TO BE TRUE COPY
No. ARL/ 25078 DATED: 18/3/2015
JOINT REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE.

THE COMPANIES ORDINANCE, 1984
(PUBLIC COMPANY LIMITED BY SHARES)

Memorandum of Association

of

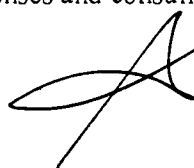
HIGH FLYING SOLAR DEVELOPMENT PAKISTAN LIMITED



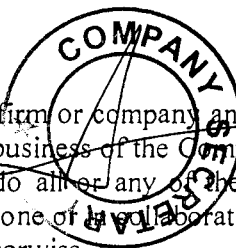
- I. The name of the Company is "M/S HIGH FLYING SOLAR DEVELOPMENT PAKISTAN LIMITED".
- II. The Registered Office of the Company will be situated in the Province of Punjab.
- III. The objects for which the Company is established are all or any of the following, subject to approval from concerned authorities/departments:-
 1. To carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, ~~Certified True Copy~~ and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and to perform all other acts which are necessary or incidental to the business of electricity generation, transmission, distribution and supply subject to the prior permission of the concerned authorities/NEPRA.
 2. To locate, establish, construct, equip, operate, ~~and manage~~ and maintain power plants, power grid station, transforming, switching, conversion, and transmission facilities, grid stations, cables, overhead lines, sub-stations, switching stations, tunnels, cable bridges, link boxes, heat pumps, plant and equipment for combined heat and power schemes, offices, computer centres, shops, dispensing machines for pre-payment cards and other devices, showrooms, depots, factories, workshops, plants, printing facilities, warehouses and other storage facilities.
 3. To carry on all or any of the businesses of wholesalers, retailers, traders, importers, exporters, suppliers, distributors, designers, developers, manufacturers, installer, filters, testers, repairers, maintainers, contractors, constructors, operators, users, inspectors, re-conditioners, improvers, alterers, protectors, removers, hirers, replacers, importers and exporters of and dealers in, electrical appliances, systems, products and services used for energy conservation, equipment, machinery, materials and installations, including but not limited to cables, wires, meters, pylons, tracks, rails, pipelines and any other plant, apparatus

equipment, systems and things incidental to the efficient generation, procurement, transformation, supply and distribution of electricity subject to the prior permission of the concerned authorities/NEPRA.

4. To focus on construction applications, offer the integrated one-stop solutions including project investment, project development, project financing consulting, as well as project operation and maintenance but not to act as investment, banking and finance company.
5. To plan, promote and organize an integrated and efficient development of power generation capacities from various energy sources.
6. For the purposes of achieving the above objects, the company is authorized:-
 - a) To purchase/import raw materials, machinery, equipment and allied items required in connection thereto in any manner the company may think fit;
 - b) To set up, erect, construct, , take on lease, run, operate and administer plants and factories and to carry on all such functions and business as are necessary and incidental to meet the objectives of the Company.
 - c) To takeover, acquire, operate, maintain, manage and use ~~certified~~ electricity generating stations and assets.
 - d) To engage in all aspects of the business of generation and distribution of electricity, supply (bulk and retail), purchase, sale, import, export, wheeling, and trade of electrical energy, including finalization of tariff, metering, billing and collection of bills, and entering into any agreements for the carrying on of such business, as also undertake all other activities that are permitted under the Applicable Laws subject to the prior permission of the concerned authorities/NEPRA.
 - e) To prepare preliminary, feasibility and definite Project reports for such power generation projects
 - f) To construct, operate and maintain, renovate and modernize power stations, tie-lines, sub-stations, dedicated transmission lines and related projects
 - g) To enter into, execute and implement agreements for the purchase and sale of power from generating companies, trading companies, power exchanges, Central and State generating stations, distribution companies, electricity institutions, captive generating stations, renewable energy generators and other entities including franchisees, sublicenses and consumers etc.

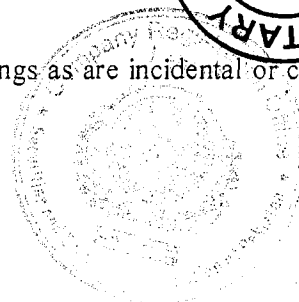


- h) To purchase, take on lease or in exchange, hire, apply for or otherwise acquire and hold for any interest, any rights, privileges, lands, building, easements, trademarks, patents, patent rights, copyrights, licenses, machinery, plants, stock-in-trade and any movable and immovable property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof and to use, exercise, develop, grant licenses in respect of or otherwise turn to account any property, rights and information so acquired, subject to any permission required under the law.
- i) To open accounts with any Bank or Banks and to draw, make, accept, endorse, execute, issue, negotiate and discount cheques, promissory notes, bills of exchange, bills of lading, warrants, deposit notes, debentures, letter of credit and other negotiable instruments and securities.
- j) To invest surplus money of the Company in shares, stocks or securities of any company, debentures, debenture stocks or in any investments, short term and long term participation, term finance certificates or any other government securities in such manner as may from time to time be decided by the directors, without indulging non-banking finance business, banking business or an investment company or any other any unlawful business.
- k) To borrow and arrange the repayment of money from banks/financial institutions or any lawful sources whether in Pakistan or elsewhere and in such manner as the company may think fit, including the issue of debentures, preference shares, bonds, perpetual or otherwise charged upon the whole or any part of the company's property or assets, whether present or future, and to purchase, redeem or payoff such securities;
- l) To enter into arrangements with the government or authority (supreme, municipal, local or otherwise) or any corporation, company, or persons that may seem conducive to the Company's objects or any of them and to obtain from any such government, authority, corporation, company or person any charters, contracts, rights, privileges and commission which the Company may think desirable and to carry on exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- m) To act as representatives, for any person, firm or company and to undertake and perform sub-contracts, and also act in the business of the Company through or by means of agents, sub-contractors and to do all or any of the things mentioned herein in any part of the world and either alone or in collaboration with others and by or through agents, sub-contractors or otherwise.
- n) To own, establish or have and maintain shops, branches and agencies all over Pakistan or elsewhere for sale and distribution of cables, wires, meters, pylons, tracks, rails, pipelines and any other plant, apparatus equipment, systems and



things incidental to the efficient generation, procurement, transformation, supply and distribution of electricity subject to the prior permission of the concerned authorities/NEPRA.

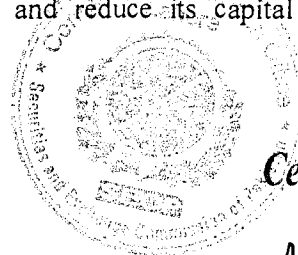
- o) To make known and give publicity to the business and products of the company by such means as the company may think fit;
- p) To purchase, acquire, protect, renew, improve, use and sell, whether in Pakistan or elsewhere any patent, right, invention, license, protection or concession which may appear advantageous or useful to the company for obtaining its objectives;
- q) To pay all costs, charges and expenses, if any, incidental to the promotion, formation, registration and establishment of the company;
- r) To purchase, hold and get redeemed shares, debentures, bonds of any business, company, financial institution or any Government institutions;
- s) To sell, transfer, mortgage, pledge, exchange or otherwise dispose of the whole or any part of the property or the undertaking of the Company, either together or in portions for such consideration as the Company may think fit and in particular, for shares, debenture-stock or securities of any Company purchasing the same or to any other legal entity or person, by other means, permissible under the law.
- t) To conduct, encourage, promote, support, arrange and organize seminars, symposiums, exhibitions, fairs, conferences, lectures, demonstrations and other similar activities for promotion of sales or other business interests of any companies, firms, individuals, associations, local or government bodies, foreign governments, and international agencies, in Pakistan and any part of world for and on behalf of customers and for that purpose to carry out market surveys, researches, training programs and other activities.
- u) To apply for and obtain necessary consents, permissions and licences from any Government, State, Local and other Authorities for enabling the Company to carry on any of its objects into effect as and when required by law.
- v) To train personnel and workers, both in Pakistan and abroad, to obtain technical proficiency in various specialties connected with the objects of the Company or any of them.
- w) To do and perform all other acts and things as are incidental or conducive to the attainment of the objects of the company.



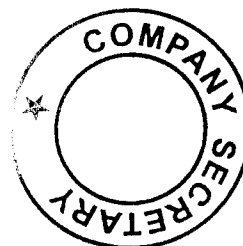
- 7 Notwithstanding anything stated in any object clause the company shall obtain such other approval or license from competent authority as may be required under any law for the time being in force to undertake a particular business
- 8 It is declared that notwithstanding anything contained in the foregoing object clauses of this Memorandum of Association nothing contained therein shall be construed as empowering the Company to undertake or to indulge in business of security services, payment systems, Electronic funds transfers in and outside Pakistan, deposit taking from general public, network marketing, referral marketing & direct selling banking company, leasing investment, managing agency, insurance business, any of the NBFC business, multi-level marketing (MLM), Pyramid and Ponzi Scheme, commodity, future contract or shares trading business locally or internationally, directly or indirectly as restricted under the law or any unlawful operation."

IV. The liability of the members is limited.

- V. The authorized capital of the company is Rs. 1,000,000/- (One Millions) divided into 10,000 (Ten Thousands) ordinary shares of Rs.100 (one Hundred) each with powers to the company from time to time to increase and reduce its capital subject to any permission required under the law.



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We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

S. No.	Name and Surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No.)	Father's/Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Residential address in full	Number of shares taken by each subscriber
1	Dragon Solar Development Pakistan Limited (through its representative Mr. Jun Guo)	Incorporation No.: 0090588		Pakistani	Business	H # 29B, Tech Society, Canal Bank, New Campus, Lahore	9,997
2	Jun Guo	P01253272	Guo	Chinese	Business	No13, Youqizuo, Xicheng District, Beijing city, China	1
3	Yuan Li	E00403979	Li	Chinese	Business	No. 43 Building 8, Mining machine residential Outside the South Street on the 8th East River District, Baotou City, Inner Mongolia Autonomous Region, China	1
4	Jian Jia	G42949194	Jia	Chinese	Business	No. 201, Building 29, Linyuanbei District yuanxi road Nankai, District, Tianjin city, City	1

CERTIFIED TO BE TRUE COPY

JOINT REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE.

Total number of shares taken:

(10,000)
Ten Thousands

Dated: 16/03/2015

Witness: National Institutional Facilitation Technologies Pvt. Ltd. 5th Floor, AWT Plaza I.I. Chundrigar Road, Karachi, Pakistan"

THE COMPANIES ORDINANCE, 1984
(PUBLIC COMPANY LIMITED BY SHARES)

Articles of Association

Of

HIGH FLYING SOLAR DEVELOPMENT PAKISTAN LIMITED

PRELIMINARY

1. Subject as hereinafter provided, the Regulations contained in Table 'A' of the First Schedule to the Companies Ordinance, 1984, (hereinafter referred to as Table 'A') shall apply to the Company so far as those are applicable to Public Companies, with the exception of the Regulations which are modified, altered or added hereunder.

PUBLIC LIMITED COMPANY

2. The company is a Public Company within the meaning of Clause (30) of Section 2 of the Companies Ordinance, 1984 and accordingly:

(a) Invitation can be issued to the public to subscribe for any shares, debentures or debenture-stock of the Company.

(b) The number of members of the Company (exclusive of persons in the employment of the company) shall be at least three members/directors in case of unlisted company and whereas the company is listed at stock exchange, it will have at least seven members/directors provided that for the purpose of this provision when two or more persons hold one or more shares in the company jointly they shall for the purposes of this clause be treated as a single member; and

(c) It does not restrict the right to transfer its shares, if any.

BUSINESS

3. The business of the company shall include all or any of the objects enumerated in the Memorandum of Association.
4. The business of the company shall be carried out at such place or places in the whole of Pakistan or elsewhere as the Directors may deem proper or advisable from time to time.



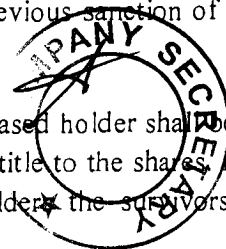
CAPITAL

5. The Authorized Capital of the company is Rs. 1,000,000 (Rupees One Million only) divided into 10,000, (Ten Thousands only) ordinary shares of Rs.100/- (Rupees Hundred) each with powers to the company from time to time to increase and reduce its capital subject to any permission from required under the law.
6. The shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons, firms, corporation or corporations on such terms and conditions and at any such time as may be thought fit.
7. The shares in the capital of the company may be allotted or issued in payment of any property, land, machinery or goods supplied or any services rendered to the company or promotion or formation of the company or conduct of its business and any shares so allotted may be issued as fully paid shares.
8. For the purposes of Section 68(8), the minimum subscription on which the Board may proceed to allotment shall be Rs. 1,000,000 (Rupees One Million only).

SHARES, TRANSFER AND TRANSMISSION

9. Every person, whose name is entered, as a member in the Register of Members shall without payment, be entitled to a certificate under the common seal of the company specifying the shares held by several persons. The company shall not be bound to issue more than one certificate and delivery of a share certificate to any one of several joint holders shall be sufficient delivery to all.
10. The Directors may decline to register any transfer of share to transferee of whom they do not approve and shall be bound to show any reasons for exercising their discretion subject to the provisions of Sections 77 and 78 of the Companies Ordinance, 1984.
11. No share can be mortgaged, pledged, sold, hypothecated, transferred or disposed off by any member to a non-member without the previous sanction of the Board of Directors.
12. The legal heirs, executors or administrators of a deceased holder shall be the only persons to be recognized by the Directors as having title to the shares in case of shares registered in the name of two or more holders the survivors and the

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executors of the deceased shall be the only persons to be recognized by the Company as having any title to the shares.

GENERAL MEETING

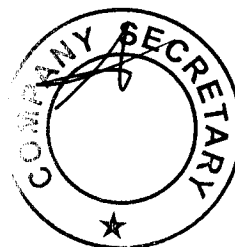
13. The First Annual General Meeting shall be held within 18 months from the date of incorporation of the company in accordance with the provisions of Section 158 and thereafter once at least in every year and within a period of four months following the close of its financial year and not more than fifteen months after the holding of its last preceding Annual General Meeting as may be determined by Directors. The Directors may, whenever they think fit, call an Extraordinary General Meeting of the shareholders in terms of Section 159 of the Companies Ordinance, 1984.

PROCEEDINGS AT GENERAL MEETING

14. Twenty one days' notice at least specifying the place, day and hour of the General Meeting and in case of special business the general nature of such business, shall be given to the member in the manner provided in Table "A" but accidental omission to give such notice to or non-receipt of such notice by the member shall not invalidate the proceedings of the General Meeting.
15. The Chief Executive, with the consent of a meeting at which quorum is present and shall if so directed by the meeting may adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

QUORUM

16. No business shall be transacted at any General Meeting unless a Quorum of members is present at the time when the meeting proceeds to business. Two members, present in person, representing not less than 25% of the total voting power either on their own account or as proxies, shall form a Quorum for a General Meeting.



VOTES OF MEMBERS

17. At any General Meeting a Resolution put to the vote of the General Meeting shall be decided on a show of hands, unless a poll is demanded in accordance with the provisions of Section 167 of the Companies Ordinance, 1984.
18. On a show of hands every member present shall have one vote and on a poll, every member present in person or by proxy shall have one vote in respect of each share held by him.
19. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or notarially certified copy of that Company not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy will not be treated as valid.

CHAIRMAN

20. The Directors may from time to time appoint one of their members to be the Chairman of the Company for a period not exceeding three years on such terms and conditions as they deem fit. The Chairman shall preside over the meetings of the Board of Directors and members of the Company. In his absence, the Directors may elect one of them to preside over Board's/General Meetings. The questions arising at the meeting of the Directors shall be decided by a majority of votes, in the case of equality of votes, the Chairman or the Director presiding over the meeting, as the case may be, shall have a casting vote.

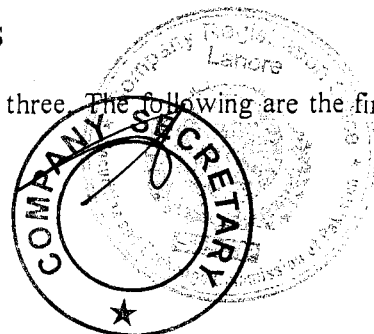
CHIEF EXECUTIVE

21. The first Chief Executive of the Company will be appointed by the Board of Directors within fifteen days from the date of incorporation of the Company who shall hold office till the first Annual General Meeting.

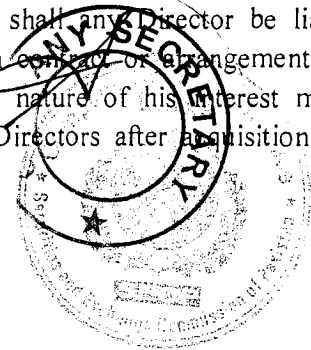
DIRECTORS

22. The number of Directors shall not be less than three. The following are the first Directors of the Company.

- ❖ Miss Yuan Li
- ❖ Mr. Jian Jia
- ❖ Mr. Jun Guo



23. The election of the Directors shall be held in accordance with the provisions of Section 178 of the Companies Ordinance, 1984.
24. The first Directors including the Chief Executive shall hold office up to the First Annual Meeting in accordance with the provisions of the Companies Ordinance, 1984. Unless any one of them resigns earlier or becomes disqualified for being Director or otherwise ceases to hold office.
25. A resolution for removing a Director shall not be deemed to have been passed if the number of votes against him is equal to, or less than the number of votes that would have been necessary for the election of Directors at the immediately preceding annual election of Directors in the manner aforesaid but as provided under Section 181 of the Companies Ordinance, 1984.
26. The remuneration of directors except regularly paid Chief Executive and full time working Directors shall, from time to time, be determined by the Board of Directors but it shall not exceed Rs.200,000/- per meeting at which the Directors are present.
27. The Directors may sanction the payment of such additional sums as they may think fit to any Directors for any special service he may render to the Company or be thought capable of rendering either by fixed sum or in any other form as may be determined by the Directors subject to the provisions of the Companies ordinance, 1984.
28. The Director who resides out of station shall also be entitled to be paid such traveling and other expenses for attending the meeting for the Company, as may be fixed by the Directors from time to time according to the provisions of the Companies Ordinance, 1984.
29. Any casual vacancy occurring on the Board of Directors shall be filled in by a resolution of the Board of Directors and the person so appointed shall hold office for the remainder of the term of the Directors in whose place he is appointed.
30. No Director shall be disqualified from his office by contracting with the Company either as vendor, purchaser or otherwise nor shall any Director be liable to account for any profit realized from any such contract or arrangement or the fiduciary relation thereby established, but the nature of his interest must be disclosed by him at the first meeting of the Directors after acquisition of his interest.



NOMINEE DIRECTOR

31. In addition to the elected Directors, the Financial Institutions shall be entitled, during the currency of their respective loan(s) to the Company to appoint one person on the Board of Directors of the Company to be called nominee Director and to recall and/or replace such a person from time to time. Such nominee Director on the Board of Directors of the Company may not be holders of share(s) in the Capital of the Company and regulations and /or rules pertaining to the election, retirement, qualification and /or disqualification of Directors shall not apply to him.

NOTICES

32. Notices for every meeting of the Board of Directors will be given in writing and there must be given a reasonable time in advance. The nature of the business to be transacted at an intended Board meeting will be specified in the notice.

MANAGEMENT

33. The whole business and affairs of the company shall, subject to the control and supervision of the Board of Directors, be managed and controlled by the chief Executive.

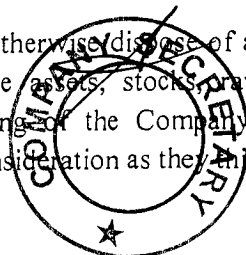
34. Subject to the limit fixed by the Directors, the Chief Executive may from time to time raise or borrow any sum or sums of money for and on behalf of the Company from other companies, banks or financial institutions on such terms as may be approved by the Board of Directors from time to time.

35. Without prejudice to the powers conferred by these Articles, the Board of Directors shall have the following powers:

(a) To take on lease, purchase erect or otherwise acquire for the Company any assets, stocks, lands, buildings, property, rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit.

(b) To let, mortgage, sell, exchange or otherwise dispose of absolutely or conditionally all or any part of the assets, stocks, raw materials, properties, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they think fit.

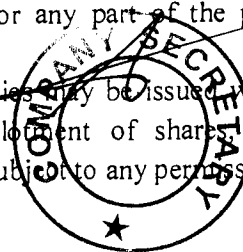
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- (c) To appoint any person or persons to be attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as they may, from time to time, think fit.
- (d) To enter into, carry out, rescind or vary all financial arrangements with any bank, person, company, firm or corporation or in connection with such arrangements to deposit, pledge or hypothecate property of the Company or the documents representing or relating to the same.
- (e) To make and give receipts, release and discharge all moneys payable to the Company and for the claims and demands of the company.
- (f) To compound or allow time to the payment or satisfaction of any debt due to or by the Company and any claim and demands by or against the Company and to refer claims or demands by or against the Company to arbitration and observe and perform the awards.
- (g) To institute, prosecute, compromise, withdraw or abandon any legal proceedings by or against the Company or its affairs or otherwise concerning the affairs of the company.
- (h) To raise and borrow money from time to time for the purposes of the Company, on the mortgage of its property or any part thereof and/or on any bond or debenture payable to bearer otherwise repayable in such a manner and generally upon such terms as they think fit.
- (i) To open, operate and maintain bank/banks accounts individually or jointly as the Board may authorize or to any other person on its behalf.

BORROWING POWERS

- 36. The Directors may from time to time raise, borrow or secure the payment of any sums for the purpose of the Company in such manner and upon such terms and conditions as they think fit and in particular by the issue of debentures, debenture-stock or other securities charged upon all or any part of the property of the Company present or future.
- 37. Debentures, debenture-stock, or other securities may be issued with any special privileges as to redemption, surrender, allotment of shares, attending and appointment of Directors or other privileges subject to any permission required by law.



THE SEAL

38. The Company shall have a Common Seal and the Directors shall provide for the safe custody of the same. The Seal shall not be applied on any instrument except by the authority of the Board of Directors and in the presence of at least two Directors who shall sign every instrument to which the Seal shall be affixed in their presence. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

ACCOUNTS

39. The directors shall cause to be kept proper books of accounts as required under Section 230 of the Companies Ordinance 1984.
40. The books of account shall be kept at the registered office of the Company or at such other place as the Directors shall think fit subject to the provisions of Section 230 of the Companies Ordinance 1984.

AUDIT

41. Once at least in every year the accounts of the Company shall be audited and correctness of the Balance Sheet shall be ascertained by one or more Auditors. The Auditors shall be appointed and their duties regulated in accordance with the provisions of Section 230 of the Companies Ordinance 1984.

INDEMNITY

42. In connection with carrying on the business of the Company, the Chief Executive every Director or other officer of the company shall be indemnified by the Company for all losses and expenses occasioned by error of judgment or oversight on his part, unless the same happens through his own dishonest or willful act and default.

SECRECY

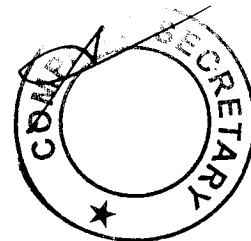
43. No member shall be entitled to visit and inspect the Books of the Company without the permission of the Chief Executive or one of the Directors or to require discovery of any information regarding any detail of the Company's business or any matter which is or may be in the nature of trade secret, or secret process which may relate to the conduct of the Company's business and which in the opinion of the Directors will not be in the interest of the members of the Company to communicate to the public.

ARBTRATION

44. Whenever any difference arises between the Company on the one hand and the members, their executors, administrators or assignee on the other hand, touching the true intent or construction or the incident or consequences of these present or of the statutes or touching anything thereafter done, executed omitted or suffered in pursuance of these presents or otherwise relating to these presents or to any statutes affecting the Company, every such difference shall be referred for the decision of the arbitrator who will be qualified in Islamic law.
45. The cost incident to any such reference and award shall be at the discretion of the arbitrator or umpire respectively who may determine the amount thereof and direct the same to be shared between the attorney and client or otherwise and may award by whom any in what manner the same shall be borne and paid.

WINDING UP

46. If the Company is wound up whether voluntarily or otherwise the liquidator may, with the sanction of a special resolution, divide amongst the contributories in Specie any part of the assets and liabilities of the Company, subject to Section 421 and other provisions of the Companies Ordinance, 1984 as may be applicable.



(We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of these articles of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names:

S. N o.	Name and Surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No.)	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Residential address in full	Number of shares taken by each subscriber
1	Dragon Solar Development Pakistan Limited (through its representative Mr. Jun Guo)	Incorporation No.: 0090588		Pakistani	Business	H # 29B, Tech Society, Canal Bank, New Campus, Lahore	9,997
2	Jun Guo	P01253272	Guo	Chinese	Business	No13, Youqizuo, Xicheng District, Beijing city, China	1
3	Yuan Li	E00403979	Li	Chinese	Business	No. 43 Building 8 Mining machine residential Outside the South Street on the 8th East River District, Baotou City, Inner Mongolia Autonomous, Region, China	1
4	Jian Jia	G42949194	Jia	Chinese	Business	No. 201, Building 29, Linyuanbeili District yuanxi road Nankai, District, TianJin city, City	1

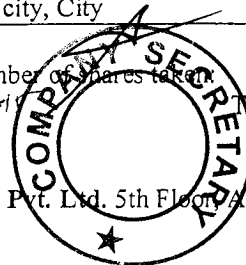
Dated: 16/03/2015

CERTIFIED TO BE TRUE COPY

JOINT REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE

Witness: National Institutional Facilitation Technologies Pvt. Ltd. 5th Floor AWT Plaza I.I. Chundrigar Road, Karachi, Pakistan

Total number of shares taken (10,000) Ten Thousands



THIRD SCHEDULE

(See section 156)

RETURN OF COMPANY HAVING SHARE CAPITAL

1	Registration No.	0092488
2	Name of the Company	High Flying Solar Development Pakistan Limited
3	Form A made upto (Day/Month/Year)	24/03/2015
4	Date of AGM (Day/Month/Year)	

PART-A

5	Registered office address:	24-A, Ground Floor Room # 2, Tech Society Canal Bank, New Campus, Lahore
6	Email Address:	tahirusman801@hotmail.com
7	Office Tel. No.:	042-35295395
8	Office Fax No.:	042-35295394
9	Nature of Business:	Generation of Electricity

10	Authorized Share Capital			
	Type of Shares	No of shares	Amount	Face value
	Ordinary Shares	10,000	Rs.100	Rs.1,000,000

11	Paid up Share Capital			
	Type of Shares	No of shares	Amount	Face value
	Ordinary Shares	10,000	Rs.100	Rs.1,000,000

12	Amount of indebtedness on the date upto which form A is made in respect of all	
	Mortgages/Charges	N/A

13	Particulars of the holding company	
	Name	Dragon Solar Development Pakistan Limited
	Registration No.	0090588

14	Chief Executive		
	Name	Guo Jun	Passport Number
	Address	No 13, YouQizuo District, Beijing City	P 01253272

15	Chief Accountant		
	Name	Muhammad Tahir Usman	NIC
	Address	House # 77-B Gulshan-e-Lahore Near Wapda Town Lahore	36104-0486141-5



16 **Secretary**

Name	Agha Arshian Khan	CNIC	35200-1452468-7
Address	H. # 06 St. # 29 Ghulam Nabi Colony, Samanabad, Lahore.		

17 **Legal Adviser**

Name	: Agha Arshian Khan
Address	: H. # 06 St. # 29 Ghulam Nabi Colony, Samanabad, Lahore.

18 **Auditors**

Name	: M. Yousuf Adil Saleem & Co (Deloitte)
Address	: 134-A, Abubakr Block, New Garden Town Lahore.

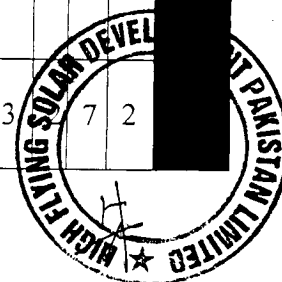
19 **List of Directors on the date of Form-A**

Name of Director	Address	Nationality	(Passport No. foreigner)									
Jun Guo	No 13, Youqizuo Xicheng District, Beijing City	China	P	0	1	2	5	3	2	7	2	
Jian Jia	No 201. Building 29, Linyuan beili District Yuan Xi road, Nankai District TianJin City, China	China	G	4	2	9	4	9	1	9	4	
Yuan Li	No 43 Building & Mining Machine Residential Outside the South Street On the 8 th East River District Baotou City, Intermongolia, Autonomous Region, China	China	E	0							9	

PART-B

20. **List of members & debenture holders on the date up to which this Form A is made**

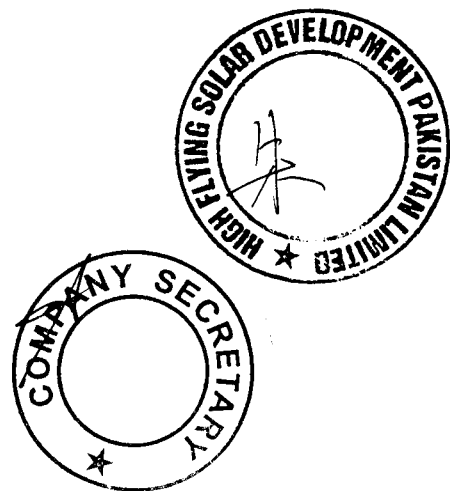
Folio	Name	Address	Nationality	No of shares	(Passport No. foreigner)									
	Members													
1	Dragon Solar Development Pakistan Limited	H. # 29-B Tech Society, Canal Bank, New Campus Lahore-Pakistan	Pakistan	9,997	0	0	9	0	5	8	8			
2	Jun Guo	No 13, Youaizuo Xicheng	China	1	P	0	1	2	5	3	7	2		



INSTRUCTIONS FOR FILLING FORM-A

1. The Form shall be made upto the date of last AGM of the Company or the last date of the year where no AGM is held during the year.
2. Under nature of business, please give precisely the specific nature of business in which the company is engaged.
3. Under S. No.20 above, the aggregate number of shares held by each member should be stated. and the aggregates must be added up so as to agree with the number of shares stated against NO. 11.
4. When the shares are of different classes the columns should be subdivided so that the number of each class held, or transferred, is shown separately against S. Nos. 10,11,20 and 21.
5. If the space provided in the Form is insufficient, the required particulars should be listed in a separate statement attached to this return which should be similarly certified and signed.
6. The return and any statement attached hereto shall be signed by the chief executive or the secretary.
7. In case a body corporate is a member, NIC number may be omitted to be given.
8. In case of foreign nationals, indicate "passport number" in the space provided for "NIC No." Pakistani nationals will only indicate "NIC NO."
9. This form is to be filed within 30 days (45 days in case of listed company) of the date indicated in S.No.3 above.

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Company Profile

1. Zonergy Company Limited

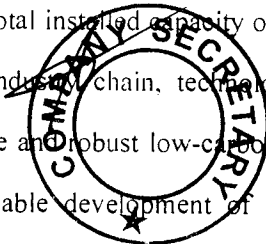
1.1 Overview

High Flying Solar Development Pakistan Limited, established in 2015, is an ultimate subsidiary of Zonergy Company Limited, China. Established in 2007, Zonergy Company Limited (ZONERGY) is a national high-tech enterprise with a registered capital of RMB 1.29 billion. ZONERGY focuses on providing resource integration services for customers in new energy and energy-saving, environmental protection industries. The main business scope covers the whole cloud-computing industry chain, R&D of Solar PV technology and project contracting, R&D of bio-energy, R&D of energy saving and system services, palm cultivation and oil processing trade as well as other related fields. As the most important shareholder of ZONERGY, ZTE Corporation (ZTE) is a leading global provider of telecommunications equipment and network solutions. Founded in 1985, ZTE is listed on both the Hong Kong and ShenZhen Stock Exchanges and is China's largest listed telecoms equipment company.

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1.2 Zonergy's Vision

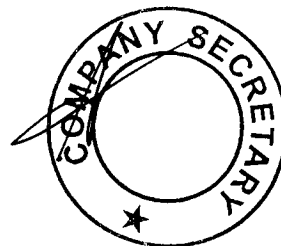
Since established, ZONERGY has always been focused on "sustainable development", and continuously absorbs and integrates all kinds of advantageous resources. Through globalization channels, technology integration and intensive operations, ZONERGY has successively delivered solar power plant projects with total installed capacity of 503 MW and 644 MW under construction. Relying on complete industry chain, technology chain and strong strategic alliance, ZONERGY will form a unique and robust low-carbon development model and continue to create and implement sustainable development of enterprise and related parties, and constantly strives to make greater contributions for promoting renewable energy applications.



1.3 Track Record and Experience

Since founded, Zonergy has successfully delivered a series of PV power projects including grid connected systems and off grid systems. Up to date, Zonergy has completed installed capacity of 503 MW and has the other 644MW in construction.

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CV of Senior Management

CEO: Mr. Richard J Guo High Flying Solar development Pakistan Limited

Richard J Guo is Vice president of the Zonergy Co., Ltd.; General Manager of the Zongergy Energy-saving Co., Ltd. till 2009. Executive Director of the China Energy Conservation Association.

Richard J Guo was Vice President of Div 4 (Europe, America) & President of CEE Region, ZTE Corporation during 2005 to 2008.

Richard J Guo joined ZTE in July, 2001. He has acted as President of CEE Region Since February 2005.

Between 1999 and 2001, he was Vice President and Board Member of American Raw Materials Ltd., HK.

From 1992 to 1999, he worked in Bank of China, Beijing and New York Branch.

Richard J Guo was born in Shanxi Province, China, in 1973. He holds a Master of Economic degree from the Capital Economic and Trade University, and a Bachelor of Economic degree from China Renmin (People's) University.

CTO: Dr. Yu Zhenrui High Flying Solar development Pakistan Limited

2013-09/Present: work as Deputy Director, Technical Centre in Zonergy Solar Co. Ltd

Management of R&D/Quality Management/and Technical Supporting team for the PV application business.

2009-05/2013-08: Worked as Deputy GM, Photovoltaic Branch in Tianjin Lishen Battery Stock Co. Ltd. Construction of the PV production line Management of the technical and R&D team.

2002-05/2009-04: Worked as Investigator Titular in INAOE (Institute National of Astrophysics, Optics and Electronics), Mexico. Research on advanced technology for high eff. c-Si solar cells. Research on the fabrication of Silicon rich oxide (SRO) thin films by CVD method and their Characterization (structural, optical, and electrical). The application of SRO in UV sensors and high eff. solar cells. Directed PhD and Master students their theses.

1988-06/2002-04: Worked as Lecturer/Associate Professor/Professor in Institute of Photovoltaics, Nankai University, China. Fabrication and characterization of on a-Si:H based materials (a-Si:H, uc-Si:H, a-SiC:H, a-SiO:H). Research on a-Si:H based solar cells single and tandem structures). Research on compound semiconductors (including electrochromic materials, nanosized narrow bandgap materials, and Er-doped a-SiC luminescent materials).

1999-11/2000-05: Worked as Visiting Professor in CINVESTAV-IPN, Mexico. Fabrication and characterization of large-sized poly-Si thin films by metal-induced crystallization.

1996-5/1997-06: Worked as Post-Doc Fellow in Sao Paulo University, Brazil. Fabrication and characterization of uc-Si:H/a-SiC:H multilayer structures and study on their interface properties.

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CFO: Mr. MUHAMMAD TAHIR USMAN High Flying Solar development Pakistan Limited

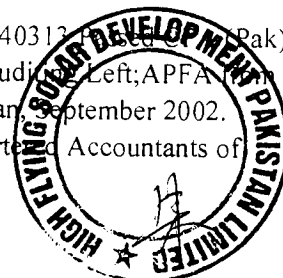
A professional having valuable experience of Auto-Leasing and able to deal with different banks effectively for arranging sources of Finance for the Organisation; A professional having valuable experience with Saeed Kamran Patel & Co., Chartered Accountants, of various fields of industry.

Skilled in all aspects of International Financial Reporting Standards (IFRS) and International Auditing Standards (IAS). A professional able to understand and interpret provisions of various Laws such as Companies Ordinance 1984, Income Tax Ordinance 2001. Expertise in developing monthly, quarterly, and annual financial statements for management and external users according to International Financial Reporting Framework & local requirements.

Proven ability to identify and implement improvements to streamline processes and increase efficiency and productivity. Excellent computer skills: proficient with Microsoft Word, Microsoft Excel, Sage Line 50, and able to learn proprietary systems/applications quickly and easily.

Became Certified Forensic and Investigative Auditor (CFIA) in June 2014, Membership # 140313 (Pak) in 2013 having membership # 893; CA finalist (Module F). Only One Paper of Advanced Auditing (Left; APFA) PIPFA, 2007 Passed CA Intermediate from the Institute of Chartered Accountants of Pakistan, September 2002.

Supervised and finalized the Quality Control Review Program held by The Institute of Chartered Accountants of



Pakistan and made correspondence with the Quality Control Review committee. Being a part of accounting department, worked as an accountant of the clients wished to convert from manual accounting system to computerized accounting system. Completed the Due Diligence Report of Easy Phone (Pvt.) Ltd.

Plant Manager/Operation Manager: Mr. Xu Hongchang High Flying Solar development Pakistan Limited

More than ten years operation experience. In 2007, participated in the China Guangdong Nuclear Power Plant in Inner Mongolia 50mw booster station and a large-scale ground operation and maintenance of photovoltaic long in solar industry. In 2008, the handling energy-saving Xinjiang 100mw, 110kv power dispatch booster station operation, maintenance and daily operation and maintenance of photovoltaic farm equipment.

Operation and maintenance work content: Combined with job training for power plant operation and maintenance personnel, full participation in the orders received from the management and operation of the implementation of the system operation and plant scheduling, laid the foundation for the latter part of the operation and maintenance management. During plant operation, led by all-weather operation and maintenance personnel to monitor the parameters of power equipment operation and adjusted to ensure power plants safe and stable operation. Help build equipment management, personnel management, operational analysis, management processes and standards, so that operation and maintenance management more practical operability. Checks booster station maintenance, component cleaning.

Project content: Xinganmeng 50MW PV project in Inner Mongolia; Gansu 30MW PV project. Alxa 30MW PV project. Inner Mongolia Tengger 100MW PV project. Xinjiang Yecheng 30MW PV project. Atushi a 30MW, two 30MW PV project. Quyang 80MW PV project

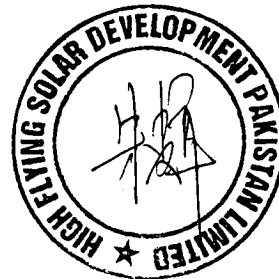
Secretary of Company: Mr. AGHA ARSHIAN KHAN High Flying Solar development Pakistan Limited

Mr. Agha Arshian Khan is a practicing lawyer based in Lahore, Pakistan, where for more than 8 years, he has been working in a leading law firm namely "Allied Law Services" area of practice was (Corporate, Tax Financial & Commercial Law Firm having extensive network of clients worldwide), Lahore, Pakistan. He handles a variety of corporate cases in High Courts as well as the Lower Courts of Pakistan.

He worked as an apprentice with Zaheer-u-din Babar, Advocate Supreme Court of Pakistan, learning and developing first-hand knowledge of Law and its practice in courts. He assisted in legal drafting and research work. He worked as an advocate and in charge litigation cell. He worked as Legal Assistant/Partner and did legal drafting, researched on various legal issues and court appearance. He also worked as Legal Adviser of Multinational companies.

He is a Life Member of Lahore High Court Bar Association, Lahore Bar Association and was enrolled to the Punjab Bar Council in the year 2007.

Research Projects experience: Legal Dimensions of Honour Killing in Pakistan conducted by Aurat Foundation and Shirkat Ganga. Nature of Legal Framework Order and its impact on Constitution of Pakistan 1973. Importance of Dacca debacle on the Constitutional history of Pakistan. Forensic Evidence (Pakistan College of Law, Lahore, Pakistan in collaboration with British Council). Alternate Dispute Resolution (Pakistan College of Law, Lahore, Pakistan). Human Rights and International Law (Pakistan College of Law, Lahore, Pakistan). Alternate Dispute Resolution and Tax Laws (Lahore Tax Bar Association, Lahore, Pakistan).





中国工商银行股份有限公司 拉合尔分行
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED LAHORE BRANCH

Dated: 26-March-2015

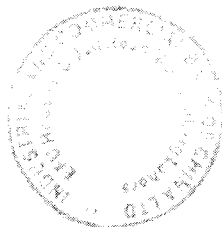
Bank Certificate

This is to certify that **HIGH FLYING SOLAR DEVELOPMENT PAKISTAN LIMITED** is maintaining a PKR Current Account with our bank, the details of the account is as follows:

ACCOUNT TITLE: HIGH FLYING SOLAR DEVELOPMENT PAKISTAN LIMITED
PKR CURRENT ACCOUNT: 6001030000000041594

This Certificate is being issued as per specific request of the above client without any risk or responsibility on part of the bank or any of its officials.

AUTHORIZED SIGNATORY



AUTHORIZED SIGNATORY

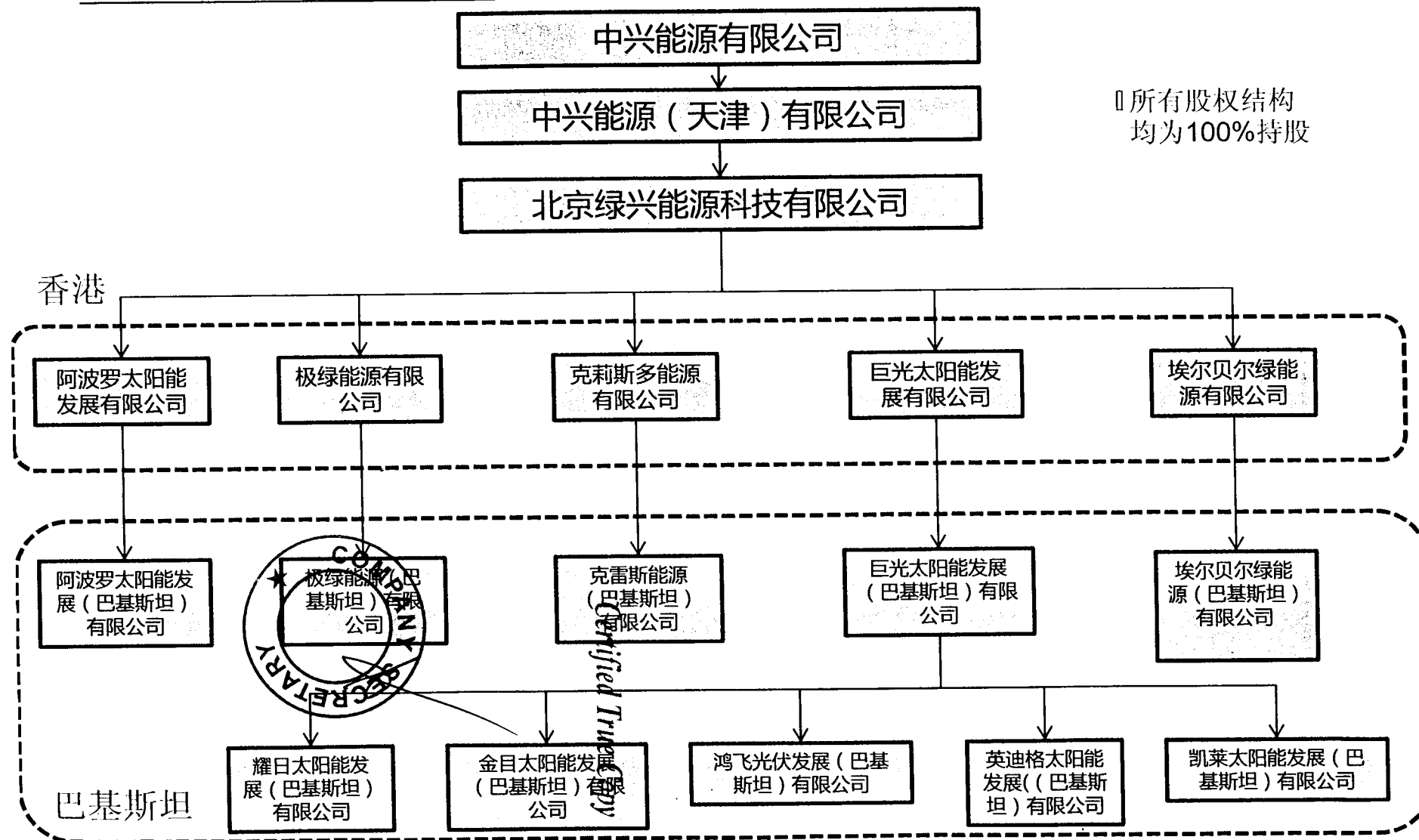
Certified True & Correct



UPPER GROUND FLOOR, EFU HOUSE, 6-D, JAIL ROAD, MAIN GULBERG, LAHORE-54660
Tel: 0316-3339388 Fax: 042-35790762 042-35790766 Website: www.icbc.com.pk

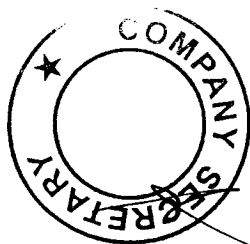
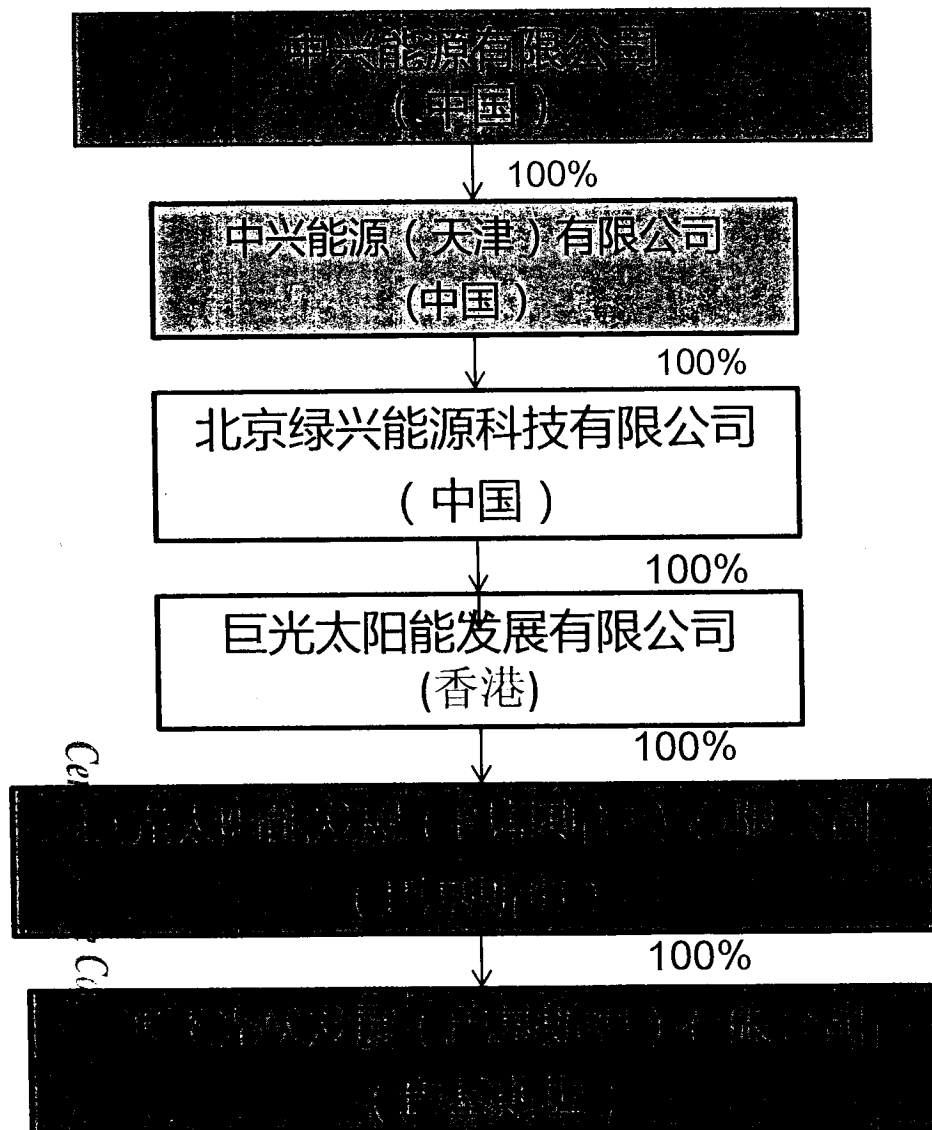
ICBC IS INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA, THE LIABILITY OF MEMBERS BEING LIMITED

现阶段注册结构



Shareholding Structure

鸿飞光伏发展（巴基斯坦）有限公司融资结构示意图





中兴能源有限公司
北京市朝阳区裕民路12号元辰鑫大厦E3座

日期：2015年3月【13】

中兴能源有限公司项目支持函

主题：中兴能源巴基斯坦旁遮普5×100兆瓦太阳能光伏项目支持函

中兴能源有限公司（“中兴能源”）注册地为北京朝阳区裕民路12号元辰鑫大厦E3座，邮政编码为100029。针对中兴能源巴基斯坦旁遮普省9×100MW太阳能光伏发电项目，在此确认，我们将通过我们的子公司中兴能源（天津）有限公司、北京绿兴能源科技有限公司、巨光太阳能发展有限公司和巨光太阳能发展（巴基斯坦）有限公司购买巴基斯坦本地项目公司股权和提供所需项目资金。

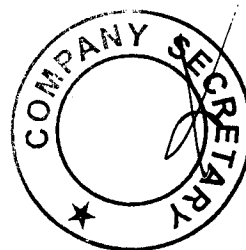
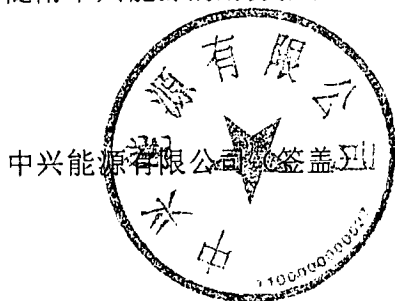
目前，中兴能源正通过巨光太阳能发展（巴基斯坦）有限公司在巴基斯坦启动注册五家巴基斯坦本地项目子公司，本地项目公司名称如下：

- 1) 耀日太阳能发展（巴基斯坦）有限公司
- 2) 金目太阳能发展（巴基斯坦）有限公司
- 3) 鸿飞光伏发展（巴基斯坦）有限公司
- 4) 英迪格太阳能发展（巴基斯坦）有限公司
- 5) 凯莱太阳能发展（巴基斯坦）有限公司

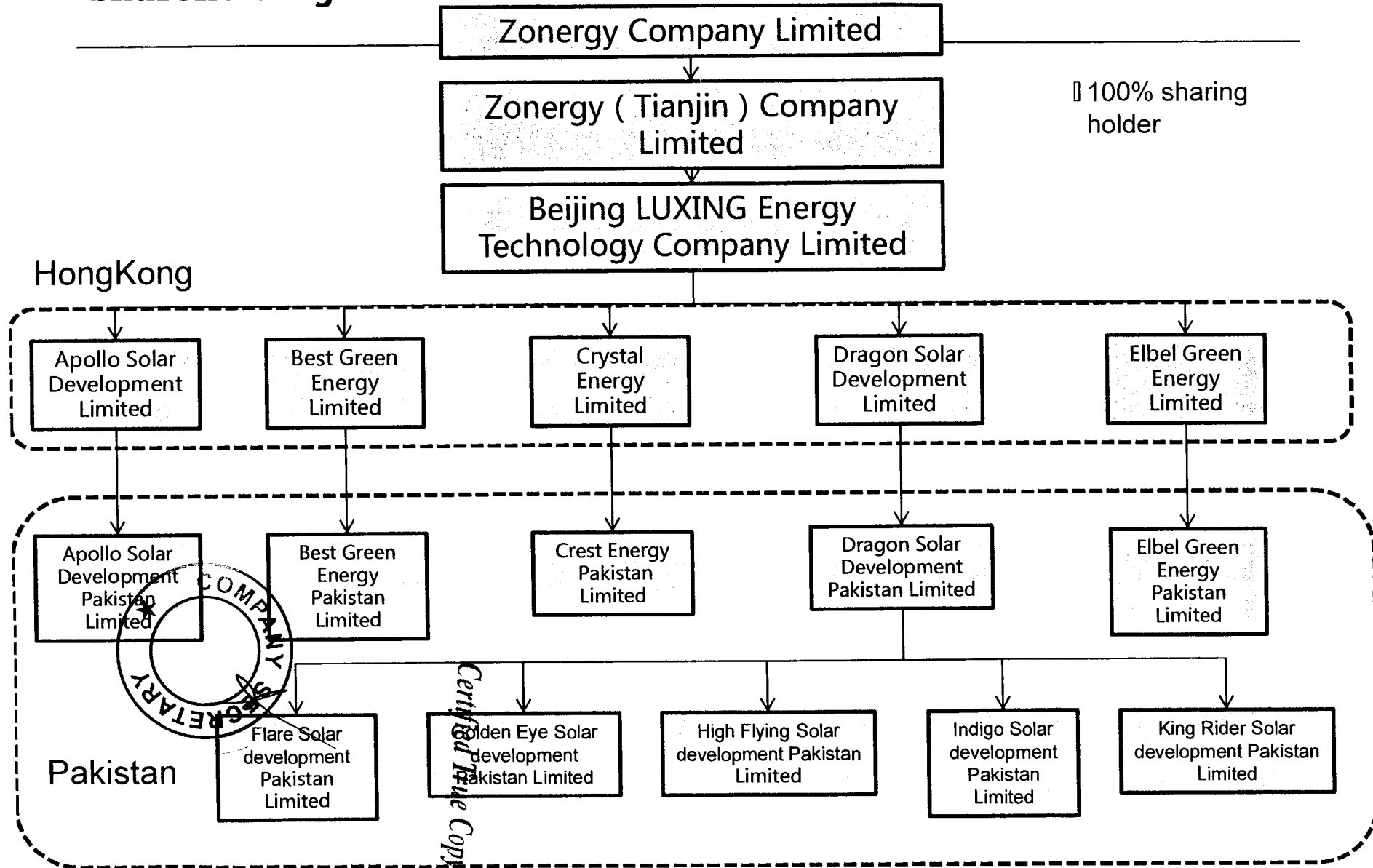
上述五家项目子公司将作为申请主体，在巴基斯坦旁遮普省分别申请100MW太阳能光伏发电项目。

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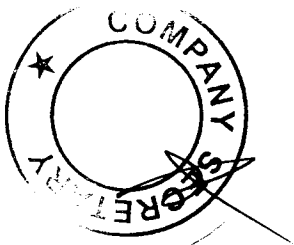
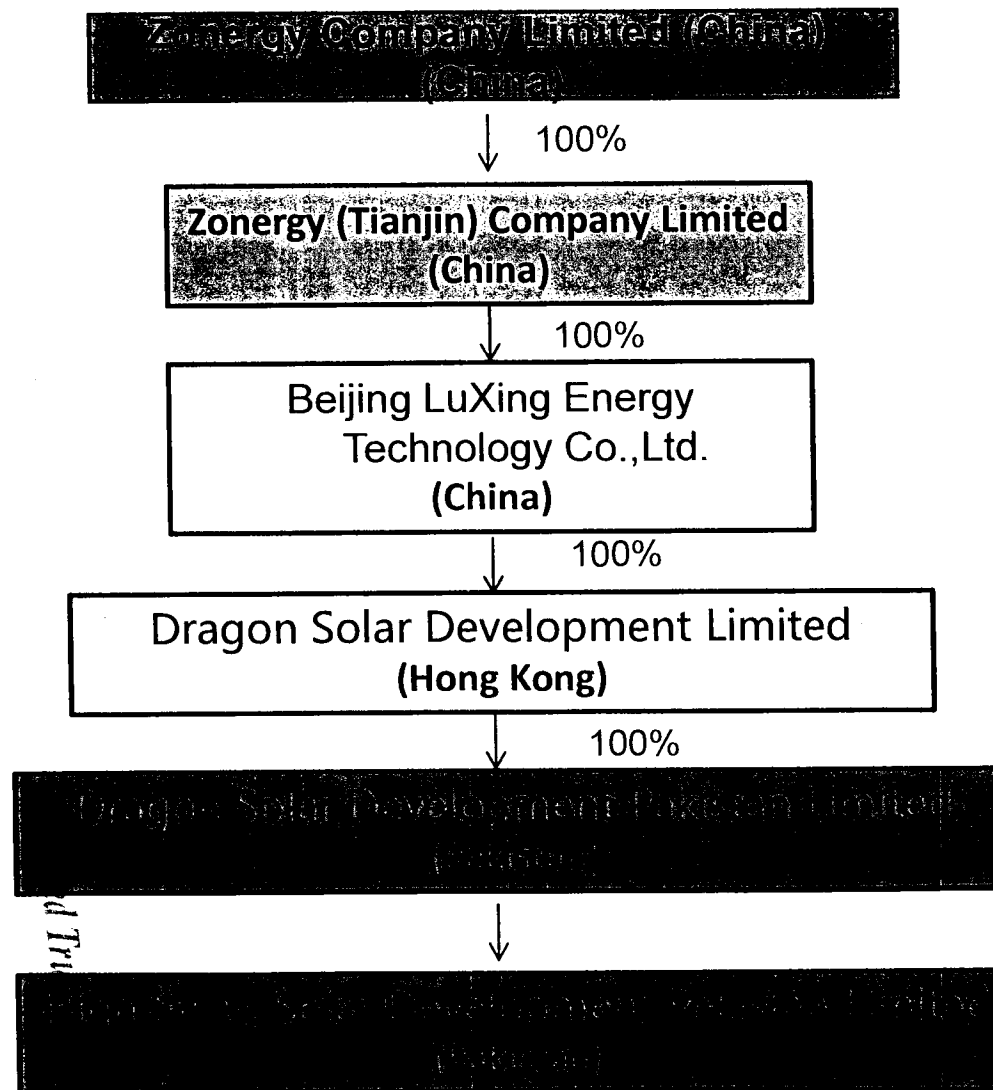
中兴能源承诺将通过其子公司北京绿兴能源科技有限公司，提供项目所需充足资金，随附中兴能源的财务报表。



Shareholding Structure



High flying solar Development Pakistan Limited Shareholding Structure





0313(04)
No. Zonergy/____/2015

ZONERGY COMPANY LIMITED

E3, YuanChenXin Mansion, No. 12 Yumin Road,

Beijing 100029, China

Date: [13] March 2015

To Whom It May Concern

Subject: **5 × 100 MWp Solar Photovoltaic Power Projects in Punjab, Pakistan**
("Project"); Letter of Support

We, Zonergy Company Limited ("Zonergy"), having its registered offices at E3, YuanChenXin Mansion, No. 12 Yumin Road, Beijing 100029, China, for the purposes of development of 9x100 MWp Solar PV Power Projects hereby affirm that we acting through our subsidiaries Zonergy (Tianjin) Company Limited, Beijing LuXing Energy Technology Company Limited, Dragon Solar Development and Dragon Solar Development Pakistan Limited, plan to provide the funding for equity subscription in the special purpose vehicle (SPVs) being set up as below for above mentioned Project.

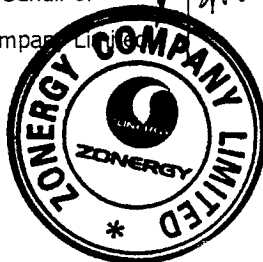
- i. **Flare Solar Development Pakistan Limited**
- ii. **Golden Eye Solar Development Pakistan Limited**
- iii. **High Flying Solar Development Pakistan Limited**
- iv. **Indigo Solar Development Pakistan Limited**
- v. **King Rider Solar Development Pakistan Limited**

In this regard Zonergy, through its subsidiary Beijing LuXing Energy Technology Company Limited, is also coordinating the arrangement for debt financing required for these Projects.

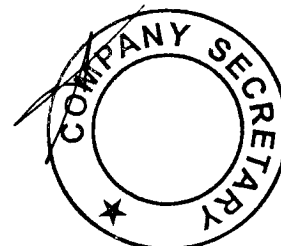
Financial statements of Zonergy, establishing adequacy of funding, are attached herewith.

For and On Behalf of

Zonergy Company Limited



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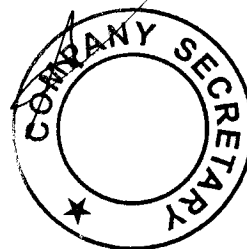


Zonergy Company Limited

Financial Statements for the Year Ended December 31

2011

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Contents

- I. Audit report
- II. Audited financial statement
 - 1. Consolidated balance sheet
 - 2. Consolidated profit statement
 - 3. The consolidated cash flow statement
 - 4. Consolidated owner's equity change statement
 - 5. Balance sheet of parent company
 - 6. Profit statement of parent company
 - 7. Parent company Cash flow statement
 - 8. Parent Company change Statement of Owner's Equity
 - 9. Notes to Financial Statement
- III Enterprise Business License of this Accounting Firm

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Honesty Objectivity Fair

Audit report

JGS Zi (2012) No.30046

Zonergy Company Limited:

We audited the accompanying combined financial statements of Zonergy Company Limited (hereinafter referred to as Zonergy), including consolidated and parent company balance sheet on December 31, 2011, consolidated and parent company income statement of 2011, consolidated and parent company cash flow statement, consolidated and parent company statement of change in stockholder's equity and notes to the financial statements.

(I) Responsibility of management layer for combined financial statements

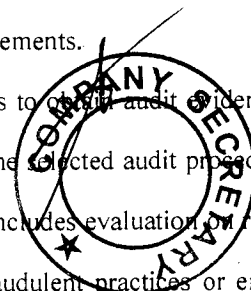
Preparation and fair presentation of combined financial statements is the responsibility of the management echelon of Zonergy, which includes: Compiling combined financial statement in accordance with the rule of Accounting Standards For Business Enterprises, and realizing fair reflection; Design, implement and main the necessary internal control to prevent the combined financial statements from existing material misstatement due to fraudulent practices or error.

(II) Responsibility of the certified public accountant

Our responsibility is to deliver our auditing opinions about the combined financial statements on the basis of implementation of the audit work. We have implemented our audit work in accordance with the provision of Auditing Standards of Chinese Certified Public Accountant. The Auditing Standards of Chinese Certified Public Accountant requires us to comply with code of professional ethics, plan and implement audit work, so as to obtain reasonable assurance whether there is no material misstatement existing in the combined financial statements.

Audit work involves the implementation of audit procedure, so as to obtain audit evidences relevant to amount and disclosure in combined financial statements. The selected audit procedure depends on the judgment of the Certified Public Accountants, which includes evaluation of risks of material misstatement in combined financial statements due to fraudulent practices or error. During the risk evaluation, the Certified Public Accountants pay attention to the internal control related to the preparation of the financial statement and fair presentation to design appropriate auditing procedure. However, they do not express opinion about the effectiveness of internal

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control. Audit work also includes the appropriateness of the accounting policies selected by management layer and the reasonableness of accounting estimates made by management layer, as well as the overall presentation of the Financial Statements.

We believe that the obtained audit evidences are sufficient and appropriate, which provide the basis for publishing the audit opinions.

(III) Audit opinions

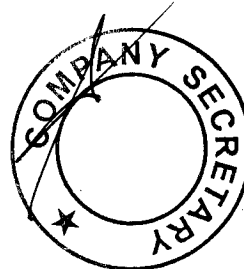
From our point of view, the combination of Zonergy and financial statements of parent company are compiled in accordance with Accounting Standards for Business Enterprises in the major aspects and they fairly reflect the combination of Zonergy and the financial condition of parent company on December 31, 2011 as well as the result of operation and cash flow in 2011.

Beijing Guofu Jiaying Accounting Firm Co., Ltd. Chinese Certified Public Accountant:
(Seal)

BEIJING CHINA
March 16, 2012

Chinese Certified Public Accountant:

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Consolidated balance sheet

December 31, 2011

Prepared unit: Zonergy Company Limited

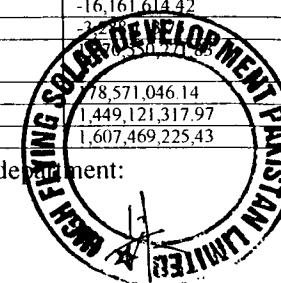
Monetary unit: RMB Yuan

Item	Closing balance	Opening balance	Item	Closing balance	Opening balance
Current assets:			Current liabilities:		
Monetary capital	1,033,610,135.39	762,984,934.11	Short-term borrowing	259,701,919.50	
Deposit reservation for balance			Borrowings from central bank		
Lending capital			Deposits from customers and interbank		
Tradable financial assets			Borrowing funds		
Notes receivable			Trading financial liabilities		
Accounts receivable	10,156,874.99	3,134,605.83	Notes payable		
Prepayment	122,692,621.19	112,965,731.00	Accounts payable	37,328,198.04	12,375,484.19
Premium receivables			Account collected in advance	51,840,243.57	1,404,340.30
Reinsurance accounts receivables			Financial assets repurchased actually		
Receivable from subcontracting reserves			Handling charges and commissions payable		
Interest receivable			Employee pay payable	2,539,874.00	1,073,267.13
Dividends receivable			Tax payable	-19,478,240.67	-4,720,269.84
Other receivables	155,680,795.66	107,834,860.06	Interest payable	690,295.08	329,367.60
Redemptory monetary capital for sale			Dividends payable		
Inventory	31,643,873.88	14,166,704.55	Other payables	138,039,976.09	17,928,057.26
Non-current assets due within one year			Dividend payable for reinsurance		
Other current assets	1,000,000.00	104,964,711.52	Reserve fund for insurance contracts		
Total current assets	1,354,784,301.11	1,106,051,547.07	Receivings from vicariously traded securities		
Non-current assets:			Receivings from vicariously sold securities		
Release of entrust loans and advances to be paid back later			The Non-current liabilities that was due within one year		
Available-for-sale financial assets			Other current liabilities		
Held-to-maturity investment			Total current liabilities	470,662,265.61	28,390,246.64
Long-term receivables	1,375,006.40		Non-current liabilities:		
Long-term equity investment	39,001,277.76		Long-term loans	171,911,221.18	57,508,215.45
Investment real estates			Bonds payable		
Fixed assets	128,116,600.06	34,194,939.44	Long-term payables	57,053,314.85	173,930.51
Construction in progress	260,858,152.19	40,496,363.36	Specific payables		
Engineering material	568,330.65	673,271.82	Accrued liabilities		45,514.86
Liquidation of fixed assets			Deferred income tax liabilities		
Productive biological assets	1,021,765,027.08	406,068,015.07	Other non-current liabilities	230,218,174.05	72,230,000.00
Oil and gas assets			Total non-current liabilities	459,182,710.08	129,957,660.82
Intangible assets	117,790,765.56	19,985,088.67	Total liabilities	929,844,975.69	158,347,907.46
Development expenditure			Owners' equities:		
Goodwill			Paid-in capital	1,290,000,000.00	1,290,000,000.00
Long-term unamortized expenses	480,277.03		Capital reserve		
Deferred income tax assets			Subtraction: Treasury stock		
Other non-current assets			Special reserve		
Total non-current assets	1,569,943,390.64	501,417,678.36	Surplus reserves		
			General risk provisions		
			Undistributed profit	199,666,484.20	-16,161,614.42
			Translation reserve	-9,973,738.31	
			Total owner's equities belonging to the parent company	1,479,692,745.89	
			Minority equity	515,189,970.17	78,571,046.14
			Total shareholders' equity	1,994,882,716.06	1,449,121,317.97
Total assets	2,924,727,691.75	1,607,469,225.43	Total shareholders' equity and liabilities	2,924,727,691.75	1,607,469,225.43

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting department:



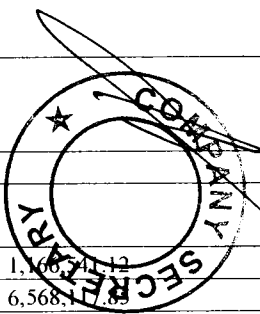
Consolidated profit statement
2011

Item	Current amount	Last term amount	Item	Current amount	Last term amount
I. Total business income	104,291,601.98	11,990,437.64	III. Operating profit (filled with "-" for loss)	-111,999,503.44	-78,011,868.99
Including: Operating income	104,291,601.98	11,990,437.64	Add: Non-business Income outside main business	326,569,964.52	151,174,494.10
Interest income			Subtraction: Non-operating expenditure	615,675.94	253,137.38
Earned premium			Including: Losses from disposal on non-current assets		
Handling charge and commission income					
II. Total business cost	217,016,120.11	97,465,747.51	IV. Total profits (filled with "-" for total loss)	213,954,785.14	72,909,487.73
Including: Operating cost	68,070,291.42	4,458,767.04	Subtraction: Income tax expense	1,400,031.62	489,830.12
Interest expenses			V. Net profit (filled with "-" for net loss)	212,554,753.52	72,419,657.61
Handling charges and commissions expenditure			Attributable to net profit of the owners of the parent	215,828,098.62	73,070,774.62
Surrender charge fee			Minority shareholder profit and loss	-3,273,345.10	-651,117.01
Net payments for insurance claims					
Net amount payment for withdrawing reserve fund for insurance contracts					
Policy dividend expense			VI. Earnings per share:		
Amortized reinsurance expenditures			(I) Basic earnings per share		
Business tax and surcharges	1,163,411.12	275,000.00	(II) Diluted earnings per share		
Selling expenses	6,568,117.88	467,983.93			
Administrative expenses	137,034,637.29	99,628,643.44			
Financial expense	4,176,532.43	-7,364,646.93	VII. Other comprehensive income	-17,505,470.89	-5,480,189.58
Loss on the asset impairment					
Add: Variable earning in fair value (filled with "-" for loss)					
Income from investment (filled with "-" for loss)	725,014.69	7,463,440.88	VIII. Total comprehensive income	195,049,282.63	66,939,468.03
Including: Investment income for associated enterprises and cooperative enterprises			Total comprehensive income amount belonging to owners of parent company	209,142,474.06	69,787,660.81
Profit on Exchange earning (filled with "-" for loss)			Comprehensive income total amount for minority shareholders	-14,093,191.43	-2,843,192.84

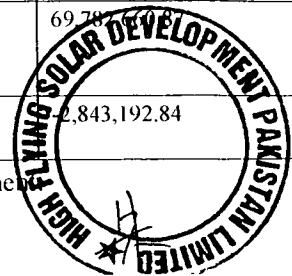
Legal representative:

Person in charge of accounting work:

Person in charge of the accounting department:



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The consolidated cash flow statement

2011

Prepared unit: Zonergy Company Limited

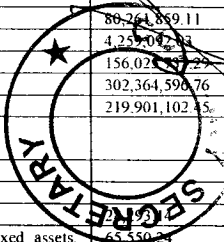
Monetary unit: RMB Yuan

Item	Current amount	Last term amount	Item	Current amount	Last term amount
I. Cash flows from operating activities:			Cash paid for acquiring and conducting fixed assets, intangible assets and other long-term assets	178,450,590.22	139,426,289.20
Cash received from sales of goods or providing labor services	102,915,703.85	12,926,012.08	Cash paid for investments	24,386,976.94	109,942,269.21
Net increase amount in customer deposits and inter-bank deposits			Net increase amount in pledge loans		2,781,109.70
Net increase amount in borrowings from the central bank			Net cash paid for obtaining subsidiaries and other operating units	161,753,052.62	410.40
Net increase amount in borrowing capital from other financial institutions			Other cash paid relating to investment activities		
Cash received from original insurance contract premiums			Sub-total of cash outflow of investment activities	364,590,619.78	252,150,078.51
Net amount of cash from receiving reinsurance business			Net cash flows from investment activities	-364,487,429.02	-244,685,097.24
Net increase amount in deposit of insured and investment section					
Net increase amount from disposal of trading financial assets					
Cash received from interests, handling charges and commissions					
Net increase amount in borrowing capital					
Net increase amount in repurchasing business funds			III. Cash flow from financing activities		
Refunds of tax and levies	308.12	659,042.30	Cash received from capital contribution		
Other cash received relating to operating activities	419,349,687.24	242,179,907.31	Including: Cash received from a subsidiary company's absorbing investment of minority shareholders		
Sub-total of cash inflow of operating activities	522,265,699.21	255,764,961.69	Cash received from obtaining loan	327,873,058.03	58,099,561.80
Cash paid for purchasing commodities and receiving labor services	61,817,908.33	25,131,049.15	Cash received from the issuance of bonds		
Net increase amount in customer loans and advances			Other cash received relating to financing activities	431,288.19	
Net increase amount in the central bank deposits and inter-bank deposits			Sub-total of cash inflow of financing activities	328,304,346.22	58,099,561.80
Cash paid for indemnity of original insurance contract			Cash paid for debts	4,366,883.97	
Cash paid for interests, handling charges and commissions			Cash paid for dividends, profits or interest	13,095,428.12	
Cash paid for policy dividend			Including: Dividends and profits paid to minority shareholders by subsidiary company		
Cash paid to employees and for employees paid	86,264,889.11	39,643,816.49	Other cash paid relating to the financial activities	4,688,632.28	
Tax payments	4,259,092.33	3,559,313.65	Sub-total of cash outflow of financing activities	22,150,944.37	
Other cash paid relating to operating activities	156,021,497.29	275,170,465.13	Net cash flows from financing activities	306,153,401.85	58,099,561.80
Subtotal of cash outflow of operating activities	302,364,590.76	343,504,644.42			
Net cash flow from operating activities	219,901,102.45	-87,739,682.73			
			IV. Effect of exchange rate changes on cash and cash equivalents	5,093,414.48	-350,155.61
II. Cash flows from investment activities:					
Cash received from return of investments					
Cash received from investments		7,463,440.88	V. Net increase amount of cash and cash equivalents	166,660,489.76	-274,675,373.78
Net cash value received from disposal of fixed assets, intangible assets and other long-term assets	65,550.24	1,540.39	Add: Opening balance of cash and cash equivalents	867,949,645.63	1,142,625,019.41
Net cash received from disposal of subsidiaries and other operating units					
Other cash received relating to investment activities	9,347.38				
Sub-total of cash inflow of investment activities	103,190.76	7,464,981.27	VI. Closing balance of cash and cash equivalents	1,034,610,135.39	867,949,645.63

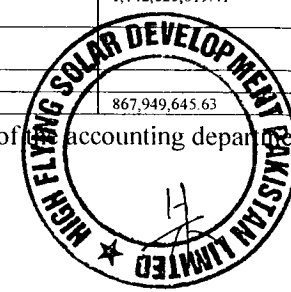
Legal representative:

Person in charge of accounting work:

Person in charge of accounting department:



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Consolidated owner's equity change statement

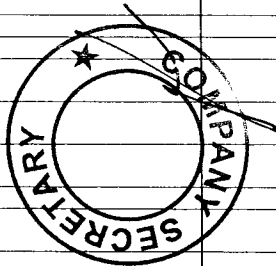
2011

Prepared unit: Zonergy Company Limited

Monetary unit: RMB Yuan

Item	Amount of Current Period t									
	Owner's equity belonging to the parent company								Minority equity	Total owner's equity
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General provisions	risk	Undistributed profit	Others	
I. Balance at the end of last year	1,290,000,000.00	.						-16,161,614.42	-3,288,113.75	178,571,046.14
Add: Accounting policy changes										
Correction of prior period errors										
Others										
II. Balance at the beginning of current year	1,290,000,000.00							-16,161,614.42	-3,288,113.75	178,571,046.14
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)								215,828,098.62	-6,685,624.56	336,618,924.03
(I) Net profit								215,828,098.62		-3,273,345.10
(II) Other comprehensive income									-6,685,624.56	-10,819,846.33
Sub-total of (I) and (II) mentioned above								215,828,098.62	-6,685,624.56	-14,093,191.43
(III) Capital contributed by the owner's investment and decrease in capital										350,712,115.46
1. Capital invested by the owner										350,712,115.46
2. Amount of share-based payment reckoned in owner's equity										
3. Others										
(IV) Profit distribution										
1. Withdrawal of surplus reserves										
2. Withdrawal of general risk provision										
3. Distributions to shareholders										
4. Others										
(V) Internal carry-over of the owners' equities										
1. Capital stock conversion of capital reserve										
2. Capital stock conversion of surplus reserve										
3. Surplus reserve to cover the deficit										
4. Others										
(VI) Special reserve										
1. Extract in current period										
2. Used for current period										
(VII) Others										
IV. Current closing balance	1,290,000,000.00							199,666,484.20	-9,973,738.31	515,189,970.17

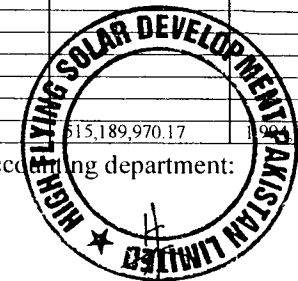
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Legal representative:

Person in charge of accounting work:

Person in charge of the accounting department:



Consolidated owner's equity change statement

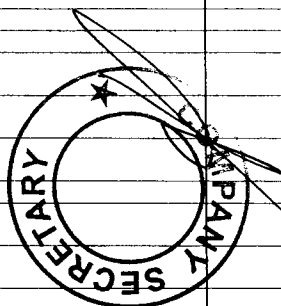
2011

Item	Amount of last year								Minority equity	Total owner's equity	
	Owner's equity belonging to the parent company										
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General provisions	risk	Undistributed profit	Others		
I. Balance at the end of last year	1,290,000,000.00							-89,232,389.04			1,200,767,610.96
Add: Accounting policy changes											
Correction of prior period errors											
Others											
II. Balance at the beginning of current year	1,290,000,000.00							-89,232,389.04			1,200,767,610.96
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)								73,070,774.62	-3,288,113.75	178,571,046.14	248,353,707.01
(I) Net profit								73,070,774.62		-651,117.01	72,419,657.61
(II) Other comprehensive income									-3,288,113.75	-2,192,075.83	-5,480,189.58
Sub-total of (I) and (II) mentioned above								73,070,774.62	-3,288,113.75	-2,843,192.84	66,939,468.03
(III) Capital contributed by the owner's investment and decrease in capital										181,414,238.98	181,414,238.98
1. Capital invested by the owner										181,414,238.98	181,414,238.98
2. Amount of share-based payment reckoned in owner's equity											
3. Others											
(IV) Profit distribution											
1. Withdrawal of surplus reserves											
2. Withdrawal of general risk provision											
3. Distributions to shareholders											
4. Others											
(V) Internal carry-over of the owners' equities											
1. Capital stock conversion of capital reserve											
2. Capital stock conversion of surplus reserve											
3. Surplus reserve to cover the deficit											
4. Others											
(VI) Special reserve											
1. Extract in current period											
2. Used for current period											
(VII) Others											
IV. Current closing balance	1,290,000,000.00							-16,161,614.42	-3,288,113.75	178,571,046.14	9,121,317.97

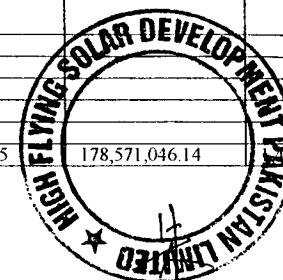
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Balance Sheet

December 31, 2011

Prepared unit: Zonergy Company Limited

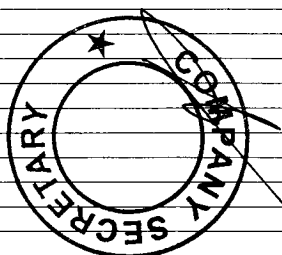
Monetary unit: RMB Yuan

Item	Closing balance	Opening balance	Item	Closing balance	Opening balance
Current assets:			Current liabilities:		
Monetary capital	55,977,531.13	4,788,282.81	Short-term borrowing		
Deposit reservation for balance			Borrowings from central bank		
Lending capital			Deposits from customers and interbank		
Tradable financial assets			Borrowing funds		
Notes receivable			Trading financial liabilities		
Accounts receivable			Notes payable		
Prepayment			Accounts payable		164,842.40
Premium receivables			Account collected in advance	50,000,000.00	
Reinsurance accounts receivables			Financial assets sold for repurchases		
Receivable from subcontracting reserves			Handling charges and commissions payable		
Interest receivable			Employee pay payable	39,514.98	-50,471.38
Dividends receivable			Tax payable	-67,582.45	91,206.17
Other receivables	56,677,174.37	24,553,607.19	Interest payable		
Redemptory monetary capital for sale			Dividends payable		
Inventory			Other payables	196,837,106.83	110,331,275.98
Non-current assets due within one year			Dividend payable for reinsurance		
Other current assets		9,000,000.00	Reserve fund for insurance contracts		
Total current assets	112,654,705.50	38,341,890.00	Receiving from vicariously traded securities		
Non-current assets:			Receiving from vicariously sold securities		
Release of entrust loans and advances to be paid back later			Non-current liabilities due within one year		
Available-for-sale financial assets			Other current liabilities		
Held-to-maturity investment			Total current liabilities	246,809,039.36	110,536,853.17
Long-term receivables			Non-current liabilities:		
Long-term equity investment	1,237,235,940.64	1,230,798,720.14	Long-term loans		
Investment real estates			Bonds payable		
Fixed assets	6,270,328.66	7,975,712.27	Long-term payables		
Construction in progress			Specific payables		
I routine goods and materials			Accrued liabilities		
Disposal of fixed assets			Deferred income tax liabilities		
Productive biological assets			Other non-current liabilities		
Oil and gas assets			Total non-current liabilities		
Intangible assets	28,205.74	25,579.99	Total liabilities	246,809,039.36	110,536,853.17
Development expenditure			Owners' equities:		
Goodwill			Paid-in capital	1,290,000,000.00	1,290,000,000.00
Long-term unamortized expenses			Capital reserve		
Deferred income tax assets			Subtraction: Treasury stock		
Other non-current assets			Special reserve		
Total non-current assets	1,243,534,475.04	1,238,801,233.33	Surplus reserves		
			General risk provisions		
			Undistributed profit	-180,619,858.97	250.84
			Translation reserve		
			Total owner's equities belonging to the parent company	1,109,380,141.03	1,166,605,250.84
			Minority equity		
			Total shareholders' equity	1,109,380,141.03	1,166,605,250.84
Total assets	1,356,189,180.54	1,277,141,902.33	Total of liabilities and shareholders' equity	1,356,189,180.54	1,277,141,902.33

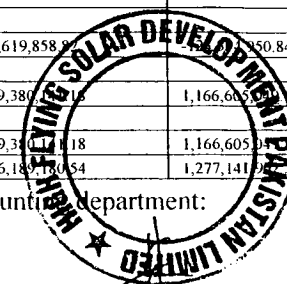
Legal representative:

Person in charge of accounting work:

Person in charge of the accounting department:



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Profit Statement

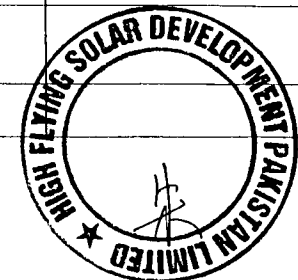
In 2011

Prepared unit: Zonergy Company Limited

Monetary unit: RMB Yuan

Item	Current amount	Last term amount	Item	Current amount	Last term amount
I. Total business income	10,787,549.08	5,617,727.33	III. Operating profit (filled with "-" for loss)	-57,605,207.85	-59,384,708.04
Including: Operating income	10,787,549.08	5,617,727.33	Add: Non-operating proceeds	407,433.03	1,080,062.10
Interest income			Subtraction: Non-operating expenditure	27,133.16	30,595.86
Earned premium			Including: Losses from disposal on non-current assets		2,801.48
Handling charge and commission income					
			Total profits (filled with "-" for total loss)	-57,224,907.98	-58,335,241.80
II. Total business cost	68,421,050.07	65,540,596.87	Subtraction: Income tax expense		
Including: Operating cost	-	533,484.62			
Interest expenses			V. Net profit (filled with "-" for net loss)	-57,224,907.98	-58,335,241.80
Handling charges and commissions expenditure			Attributable to net profit of the owners of the parent	-57,224,907.98	-58,335,241.80
Surrender charge fee			Minority shareholder profit and loss		
Net payments for insurance claims					
Net amount of extraction insurance contract reserve					
Policy dividend expense			VI. Earnings per share:		
Amortized reinsurance expenditures			(I) Basic earnings per share		
Business tax and surcharges	593,315.19	275,000.00	(II) Diluted earnings per share		
Selling expenses	67,236.25				
Administrative expenses	15,353.35	64,631,064.40			
Financial expense		101,047.85	VII. Other comprehensive income		
Loss on the asset impairment					
Add: Variable earning in fair value (filled with "-" for loss)					
Income from investment (filled with "-" for loss)	28,293.14	538,161.50	VIII. Total comprehensive income	-57,224,907.98	-58,335,241.80
Including: Investment income for associated enterprises and cooperative enterprises			Total comprehensive income amount belonging to owners of parent company		
Exchange earning (filled with "-" for loss)			Comprehensive income total amount for minority shareholders		

Legal representative: Person in charge of accounting work: Person in charge of the accounting department:



Cash Flow Statement

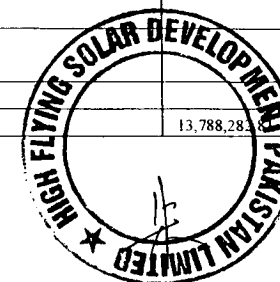
2011

Prepared unit: Zonergy Company Limited

Monetary unit: RMB Yuan

Item	Current amount	Last term amount	Item	Current amount	Last term amount
I. Cash flows from operating activities:			Cash paid for acquiring and conducting fixed assets, intangible assets and other long-term assets	252,502.37	5,773,083.75
Cash received from sales of goods or providing labor services	10,787,549.08	7,559,557.64	Cash paid for investments	6,437,220.50	9,912,550.69
Net increase amount in customer deposits and inter-bank deposits			Net increase amount in pledge loans		
Net increase amount in borrowings from the central bank			Net cash paid for obtaining subsidiaries and other operating units		
Net increase amount in borrowing capital from other financial institutions			Other cash paid relating to investment activities		
Cash received from original insurance contract premiums			Sub-total of cash outflow of investment activities	6,689,722.87	15,685,634.44
Net amount of cash from receiving reinsurance business			Net cash flows from investment activities	-6,652,087.52	-15,145,932.55
Net increase amount in deposit of insured and investment section					
Net increase amount from disposal of trading financial assets					
Cash received from interests, handling charges and commissions					
Net increase amount in borrowing capital					
Net increase amount in repurchasing business funds			III. Cash flow from financing activities		
Refunds of tax and levies	-	659,042.30	Cash received from capital contribution		
Other cash received relating to operating activities	130,293,953.13	54,304,338.76	Including: Cash received from a subsidiary company's absorbing investment of minority shareholders		
Sub-total of cash inflow of operating activities	141,081,502.21	62,522,938.70	Cash received from obtaining loan		
Cash paid for purchasing commodities and receiving labor services	-	309,986.79	Cash received from the issuance of bonds		
Net increase amount in customer loans and advances			Other cash received relating to financing activities	29,056.67	
Net increase amount in the central bank deposits and inter-bank deposits			Sub-total of cash inflow of financing activities	29,056.67	
Cash paid for indemnity of original insurance contract			Cash paid for debts		
Cash paid for interests, handling charges and commissions			Cash paid for dividends, profits or interest		
Cash paid for policy dividend			Including: Dividends and profits paid to minority shareholders by subsidiary company		
Cash paid to employees and for employees paid	35,560,251.58	24,072,145.60	Other cash paid relating to the financial activities	280,876.00	
Tax payments	545,467.66	1,798,464.15	Sub-total of cash outflow of financing activities	280,876.00	
Other cash paid relating to operating activities	55,876,863.79	49,972,406.13	Net cash flows from financing activities	-251,819.33	
Subtotal of cash outflow of operating activities	91,982,583.03	76,153,082.62			
Net cash flow from operating activities	49,098,919.18	-13,630,083.97	IV. Effect of exchange rate changes on cash and cash equivalents	-5,764.01	-35,404.87
II. Cash flows from investment activities					
Cash received from return of investments					
Cash received from investments	28,293.14	53,811.50	V. Net increase amount of cash and cash equivalents	42,189,248.32	-28,811,401.39
Net cash value received from disposal of fixed assets, intangible assets and other long-term assets			Add: Opening balance of cash and cash equivalents	13,788,282.81	42,599,684.20
Net cash received from disposal of subsidiaries and other operating units					
Other cash received relating to investment activities	9,342.21				
Sub-total of cash inflow of investment activities	37,635.35	539,701.89	VI. Closing balance of cash and cash equivalents	55,977,531.13	13,788,282.81

Legal representative: Person in charge of accounting work: Person in charge of the accounting department:



Change Statement of Owner's Equity

In 2011

Prepared unit: Zonergy Company Limited

Monetary unit: RMB Yuan

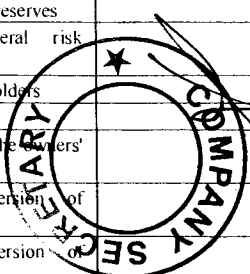
Item	Amount of Current Period t									Minority equity	Total owner's equity
	Owner's equity belonging to the parent company										
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General provisions	risk	Undistributed profit	Others		
I. Balance at the end of last year	1,290,000,000.00							-123,394,950.84			1,166,605,049.16
Add: Accounting policy changes											
Correction of prior period errors											
Others											
II. Balance at the beginning of current year	1,290,000,000.00							-123,394,950.84			1,166,605,049.16
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)								-57,224,907.98			-57,224,907.98
(I) Net profit								-57,224,907.98			-57,224,907.98
(II) Other comprehensive income											
Sub-total of (I) and (II) mentioned above								-57,224,907.98			-57,224,907.98
(III) Capital contributed by the owner's investment and decrease in capital											
1. Capital invested by the owner											
2. Amount of share-based payment reckoned in owner's equity											
3. Others											
(IV) Profit distribution											
1. Withdrawal of surplus reserves											
2. Withdrawal of general risk provision											
3. Distributions to shareholders											
4. Others											
(V) Internal carry-over of the owners' equities											
1. Capital stock conversion of capital reserve											
2. Capital stock conversion of surplus reserve											
3. Surplus reserve to cover the deficit											
4. Others											
(VI) Special reserve											
1. Extract in current period											
2. Used for current period											
(VII) Others											
IV. Current closing balance	1,290,000,000.00							-180,619,858.82			9,380,141.18

COMPANY SECRETARY

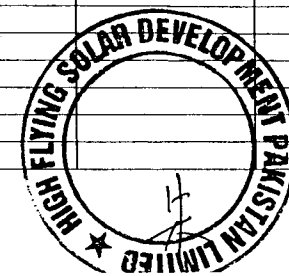
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Legal representative: Person in charge of accounting work: Person in charge of the accounting department:



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Change Statement of Owner's Equity

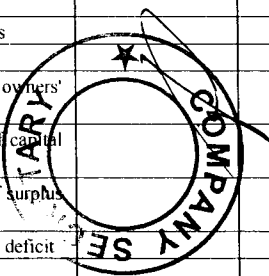
2011

Prepared unit: Zonergy Company Limited

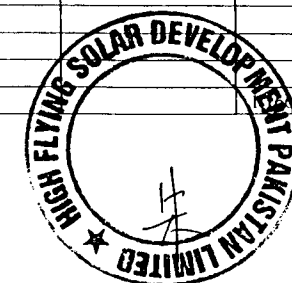
Monetary unit: RMB Yuan

Item	Amount of last year									Minority equity	Total owner's equity
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General provisions	risk	Undistributed profit	Others		
I. Balance at the end of last year	1,290,000,000.00							-65,059,709.04			1,224,940,290.96
Add: Accounting policy changes											-
Correction of prior period errors											-
Others											
II. Balance at the beginning of current year	1,290,000,000.00							-65,059,709.04			1,224,940,290.96
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)								-58,335,241.80			-58,335,241.80
(I) Net profit								-58,335,241.80			-58,335,241.80
(II) Other comprehensive income											
Sub-total of (I) and (II) mentioned above								-58,335,241.80			-58,335,241.80
(III) Capital contributed by the owner's investment and decrease in capital											
1. Capital invested by the owner											
2. Amount of share-based payment reckoned in owner's equity											
3. Others											
(IV) Profit distribution											
1. Withdrawal of surplus reserves											
2. Withdrawal of general risk provision											
3. Distributions to shareholders											
4. Others											
(V) Internal carry-over of the owners' equities											
1. Capital stock conversion of capital reserve											
2. Capital stock conversion of surplus reserve											
3. Surplus reserve to cover the deficit											
4. Others											
(VI) Special reserve											
1. Extract in current period											
2. Used for current period											
(VII) Others											
IV. Current closing balance	1,290,000,000.00							-123,394,950.84			605,049.16

Legal representative: Person in charge of accounting work: Person in charge of the accounting department:



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Zonergy Company Limited

Annotations for the consolidated financial statement

December 31, 2011

I. Basic information of the enterprise

Zonergy Company Limited (hereinafter referred to as: After obtaining approval from Beijing Administration for Industry and Commerce, the company was established on December 27, 2007 in form of limited liability company and obtained Enterprise Business License with registration number of 110000010716319. Registered Office Address Floor 6, Block A, Office Building, No. 1, Financial Street, Xicheng District, Beijing City Legal representative: Hou Weigui; Paid-in capital: 12.90 million Yuan.

The company belongs to new energy industry, business scope of the company: Research and development of new energy, bio-energy: Sale of vegetable oil and fat; Planting of organic crop : Import and export of cargo , import and export of technology and import and export of agent Project investment, investment management Technological development; Technical consultation; Technical support; Economical information consultation;

II. Preparation basis of financial statements

The company the financial statement formatted and based on a continuous operation

The financial statement of the Company is compiled by the *Accounting Standards for Business Enterprises-Basic Standards* issued by the Ministry of Finance on February 15, 2006, as well as 38 specific accounting standards, application guide of the accounting standards for business enterprises, interpretation of accounting standards for business enterprises and other relevant regulations issued subsequently (hereinafter referred as Accounting Standards for Business Enterprises).

III. Declaration of following Accounting Standards for Business Enterprises

The financial statements comply with the requirements in the Accounting Standards for Business Enterprises; truly and completely reflect the financial positions of December 31, 2011, operating results and cash flows of 2011 and other relevant information.

IV. Description of important accounting policies and accounting estimation

1. Accounting year

The accounting year of the Company is from January 1 to December 31 of the Gregorian calendar.

Accounting period of newly-established company in this year is:

Serial No.	Name of newly-established enterprise	Accounting period
1	INNER MONGOLIA UNCLOUD TECHNOLOGY	2011/6/24-2011/12/31
2	XinjiangZonergy Company Limited	2011/6/24-2011/12/31
3	ZTE ENERGY (SINGAPORE) HOLDINGS PTE.LTD	2011/6/1-2011/12/31
4	Xian Haohan New Energy Co., Ltd.	2011/10/10-2011/12/31

5	Zonergy (Shenzhen) Energy Services Company	2011/7/28-2011/12/31
6	Qinhuangdao Golden light luminous energy Corporation Ltd.	2011/6/15-2011/12/31
7	Hohhot Zonergy Company Limited	2011/7/27-2011/12/31
8	Hefeng Xingyuan Agricultural Technology Corporation Ltd.	2011/3/24-2011/12/31
9	Dongguan Xingguang Energy Co., Ltd.	2011/11/22-2011/12/31
10	VISTA EMPIRE HOLDINGS PTE. LTD.	2011/2/14-2011/12/31

2. Recording currency

The company takes RMB as the recording currency.

Overseas subsidiaries of the company that use foreign currency as recording currency are:

Serial No.	Name of the overseas subsidiary	Recording currency
1	Zonergy (Congo) Company Limited	CDF
2	Zonergy (Indonesia) Company Limited	IDR
3	VISTA EMPIRE HOLDINGS PTE. LTD.	SGD
4	PT SINAR CITRA CEMERLANG	IDR
5	PT CELESTAR	IDR
6	PT.ZTE Agribusiness Indonesia	IDR
7	ZTE ENERGY (SINGAPORE) HOLDINGS PTE.LTD	SGD

Subsidiaries that use foreign currency as recording currency have converted foreign currency into RMB according to principle of conversion of foreign currency.

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3. Accounting basis and valuation principle

The Company's accrual basis of accounting is taken as the basis for the Company's financial accounting. Except specially described basis of valuation, all the historical costs are principle of valuation.

4. Accounting method and convert method of foreign currency transactions

(1) Foreign currency transactions

The foreign currency trade is converted into RMB in accordance with the spot rate on the transaction date. Monetary assets and liabilities of foreign currency on balance sheet date are converted according to spot rate on balance sheet date, from which exchange gain or loss is generated during production and management and is reckoned in financial expense; Those related to construction of fixed assets and other assets that are in line with capitalization condition are handled based on principle of capitalization.

For foreign currency non-monetary items measured by historical cost, spot exchange rate on transaction day shall be used for conversion and its RMB amount shall not be changed. Calculate the foreign exchange non-monetary items using the fair value, convert the value into RMB in accordance with the spot rate on the transaction date. The corresponding conversion difference is charged into the current profits and losses as the fair

value change.

(2) The Conversion of the foreign currency financial statement

The asset and liability items in the balance sheets shall be converted at a spot exchange rate on the balance sheet date. Among the owner's equity items, except for the items as "undistributed profits", other items shall be converted at the spot exchange rate at the time when they are incurred. The income and expense items in the profit statement of overseas operation shall be converted at the spot rate on the transaction date. The corresponding balance sheet conversion difference from the above conversion is listed separately under the owner equity "foreign currency statement conversion difference" item. In essence, monetary project that constitutes net investment of overseas operation and balance of exchange generated due to change in exchange rate can also as translation reserve separately listed under project shareholders' equity for presentation during preparation of combined financial statement. When dealing with abroad operations, the translation reserve related to the abroad operations will be transferred into the disposal of the current gains and losses proportionally.

Cash of foreign currency cash flow statement and opening balance of cash equivalents are converted according to period-open exchange rate of statement; closing balance is converted according to spot rate of balance sheet date. Other items should be converted against arithmetic means of daily announced average RMB exchange rates by People's Bank of China covered by this balance sheet. The corresponding conversion difference in the cash flow statement from the above-mentioned conversion should be listed separately as "effects from exchange rate change on cash".

5. Confirmation standards of the cash and cash equivalent

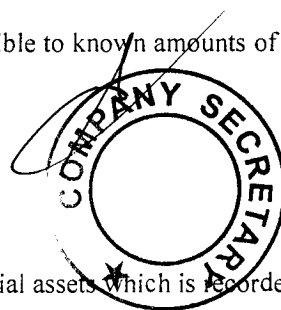
The cash in the Company's cash flow statement refers to cash on hand and deposits that can be used for payment at any time. The term "cash equivalents" refers to short-term (generally indicate within 3 months from the purchase date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

6. Accounting methods for financial assets and financial liabilities

(1) Financial assets

Classification of financial assets in initial recognition is: The financial assets which is recorded in the current profits and losses as fair value are divided into four categories at initial recognition: financial assets measured at fair value and its change is numbered in current profits and losses (including trading financial assets and those measured at fair value and its change is numbered in current profits and losses), held-to-maturity investment, loan, receivables and Available-for-sale financial assets.

(2) Financial liabilities



The financial liabilities are divided into two categories at initial recognition: financial liabilities measured at their fair values and the change of them is included into the current profits and losses (including transactional financial liabilities and the financial liabilities specified to be measured at their fair values and their change is recorded in the current profits and losses); and other financial liabilities.

(3) Reorganization of financial asset and liability terminating

○; Financial assets or financial liabilities that are in line with one of the following conditions are designated to be measured by using fair value in initial recognition and whose changes are reckoned in financial assets or financial liabilities of current profit and loss:

A. The designation is able to eliminate or obviously reduce the discrepancies in the recognition or measurement of relevant gains or losses arisen from the different basis of measurement of the financial assets or financial liabilities;

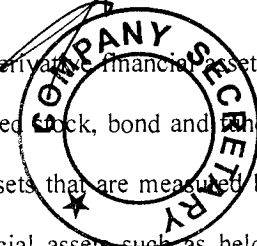
B. The official written documents on risk management or investment strategies of the enterprise concerned have recorded that the combination of said financial assets, the combination of said financial liabilities, or the combination of said financial assets and financial liabilities will be managed and evaluated on the basis of their fair values and be reported to the key management personnel.

② Held-to-maturity investment refers to a non-derivative financial asset with a fixed date of maturity, a fixed or determinable amount and the company holds for a definite purpose or is able to hold until its maturity. The following non-derivative financial assets shall not be classified as Held-to-maturity investment: (1) the non-derivative financial assets which, at their initial recognition, are measured at their fair values and of which the variation is included in the current profits and losses; (2) the non-derivative financial assets which are designated as sellable when they are initially recognized; (3) The non-derivative financial assets that are in line with definition of loan and receivables.

③ Loans and receivables refer to non-derivative financial assets without fixed or determinable recovery amounts and quotation in the active market.

④ Financial assets that can be used for selling usually refers to non-derivative financial assets that can be used for selling after designation in initial recognition of enterprise, purchased stock, bond and funds and so on that have quoted price in active market, and are not divided as financial assets that are measured by using fair value and whose changes are reckoned in current profit and loss or financial assets such as held-to-maturity investment can be classified into such category.

⑤ Other financial liability refers to financial liability which is not designated to be measured by the fair value and its change include into current profits and losses. Accounts payable generated by purchase of



commodity, long-term loan, customer's deposit absorbed by commercial bank and so on can be classified into such category.

(4) Measurement of financial assets and liability

Initial recognition is conducted for financial assets and financial liabilities by using fair value. For the financial assets and liabilities measured at their fair values and whose variation is recorded into the current profits and losses, the related transaction expenses occurred as obtained shall be directly recorded into the current profits and losses; Relevant transaction expenses of other financial assets and other financial liabilities are reckoned in initially recognized amount.

Follow-up measurement is conducted for financial assets that are measured by fair value and whose changes are reckoned in current profit and loss and financial assets that can be sued for selling according to fair value; The equity investment instruments without quotation in the active market and reliable measurement at the fair value shall be measured based on the costs; Effective interest method is used for receivables and held-to-maturity investment, and such receivables and investment are listed in amortized cost for presentation.

Fair value change of financial assets that are measured by fair value and whose changes are reckoned in current profit and loss is reckoned in profit and loss of fair value change; Interests or cash dividends obtained during holding assets are confirmed as income from investment; When disposing, the balance between the fair value and the initial recording value of the financial assets will be confirmed as investment income, and the profits and losses of fair value's changes will be adjusted at the same time.

Interest income of held-to-maturity investment should be confirmed according to actual interest rate during holding. The actual interest rate is confirmed when obtaining the held-to-maturity investment and remains unchanged. When disposing, the balance between the obtained cost and its investment book value is confirmed as investment revenue.

In case that the company takes back or disposes loan, loan and receivables should be confirmed as current profit and loss according to balance between money that should be obtained and book value of such loan. Fair value change of financial assets that can be used for selling is reckoned in owner's equity; Interests calculated according to effective interest method during holding are reckoned in income from investment;

The cash dividends of the available-for-sale equity instrument investment shall be included in the current profits or losses when the investor declares to issue the dividends. When disposing, the difference between the acquired account and the book value of the financial assets is included in the investment revenue. At the same time, the account that is corresponding to the accumulated losses formed by the fair value variation that directly included in the owner's equity shall be transferred out and included in investment revenues.

For the financial liabilities measured at their fair values and whose variation is recorded into the current profits and losses, they shall be measured successively at their fair values, and none of the transaction expenses may be deducted, which may occur when the financial liabilities are settled in the future; In addition to those related to hedging, fair value change of the financial liabilities is reckoned in profit and loss of fair value change. For other financial liabilities shall use the effective interest method and be make subsequent measurement according to amortized cost

(5) Transfer of Financial Assets

When transfer of financial assets occurs in the company, if almost all risks and remuneration of financial assets in terms of ownership are transferred to transferee, then confirmation of such financial assets is terminated; If almost all risks and remuneration of financial assets in terms of ownership are reserved, then confirmation of such financial assets is not terminated. If the financial asset transfer doesn't satisfy with conditions of stopping the determination, it shall be continued to determine. And the received values are determined as a financial liability.

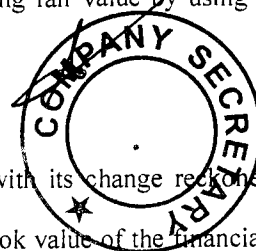
(6) Confirmation for the Fair Value of the financial instruments

The "fair value" refers to the amount, at which both parties to a transaction who are familiar with the condition exchange their assets or clear off their debts under fair conditions. Determination method of fair value is: If the active market exists, the fair value shall be confirmed by the quoted price in the active market. If the active market does not exist, the fair value shall be confirmed by value appraisal techniques which mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, the cash flow capitalization method and the option pricing model, etc. Financial assets that are obtained initially or financial liabilities that are undertaken are used as basis for determining fair value by using market transaction price.

(7) Financial Assets Impairment

Other than those financial assets measured at their fair values with its change reckoned into the current profits and losses, the Company shall carry out an inspection on the book value of the financial assets. If there is any objective evidence indicating that a financial asset has been impaired, the impairment provision shall be calculated and drawn.

When fair value of available-for-sale financial assets is decreasing significantly or non-temporarily, the accumulated losses resulted from the decrease of fair value reckoned into the shareholder's equity are transferred out and reckoned into the impairment losses. The accumulative losses that are transferred out shall be the balance obtained from the initially obtained costs of the sold financial asset after deducting the principals as taken back,



the current fair value and the impairment-related losses as was recorded into the profits and losses of the current period.

When the financial assets measured using amortized cost are impaired, impairment reserves are withdrawn according to balance generated by current value of estimated future cash flow being lower than the book value. If there is objective evidence indicating that the value of financial assets is recovered, and is objectively related to the matters that occur after such losses are recognized, the originally recognized impairment losses are transferred back and reckoned into the current profits and losses

When fair value of available-for-sale financial assets is decreasing significantly or non-temporarily, the accumulated losses resulted from the decrease of fair value directly reckoned into the shareholder's equity are transferred out and reckoned into the impairment losses. For the available-for-sale debt instruments with recognized impairment losses, the impairment losses which the fair value has raised in the accounting period and is objectively related to the matters that occur after the original impairment losses are recognized, and being recognized originally shall be transferred back and reckoned into the current profits and losses. For the available-for-sale debt instruments with recognized impairment losses, the impairment losses which the fair value has raised in the accounting period and is objectively related to the matters that occur after the original impairment losses are recognized, and recognized originally shall be transferred back and directly reckoned into the equity.

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(8) Bad Debt Provision of Accounts Receivable

① Counting – drawing method for the provision for bad debts

For possible bad debt loss, the allowance method accounting should be adopted. It should be withdrawn bad debt provision as specific test at the end of the year and recorded into the current profits and losses. For the receivable is no recoverable indicated by conclusive proof, it shall be disposed as bad debt loss after approved by specified procedures to write off the withdrawer bad debt provision.

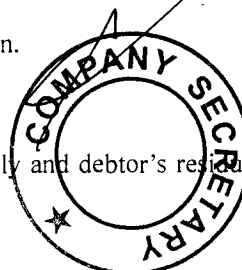
② Determination Standard for Bad Debt Loss

a. Debtor is declared to go bankruptcy and repealed legally and debtor's residual property is actually not enough to pay off receivables;

b. Lawsuit-related receivables, if judged and decided by the effective written judgments or orders issued by the peoples court as loss of the lawsuit, or even if the lawsuit is won but the judgment execution is terminated due to impossible execution;

c. The debtor encounters serious natural disasters or accidents leading to stop production and significant losses. Within three years, the asset (including insurance accounts) is not enough to pay off the receivable items.

d. The receivables that caused by the failure of the debtor to fulfill his obligation and cannot be withdrawn



back indicated by significant features.

7. Inventory

(1) Classification of inventory

Goods in stock are divided into raw materials, unfinished products and self-manufactured semi-finished products, merchandise inventory (finished product), wrap page, low priced and easily worn articles, goods shipped in transit, materials processed on commission and so on.

(2) Valuation methods of the inventory obtained or delivered

Perpetual inventory system is conducted for goods in stock and valuation of such goods are conducted according to actual cost when they are obtained; receive to use or send out goods in stock, use first-in first-out to determine their actual cost.

(3) Amortization of low-value consumables and packaging materials

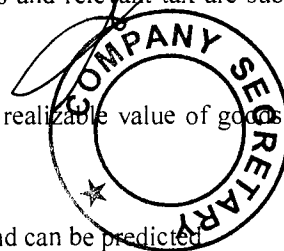
Amortization of Low value consumables and packaging materials use one-time amortization method when they are received and be recorded into related cost.

(4) Pricing Principle for stocks at the end of the period, confirming standard and accrued method of Inventory falling price reserves,

Final inventory is valued at the principal of lower of cost or net realizable value at the end of the period, on basis of conducting comprehensive stock-taking for goods in stock, in case of reasons such as damage of goods in stock, obsolescence of all or part of such goods or their sale price lower than cost, cost of goods in stock is more than net realizable value, inventory falling price reserves should be withdrawn according to part that net realizable value is lower than cost of goods in stock. For cost of goods, in stock with large number and lower unit price, inventory falling price reserves can be withdrawn according to category of goods in stock, net realizable value can be confirmed as that estimated completion cost, selling expenses and relevant tax are subtracted from estimated sale price.

Existence of the following circumstances indicates that net realizable value of goods in stock is lower than cost:

- ① The market price keeps dropping and no hope of rebound can be predicted
- ② Cost of the raw materials used by the enterprise to make products is higher than the sales price of the products hereof.
- ③ The existing raw materials in stock of the enterprise can no longer meet the requirement for making new products due to product upgrading and the market price for the said raw materials is lower than the book cost.
- ④ Provide the goods or services out of date or consumer preferences change and make the demand of the



market change and cause the market price drop gradually;

- ⑤ Other circumstances which can prove that devalue of the goods in stock have occurred.

8. Long-term equity investment

(1) The initial measurement of long-term equity investment

The long-term equity investment acquired through the combination controlled together, the share of merged party's book-value of proprietor right obtained on the combining day act as the initial investment cost of long-term equity investment. The long-term equity investment acquired through the combination of company non-controlled together, the assets that expended to obtain the merged party's control power on the combining day, debts occurred or undertook, the fair value of the issued equity securities and the various expenses directly related with the amalgamation all together act as the combined cost. The combined cost of the combination day act as the initial investment cost of long-term equity investment.

In addition to the above-mentioned long-term equity investment obtained through business combination, fair value of long-term equity investment obtained by means of payment of cash and non-monetary assets that are paid out or equity securities that are issued is used as cost of initial investment of long-term equity investment; In case of long-term equity investment obtained by means of debt restructuring, fair value of share that are enjoyed through transferring creditor's rights into stock rights is confirmed as cost of initial investment of debtor; Long-term equity investment is invested by investor by using value agreed by contract or agreement as cost of initial investment. but if value agreed by contract or agreement is not fair, then fair value of equity that is invested is used as cost of initial investment.

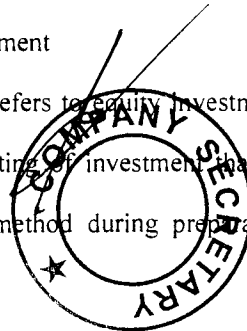
(2) The Follow-up Measure of Long Term Equity Investment

Investment that the company conducts for subsidiaries refers to equity investment of actual control power possessed by the company. Cost method is used for accounting of investment that the company conducts for subsidiaries; adjustment is conducted according to equity method during preparation of combined financial statement.

The investment of this Company to Joint Venture Corporation means the equity investments which control over an economic activity as specified by contract and exist only when the investing parties that need to share the power of control in important financial and operating decision-making agree unanimously. The company uses equity method to conduct accounting of investment for subsidiaries.

Investment that the company conducts for subsidiaries refers to equity investment with significant effect possessed by the company. The company uses equity method to conduct investment for subsidiaries.

The Company uses cost method to calculate long-term equity investment without significant influence which



has no quotation and fair value on active market and can not be measured reliably The Company uses fair value to calculate long-term equity investment without significant influence, which has quotation on active market and fair value can not be measured reliably in the available-for-sale financial assets item, and it shall be calculated according to the fair value and the change of fair value shall be included in the shareholders' equity.

The long-term equity investment measured by the cost method shall be recognized as the current investment income in accordance with the distribution of cash dividends or profits declared by the invested entity.

For long-term equity investment accounting of which accounting is conducted by using equity method, this group confirms profit and loss on current investment according to share of net profit or loss that should be enjoyed or shared after adjustment of invested units. Confirm net deficiency caused in invested units by taking book value of long-term equity investment and write-down to zero of other long-term equity of net investment constituted for invested units as limit, but the group is responsible for undertaking extra losses and is in line with or has confirmation conditions of anticipation liabilities specified by rule of matters, confirmation of investment losses and anticipation liabilities is continued. In invested units, in addition to net profit or loss, in case of other changes under condition of invariable shareholding ratio, part that should be enjoyed or undertaken calculated by the group according to shareholding ratio is directly reckoned in capital reserve. Book value of long-term equity investment is reduced accordingly according to part that should be given to the group when profits or losses are assigned by invested units reduces are to be assigned after declaration.

(3) Conversion for accounting methods of long-term equity investment

Cost method is used instead of equity method

The long-term equity investment of the Company that does not jointly control or does not have significant influences for investing enterprise due to the decrease of investment, and has no quotation in the active market and its fair value cannot be reliably measured, shall be changed to measure with cost method.

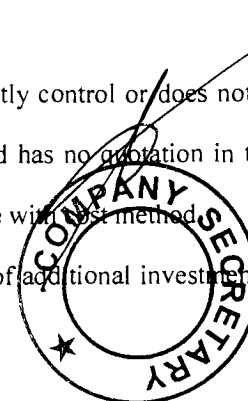
In case that the company can control invested units due to reasons of additional investment and so on, cost method is used for accounting instead of equity method.

② Equity method is used instead of cost method

In case that the company can conduct joint control or significant impact for invested units due to reasons of additional investment and so on but can't constitute control, or the company doesn't have control for invested units due to reasons of disposition of investment and so on but can conduct joint control or significant impact for invested units, equity method should be used for accounting instead of cost method.

(4) The impairment of long-term equity investment

The company conducts inspection for long-term equity investment at the end of period; long-term equity



investment devaluation provision is withdrawn according to balance that its recoverable amount is lower than book value. Recoverable amount of long-term equity investment with market price refers to net amount after disposal expenses are subtracted from market price of long-term equity investment of such item; Long-term equity investment which has no market price but of which fair value can be reliably measured, the recoverable amount of its fair value minus costs of disposal and the expected present value of expected future cash flows formed from hold to dispose of the investment maturity of, the higher performer of the two is preferred; As for long-term equity investment which has no market price but of which fair value cannot be reliably measured, the recoverable amount will be definite according to present value of future cash flows which is definite by the prevailing market rate of return for a similar financial assets. Once the assets impairment loss is withdrawn, it will not be reversed in following accounting periods.

For long-term equity investment market, the existence of one of the following signs indicates that the long-term equity investment may be impaired:

- ① Market price being less than the book value for two consecutive years;
- ② The investment being suspended from trading for more than 1 year;
- ③ The invested suffers serious losses in the very year;
- ④ The invested suffers serious losses for two consecutive years;
- ⑤ The invested is sorted out or liquidated or shows other signs to not be able for continuation.

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For long-term equity investment that has no market price, it will indicate that the long-term equity investment may be impaired in one of the following signs:

① The invested is being affected by changes in political or legal environment investment unit operations, such as the enactment or amendment of tax, trade and other laws and regulations. These may result in huge losses to the invested;

② Market demands changes due to obsolescence of goods or services offered by the invested, resulting in serious deterioration of the financial situation to the invested;

③ Production technology of the industry which the invested staying at and other major changes of the invested has leading to competitiveness lost, which result in a serious deterioration of the financial situation, such as being sorted out, liquidated, etc.;

④ There is evidence indicating other circumstances that shows that the invested is essentially not able to brought economic interests to the corporate.

(5) Disposal of the long-term equity investment

When disposing a long-term equity investment, the difference between its book value and the actual purchase



price shall be reckoned into the current profits and losses. As for the long-term equity investment measured by the equity method, if it is included in the owner's equity due to any change other than the net profits and losses of the invested entity occurs, if the portion previously included in the owner's equity shall, the part originally recorded into the owner's equity shall be transferred to the current profits and losses according to a certain proportion when disposing.

When dispose long-term equity investments, provision for diminution in value with drawing should be carried over meanwhile. When dispose part of the long-term equity investments, provision for diminution in value with drawing should be carried over proportionally.

10. Fixed assets

(1) Fixed assets

The fixed asset refers to the tangible assets held for commodity production, rendering of labor service, rent or operation management, and having a service life with more than one accounting year.

(2) The classification of fixed assets and depreciation method

Except the company depreciates all the fixed assets other the fixed assets which is depreciated but is still in use, and the recorded land that has been evaluated independently in accordance with provisions. The adopted depreciation method is average life span method, and the estimated fixed asset residual value is 0-5% of the original value. The category of fixed assets, depreciable life and yearly depreciation rate are listed as follow:

Category of fixed assets	Depreciation period	Yearly depreciation rate
Buildings	20	4.75%
Road and bridge	25	3.80%
Machinery equipment	5—10	9.50%—19.00%
Transportation equipment	5—10	9.50%—19.00%
Energy saving Equipment	10	9.50%
PV equipment	25	3.80%
Tools Instrument	5	19.00%
Office and electrical equipments	5	19.00%
Other equipment	5	19.00%

(3) Fixed assets depreciation reserves

The company inspects the fixed assets at the end of term, and evaluates the recoverable amounts of the fixed assets to determine whether they have experienced devaluation, once the following situations occur. If the recoverable amount is lower than the fixed assets of book values, withdraw falling price reserves respectively at the premise of the individual fixed asset recoverable lower than the book value differences. Once fixed assets impairment loss is withdrawn, it will not be reversed in following accounting periods.

11. Construction in progress

The company determines the project cost of construction basing on actual expenses incurred, including construction costs, the other necessary expenses to bring and borrowing costs in line with capitalized term before the construction reaching serviceable condition.

At the end of each year, the Company will implement comprehensive inspection on construction, when there is one or more of the following circumstances, the depreciation reserves shall be respectively withdrawn according to the balance between the recoverable amounts of the project with lowering its book value. Once the impairment of the assets of the construction in process is withdrawn, it is not reversed in the subsequent accounting periods.

12. Intangible assets

(1) Intangible assets

The intangible asset refers to identifiable non-monetary assets without physical form possessed or controlled by the Company. Main intangible assets of the Company are land use rights, patents, non-patent technology, etc.

(2) Valuation methods of the intangible assets

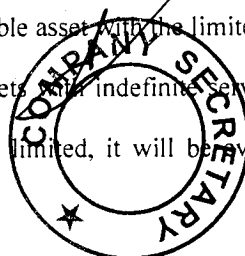
The intangible assets shall be calculated as per the actual cost when obtained. The intangible assets bought-in will be determined as actual cost by the actual cost and other relevant expenses. The actual cost of the intangible assets invested by the investors shall be confirmed according to the value agreed in the investment contract or agreement, in case that the value agreed in the contract or agreement is not fair, the actual cost shall be confirmed according to the fair value.

(3) The amortization method and time limit of the intangible assets:

Intangible assets with definite service life should be amortized according to straight-line method during the service period, which lasts from when the intangible assets could be used until it is definite to no longer be the intangible assets. Intangible assets with indefinite useful life shall not be amortized. The Company reviews the expected service life and depreciation method of an intangible asset with the limited service life at the end of each year. And it will recheck the service life of intangible assets with indefinite service life during each end of the accounting period. When the service life is proved to be limited, it will be revaluated for its service life and amortized according to the estimated service life.

(4) Confirmation standard and withdrawal methods of the intangible asset impairment reserve

For the intangible assets without indefinite service life and the intangible assets whose service life is identified but one or more following conditions occur, the Company will withdraw intangible assets depreciation reserves according to the lower parts that their estimated recoverable amount to the book value at the end of the period. Once the intangible asset impairment is withdrawn, it is not reversed in subsequent accounting periods.



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13. Long-term unamortized expenses

The long-term unamortized expenses are amortized averagely according to its benefit period, and if it can not be used in the future accounting period, the rest amortized value of the Item that is not amortized will be totally transferred into the current profits and losses.

14. Borrowing costs

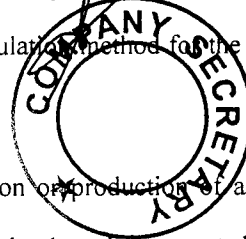
(1) Confirmation principles of the capitalization of borrowing costs

It can be directly considered as the scheduled borrowing costs of assets purchase at a available state for the purchase activities during a considerable period. When expenditure to assets and borrowing costs has been produced and necessary purchase activities for making assets to meet the available state has began, the capitalization shall be started and cost of an asset accounted. When the assets that has been established or purchased have been in their intended using state, the capitalization shall be ceased, and the borrowing costs afterwards will be recorded into the current profits and losses.

(2) The time of the capitalization of borrowing costs:

The borrowing costs incurred by purchasing or producing assets that conform to capitalization, which have meet the above-mentioned requirements, if it is incurred before the assets achieved scheduled serviceable condition, it will be recorded into capital costs. If acquisition and construction or production activity of a fixed asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended and it will be recognized as current period expenses till the acquisition and construction or production activity of the asset restarts. When the indented using or marketable state have reached, the capitalization of the borrowing costs stops and the borrowing costs occurring hereafter in this current period should be recorded into financial expenses directly. Calculation method for the to-be-capitalized amount of borrowing costs

As for specific borrowing cost for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests shall be determined as the amount deriving from the actual cost incurred of the special borrowings at the current period to deduct the interest income earned for depositing the unused borrowing loans or the income from temporary investment. The general borrowing cost for the acquisition and construction or production of assets eligible for capitalization, according to the accumulative capital expenditure exceeding the capital expenditure of specific borrowings by multiplying the



weighted average capitalization rate of general borrowing, the interest balance of capitalization should be calculated and determined by the general borrowing cost.

15. Biological assets

Our biological asset includes palm and oil crops assets, according to the different realization modes of purpose and economic interest, to be divided into the productive biological assets and the consumptive biological assets.

Valuation of biological assets

The biological asset is valued in its real cost upon obtaining. The actual costs incurred before the productive biological assets are ready for the intended production use are composed of the cost of productive biological assets; and the subsequent expenditure incurred after the assets are ready for the intended production use should be recorded into current profits and losses.

Productive biological assets

Our company will carry depreciation according to straight-line method to the productive biological assets which has met the scheduled production and operation goal. At the end of each year, the company rechecks the service life, expected net residual value and depreciation methods; if the service life and expected net residual value greatly differ from the original estimate or the economic interest realization method the service life or expected net residual value adjustment or the depreciation method change should be changed and adjusted as accounting estimates.

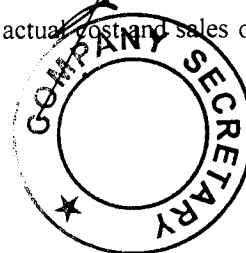
Cost of carry-over of the consumptive biological assets

Our company will carry method of weighted mean to carry over the actual cost and sales of consumptive biological assets.

16. Employees' Remuneration

(1) Employees' Remuneration

The employee compensation refers to providing various compensations and other expenditures, including welfares and etc. to the employee spouses, children or other dependents etc. in return for their services Mainly including: Wages, bonuses, allowances and subsidies to the employees; Welfare of employee Labour union expenditure and personnel education fund Social insurance Housing fund and housing subsidy Termination we



If are The share-based payment to staff Our company provides the non monetary welfare; Other relevant expenditures for obtaining the employees' services.

(2) Recognition and measure of staff payment

During the accounting period of providing services for the company, the company shall confirm employee compensations and charge them into the asset cost or the current gain and loss according to the beneficiary of the provided services. At the same time, confirm payable employee compensations.

17. Income

The operating revenues of the Company mainly consist of the income of selling goods, providing labor services, and releasing the right of assets use and establishing contract, and the income verification principles are as below:

(1) Revenue from the sale of goods

When the major risks and remunerations on the property of merchandise to the buyer, the company can neither reserve the common continuous management rights relevant with the proprietary rights nor can they effectively control sold merchandises, so the amount of revenue can be effectively calculated and the economic profits relevant to transactions possibly flow into the company. When the relevant cost already happened or no happened can be reliably calculated, confirm merchandise sales revenue realization.

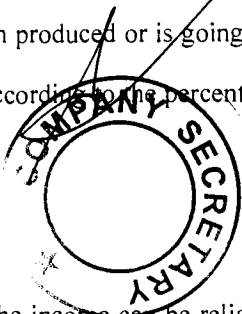
(2) Revenue from rendering labor services

When the service transaction provided can be reliably estimated, the amount of revenues can be reliably accounted, the economic interest related to transaction can be flowed into our company, the finishing plan of transaction can be ensured reliably, and the related cost which has been produced or is going to product can be accounted reliably, .then the relevant service income will be ensured according to the percentage of completion method on balance sheet day

(3) Revenue from transfer of assets use right

Under the condition that the economic profits can flow into and the income can be reliably measured, the recognition of the realization of income according to the time and method regulated by the relative contracts and agreements.

18. Lease



The lease of the Company divides lease into finance lease and operating lease. All risks and payments related to capital ownership which have been transferred to the leasee actually are considered as finance lease and others as operation lease.

(1) Operating lease

The rent of operation lease will be accounted according to the method of line during the valid period into the relevant cost of assets or current profits and losses.

(2) Financing lease

The lower between the fair value of the leasing asset of lessor and the present value of minimum lease payments will be considered as entry value, and the balance between entry value and minimum lease payment will be considered as the unconfirmed financing charges, which is amortized according to the effective interest method during the valid period. The balance which the minimum lease payments deduct the unconfirmed financing charges will be shown as long-term payables. According to depreciation policy of our company, we will make depreciation to the fixed assets of financial lease.

19. Government subsidies

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(1) The classification of government subsidies

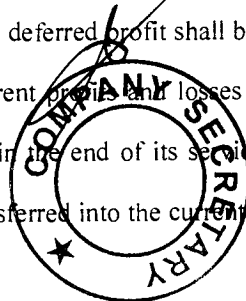
The government subsidies mainly include the financial allocation.

(2) Confirmation of government subsidies

When the company can meet all attached conditions of the government subsidies and can receive the government subsidies, the company will confirm it.

For the government subsidies related to assets, the asset and the deferred profit shall be confirmed, and the deferred profit shall be shared equally and transferred into the current profits and losses within the expected service life span of the asset. When the relevant asset is disposed in the end of its service span or before its service life span, the non-shared deferred profit balance shall be transferred into the current profits and losses of the asset disposal for one time.

Those government subsidies which are related with benefit and used for compensating the future expenses or losses of the enterprise shall be recognized as deferred income as obtained and shall included in the current profits and losses during the period when the relevant expenses are recognized; Those subsidies used for



compensating the related expenses or losses incurred to the enterprise shall be directly included in the current profits and losses as obtained.

If there is the deferred income concerned, the book balance of the deferred income shall be offset against, but the excessive part shall be included in the current profits and losses; and If there is no deferred income concerned to the government subsidy, it shall be directly included in the current profits and losses.

(3) Measurement for government subsidy

If the government subsidy is a monetary asset, it shall be measured in accordance with the received or receivable amount.

If the government subsidy is non-monetary assets, it shall be measured by the fair value. When the fair value cannot be reliable, it shall be measured in accordance with nominal amount and the nominal amount is RMB 1 Yuan.

20. Accounting treatment methods of income tax:

The company's income tax is checked by balance sheet liability method.

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences (temporary differences) between the tax bases of assets and liabilities and their carrying amounts. For the deductible losses and tax deduction deducted from the taxable income amount in future years in accordance with the provisions of the tax law should be confirmed the corresponding deferred income tax assets according to temporary differences. On the balance sheet date, the deferred income assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

The recognition of deferred income tax is limited to taxable income that the Company possibly gets to deduct the deductible temporary differences, deductible tax losses and tax loss carryforwards. As for confirmed deferred income tax assets, when enough taxable income is not likely to be obtained for deduction from deferred income tax assets in the future, the carrying amount of deferred income tax assets shall be written down. The write-down amount shall be reversed when it becomes probable that the sufficient taxable income is available.

21. Combination of enterprise

The term "business combinations" refers to a transaction or event of one reporting entity, formed by the

combination two or more separate enterprises Business combinations are classified into the business combinations under the same control and the business combinations not under the same control. The combination or purchasing date refers to the date on which the combining party or the purchasing party actually get the net asset or the control power for determining the production and management businesses of the combined party or the purchased party.

(1) The business combination under the same control

The asset and the debt of the combining party during combination process shall be measured according to the account value of the combined party on the combination date. The capital reserves shall be adjusted based on the balance between the account value of the net asset obtained by the combining party and the account value of the combination consideration paid by the combining party. If the capital reserve is not enough for writing down, then adjust the retained earnings.

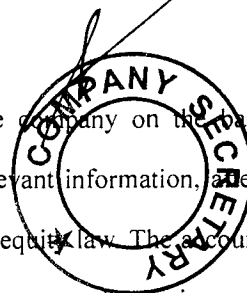
(2) The business combination which is not under the same control

The combination cost is the assets, the occurring or responsible liabilities as well as the fair value of the issued equity securities the purchaser paid on the purchase date in order to get the control of the acquiree. When the merger cost is larger than the difference of the fair value of the identifiable net assets, obtained by the combined party, it shall confirm as business reputation. After the recheck, if the combination costs are still less than the fair value of the identifiable net assets obtained by the combined party, it shall record the balance into the profits and losses of the current period

22. Compilation method of combined financial statement

Based on the control, the combination range on the combination financial statement shall be determined, including the company and all sub-companies.

The **combined** financial statements shall be prepared by the company on the basis of the financial statements of the Company and its subsidiaries, based on other relevant information, after the adjustment of long-term equity investments in subsidiaries in accordance with the equity law. The accounting policy and the period of the company shall keep consistency with those of all sub-companies during combination financial statement preparation. The balance of major trades and businesses between companies shall be offset. The part of the shareholder's equity of Subsidiaries Corporation which does not belong to the parent company, is listed alone under the item of shareholder's equity on the combined financial statements as minority shareholder's equity.



For the increased sub-company due to company combination under the same control during the statement period, the company shall incorporate the income, expense and profit of the sub-company into the combination profit sheet and the cash flow into the combination cash flow sheet from the beginning of the current period to the end of the statement period. For the increased sub-companies due to company combination under the non-common control during the statement period, the company shall incorporate the income, expense and profit of the sub-company into the combination profit sheet and the cash flow into the combination cash flow sheet from the beginning of the current period to the end of the statement period.

V. explanations for changes in the accounting policies and accounting estimates and the correction of errors

1. Changes in accounting policies during report period

None.

2. Changes in accounting estimation during report period

None.

3. Other Adjustment of events (including the business combination under the same control

None.

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VI. Tax

1. **Income tax**

The applicable tax rate for corporate income tax of the Company is 25%.

2. **Value-added tax**

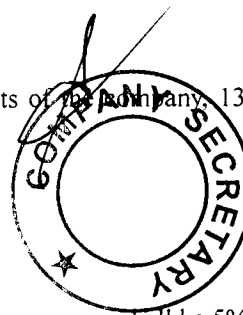
The value-added tax rate shall be 17% for energy-saving products of the company, 13% for agricultural plants and 4% for used fixed asset by halving.

3. **Business tax**

The business tax rate for the consultation and service income of the company shall be 5%.

4. **The city maintenance and construction tax and the education surcharge**

The urban construction tax rate of the company shall be 7% of the turnover tax. The educational surtax shall be 3% of the turnover tax. The local tax rate for education shall be 2%.



The urban construction tax rate of the Hefeng Xingyuan Agricultural Science and Technology Co., Ltd shall be 5% of the turnover tax.

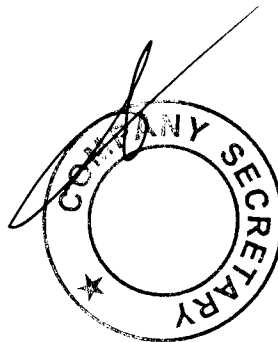
5. Individual income tax

The individual income tax of the company's staff shall be undertaken personally, and is withholding by the company.

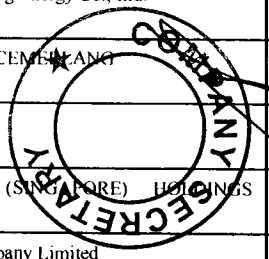
VII Consolidated financial statement preparation

1. Basic conditions of subsidiaries incorporated into the scope of combined statement

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Serial No.	Enterprise name	Class	Enterprise Type	Registration place	Business nature	Registered capital	Shareholding ratio	Voting power	Investment amount	Gaining method
1	Zonergy (Tianjin) Company Limited	2	Limited liability	Tianjin	New energy	1,150,000,000.00	100%	100%	1,150,000,000.00	Establishment
2	Zonergy (Cayman) Company Limited	2	Limited liability	CAYMAN ISLANDS	New energy	34,700,442.50	100%	100%	34,700,442.50	Merger and acquisition
3	Zonergy (Inner Mongolia) Company Limited	2	Limited liability	Inner Mongolia	Agriculture	100,000,000.00	100%	100%	100,000,000.00	Establishment
4	Zonergy (Congo) Company Limited	2	Limited liability	Congo	New energy	18,776,188.75	100%	100%	18,776,188.75	Establishment
5	Tianjin Zonergy Capital Management Corporation Ltd.	2	Limited liability	Tianjin	Investment	10,000,000.00	100%	100%	10,000,000.00	Establishment
6	Zonergy (Indonesia) Company Limited	2	Limited liability	Indonesia	New energy	686,200.00	100%	100%	686,200.00	Establishment
7	Zonergy (Tianjin) Energy Saving Services Co., Ltd.	3	Limited liability	Tianjin	New energy	20,000,000.00	100%	100%	20,000,000.00	Establishment
8	Zonergy (Shenzhen) Company Limited	3	Limited liability	Shenzhen	New energy	20,000,000.00	100%	100%	20,000,000.00	Establishment
9	Hefeng Xingyuan Agricultural Technology Corporation Ltd.	2	Limited liability	Inner Mongolia	Agriculture	5,000,000.00	100%	100%	5,000,000.00	Establishment
10	ZTE Energy Technology (Wuhan) Co., Ltd.	3	Limited liability	Wuhan	New energy	13,363,046.71	100%	100%	13,363,046.71	Establishment
11	VISTA EMPIRE HOLDINGS (PTE) LTD.	3	Limited liability	SINGAPORE	Investment	5.15	100%	100%	5.15	Establishment
12	Qinhuangdao Golden light luminous energy Corporation Ltd.	3	Limited liability	Qinhuangdao	New energy	1,000,000.00	100%	100%	1,000,000.00	Establishment
13	Xinjiang Zonergy Company Limited		Limited liability	Xinjiang	New energy	20,000,000.00	100%	100%		Establishment
14	Hohhot Zonergy Company Limited	3	Limited liability	Inner Mongolia	New energy	1,000,000.00	100%	100%	1,000,000.00	Establishment
15	Zonergy (Shenzhen) Energy Services Company	4	Limited liability	Shenzhen	New energy	6,000,000.00	100%	100%	6,000,000.00	Establishment
16	INNER MONGOLIA UNICLOUD TECHNOLOGY	3	Limited liability	Inner Mongolia	Interconnection data center	1,000,000.00	100%	100%	1,000,000.00	Establishment
17	Dongguan Xingguang Energy Co., Ltd.	4	Limited liability	Guangdong Province	New energy	1,000,000.00	100%	100%	1,000,000.00	Establishment
18	PT SINAR CITRA CEMESTRA ANG	3	Limited liability	Indonesia	1. Palm plant	69,073,920.00	60%	60%	119,046,702.85	Merger and acquisition
19	PT CELESTAR	4	Limited liability	Indonesia	Palm plant	69,350,000.00	51%	51%	175,987,905.54	Merger and acquisition
20	ZTE ENERGY (SINGAPORE) HOLDINGS PTE LTD	3	Limited liability	SINGAPORE	Investment	5.32	100%	100%	5.32	Establishment
21	Tibet Zonergy Company Limited	3	Limited liability	Tibet	New energy	2,000,000.00	100%	100%	2,000,000.00	Establishment



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2. When the accounting policies of sub-companies are not consistent with that of the parent company, the disposal method for preparing combination financial statement of the parent company shall be as follows.

For overseas sub-companies that should be incorporated in the combination range in accordance with the Enterprise Accounting Rule, the individual financial statement shall be converted into the financial statement in RMB on which the combination financial statement shall be based in accordance with the Note 4: "Foreign Currency Accounting Conversion Methods. If the Accounting years of the overseas sub-companies aren't consistent with that of the company, they shall prepare another supplemented financial statement on which the combination financial statement shall be based in accordance with the accounting year of the company as required.

VIII. Notes to the main items in the merged financial statement

1. Monetary capital

Item	Closing amount			Opening balance		
	Amount of foreign currency	Convert Word	Amount in RMB	Amount of foreign currency	Conversion rate	Amount in RMB
Cash on hand			14,362,555.27			341,484.17
Including: RMB	1,936,027.21	1	1,936,027.21	62,409.63	1	62,409.63
USD	168,298.93	6.3009	1,060,434.73	1,060.00	6.6227	7,020.06
IDR	15,882,321,206.33	0.0007	11,197,036.45	292,443,895.78	0.0007	213,498.48
EUR	15,498.50	8.1625	126,506.51	4,145.00	8.8065	36,502.94
Congo Franc	586,630.00	0.007	4,084.07	195,900.00	0.0074	1,449.66
Franc of Republic of Congo	754,600.00	0.051	38,466.30	1,493,000.00	0.0138	20,603.40
Bank Saving:			1,019,247,580.12			762,643,449.94
Among which: RMB	958,722,735.19	1	958,722,735.19	725,443,895.78	1	725,443,895.78
USD	7,243,253.22	6.3009	45,639,014.21	4,110,019.70	6.6227	27,219,427.47
IDR	11,286,304,867.07	0.0007	7,956,844.95	2,431,875,405.1	0.0007	1,774,904.05
CDF	671,694.36	0.007	4,676.28	5,364,910.41	0.0074	39,700.34
HKD	8,506,920.87	0.8107	6,896,560.75	9,596,336.00	0.8509	8,165,522.30
SGD	5,719.00	4.8520	27,748.76			
Total			1,033,610,135.39	-		762,984,934.11

2. Accounts receivable

(1) List of account aging of receivables and bad-debt provision

Account Age	Closing balance				Closing balance			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Within one year	10,156,874.99	100			3,134,605.83	100		
1 to 2 years								
2 to 3 years								
Over 3 years								
Total	10,156,874.99	100			3,134,605.83	100		

(2) Accounts of shareholders holding more than 5% (including 5%) voting shares of the Company

Name of organization	Relationship with the Company	Book balance	Account Age	Year limit	Proportion (%) that accounts for balance of other receivables
	Shareholders	1,214,901.74	Within one year		11.96%
Total		1,214,901.74			11.96%

(3) Conditions of the top five units for receivable amount

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts for balance of other receivables	Nature or content of payment
ZTE Corporation	Shareholders	1,214,901.74	Within one year	11.96%	Income of power generation
PT Bumi Pratama Khatulistiwa	Non-related parties	1,767,263.33	Within one year	17.30%	Sale fund of agricultural products
PT Pattiware	Non-related parties	1,522,785.41	Within one year	14.99%	Sale fund of agricultural products
Shenzhen Zonergy Kangxun Electronics Ltd.	Non-related parties	3,889,710.32	Within one year	38.30%	Sales revenue of equipments
PT Windu Nabatindo Lestari	Non-related parties	1,157,849.62	Within one year	11.40%	Sale fund of agricultural products
Total		9,552,510.42	Within one year	94.05%	

3. Prepayments

(1) List of aging of receivables and provision for bad debts

Account Age	Balance at the end of the year				Opening balance			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Within one year	58,879,849.63	47.99%			112,965,731.00	100		
One to two years	63,812,771.56	52.01%						
2 to 3 years								
Over 3 years								
Total	122,692,621.019	100			112,965,731.00		100	

(2) Accounts receivable of the companies who are holding more than 5% (including 5%) voting shares

(3) Conditions of top five units of accounts receivable

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts for balance of other receivables	Nature or content of payments
Wuyuan Xian Yonglian Village agricultural benefiting product, farmers' livestock production and marketing cooperatives (No.2 club of Yonglian)	Non-related parties	412,500.00	Within one year	0.34%	Receivable of agricultural products
		1,960,870.00	1 to 2 years	1.60%	Receivable of agricultural products
Wuyuan Sales Department of Bayanzhuoer Liyuan Agricultural Machinery Co.	Non-related parties	124,400.00	Within one year	0.10%	Receivable of agricultural products
		1,666,960.00	1-2 years	1.36%	Receivable of agricultural products
Yingli Solar (China) Co., Ltd.	Non-related parties	6,263,925.00	Within one year	5.11%	Loan
Agricultural benefiting , livestock products and sales, professional farmers cooperatives Yonglian village of wuyuan County	Non-related parties	6,733,894.00	Within one year	5.49%	Land Rental
Construction in the construction side	Non-related parties	84,794,465.15	1 to 2 years	69.11%	Item fund
Total		101,957,014.15	-	83.10%	

4. Other receivables

(1) Presentation of age of other receivables and reserve for bad debts

Account Age	Balance at the end of the year				Opening balance			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)

Within one year	68,514,807.50	44.01%	-	-	107,827,860.06	99.99%	-	-
One to two years	87,158,988.16	55.99%	-	-	-	-	-	-
2 to 3 years	-	-	-	-	-	-	-	-
Over 3 years	7,000.00	0.00%	-	-	7,000.00	0.01%	-	-
Total	155,680,795.66	100.00%	-	-	107,834,860.06	100.00%	100	-

(2) Accounts receivable of the companies who are holding more than 5% (including 5%) voting shares

Name of organization	Relationship with the Company	Book balance	Account Age	Other accounts receivable balance (%)
ZTE International Investment Company Limited	Parent Company	30,126,404.32	Within one year	19.35%
ZTE Corporation	Shareholders	500.00	Within one year	
		11,900.00	1 to 2 years	0.01%
Total		30,138,804.32		19.36%

(2) Before other receivables 5 cases

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts for balance of other receivables	Nature or content of payment
Beijing Zhongxing Jinyuan Investment Co., Ltd.	Related party	84,000,000.00	1 to 2 years	53.96%	
ZTE International Investment Company Limited	Shareholders	30,126,404.32	Within one year	19.35%	Advance interest for others
Koperasi Harapan (Plasma)	Non-related parties	14,976,891.53	Within one year	9.62%	
Linkcell	Non-related parties	7,939,134.00	Within one year	5.10%	
Original shareholders of SEE	Non-related parties	4,538,264.42	Within one year	2.92%	Money for merger
Total		141,580,694.27		90.94%	

5. Inventory

Item	Balance at the end of the year			Opening balance		
	Book balance	Provision for falling price	Book value	Book balance	Provision for falling price	Book value
Raw materials	16,015,587.31		16,015,587.31	4,233,705.80	-	4,233,705.80
Commodity stocks (finished products)	15,440,603.94		15,440,603.94	155,214.22	-	155,214.22
Revolving materials	187,682.63		187,682.63	8,767,147.77	-	8,767,147.77
Others				1,010,636.76	-	1,010,636.76
Total	31,643,873.88		31,643,873.88	14,166,704.55	-	14,166,704.55

6. Other current assets

Item	Book balance at the end of this year	Book balance at year beginning
------	--------------------------------------	--------------------------------

Bank financial products	1,000,000.00	104,964,711.52
Subtotal	1,000,000.00	104,964,711.52
Subtraction: Impairment reserve	-	-
Total	1,000,000.00	104,964,711.52

7. Long-term receivables

Item	Balance at the end of the year	Opening balance
Others	1,375,005.40	-
Subtotal	1,375,005.40	-
Subtraction: Impairment reserve	-	-
Total	1,375,005.40	-

8. Long-term equity investment

(1) Classification of long-term equity investment

Item	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year
Investments in subsidiaries	-	-	-	-
Investment in cooperative enterprises	-	-	-	-
Investment in affiliated businesses	-	-	-	-
Investment in other enterprises		39,001,217.76	-	39,001,217.76
Subtotal		39,001,217.76		39,001,217.76
Subtraction: Impairment reserve				-
Total		39,001,217.76	-	39,001,217.76

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Convertible preferred stock of other enterprise investment which is invested to China Sanjun Battery Co., Ltd is RMB 39,001,217.76.

9. Fixed assets

(1) Classification of fixed asset

Item	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year
I. Total of original book value	40,741,784.86	106,499,105.05	3,078,960.96	144,161,928.95
Including: Road and bridge	3,163,887.32	23,965,295.50	69,507.28	27,059,675.56
Buildings	6,672,494.35	44,813,028.57		51,485,522.92
Machinery equipment	14,198,942.79	31,338,969.19	913,454.83	44,624,457.15
Transportation equipment	10,424,633.29	3,864,413.60	352,049.00	13,936,997.89
Office equipment and others	6,281,827.11	2,517,398.19	1,743,949.87	7,055,275.43
II. Total accumulated depreciation	6,546,845.42	11,694,953.90	2,190,486.44	16,051,312.88

Including: Road and bridge	119,009.88	2,725,344.75		2,844,354.63
Buildings	280,787.78	2,176,241.26		2,457,029.04
Machinery equipment	1,981,941.22	2,960,730.34	476,248.94	4,466,422.62
Transportation equipment	2,077,679.74	2,332,351.98	156,075.06	4,253,956.66
Office equipment and others	2,087,426.80	1,500,285.57	1,558,162.44	2,029,549.93
III. Total of book value	34,194,939.44			128,110,616.07
Including: Road and bridge	3,044,877.44			34,215,320.93
Buildings	6,391,706.57			49,028,493.88
Machinery equipment	12,217,001.57			40,158,034.53
Transportation equipment	8,346,953.55			9,683,041.23
Office equipment and others	4,194,400.31			5,025,725.50
IV. Total depreciation reserves				
Including: Road and bridge	-			-
Buildings	-			-
Machinery equipment	-			-
Transportation equipment	-			-
Office equipment and others				-
V. Total of book value	34,194,939.44			128,110,616.07
Including: Road and bridge	3,044,877.44			24,215,320.93
Buildings	6,391,706.57			49,028,493.88
Machinery equipment	12,217,001.57			40,158,034.53
Transportation equipment	8,346,953.55			9,683,041.23
Office equipment and others	4,194,400.31			5,025,725.50

10. Construction in progress

(1) Situation of construction in progress

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Item name	Opening balance	Increased amount of this year	Transferred fixed assets	Other decreased amount	Balance at the end of the year	Funds source
Total	40,496,363.36	253,122,750.10	32,766,962.36		260,852,151.10	
Including: Top 10 of year end balance	40,496,363.36	253,122,750.10	32,766,962.36		260,852,151.10	
1. Construction installation engineering	1,938,311.31	162,058,053.40	6,320,224.00		157,676,140.71	Self-finance
2. Erecting equipment-in-process	26,438,166.00	44,439,950.28	24,185,124.76		46,692,991.52	Self-finance
3. Prepaid expenses	12,119,886.05	29,342,551.25	2,261,613.60		39,201,823.70	Self-finance
4. Commissioning of equipment		17,282,195.17	-		17,282,195.17	Self-finance

(2) Engineering material

Item	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year
Special materials (plates)	673,271.82	-	104,941.17	568,330.65
Total	673,271.82	-	104,941.17	568,330.65

Productive biological assets

Cost measurement				
Item	Beginning book balance	Increased amount in current period	Decreased amount in current period	Closing book balance
Crop farming				
Palm Garden	406,068,015.07	635,477,441.26	19,780,429.25	1,021,765,027.08
Total	406,068,015.07	635,477,441.26	19,780,429.25	1,021,765,027.08

11. Intangible assets

Intangible

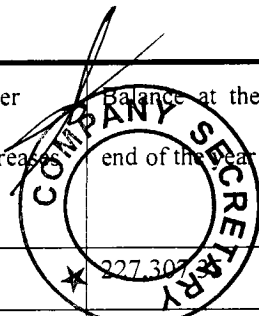
assets

Item	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year
I. Total original price	20,704,435.38	98,610,564.22		119,314,999.60
Including: Software	142,267.61	47,396.75	-	189,664.36
Land use right	20,562,167.77	98,563,167.47		119,125,335.24
II. Total of accumulated amortization	719,346.71	804,887.33		1,524,234.04
Including: Software	16,736.02	23,505.73	-	40,241.75
Land use right	702,610.69	781,381.60	-	1,483,992.29
III. Total accumulative amounts of deprecation reserves				
Including: Software	-	-		-
Land use right	-			-
IV. Total of book value	19,985,088.67	-	-	117,790,765.56
Including: Software	125,531.59	-	-	149,422.61
Land use right	19,859,557.08	-	-	117,641,342.95

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12. Long-term unamortized expenses

Item	Opening balance	Increased amount in the current year	Amortized amount of the current year	Other decrease	Balance at the end of the year	Reasons for other decreases
Deferred Vehicle		227,307.35			227,307.35	
Equipment payment of Tianjin Binneng		430,769.20	215,384.60		215,384.60	



Item						
Others		37,585.08			37,585.08	
Total		695,661.63	215,384.60		480,277.03	

13. Short-term

borrowing

Item	Balance at the end of the year	Opening balance
Hypothecated loan	33,884,449.50	-
Mortgage loan		-
Guaranteed loan	225,817,470.00	-
Credit loan		-
Total	259,701,919.50	

14. Accounts payable

(1) Aging analysis of accounts payable

Item	Balance at the end of the year	Opening balance
Within 1 year (1 year included)	36,540,613.84	12,334,799.39
One to two years (including two years)	787,584.20	
Two to three years (3 years included)		40,684.80
Over 3 years		
Total	37,328,198.04	12,375,484.19

(2) There are no accounts receivable of the companies who are holding more than 5% (including 5%) voting shares

(3) To5 of accounts payable

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts balance of other receivables	Nature or of payments
Guangxi Nanning Zhonggao Sugar Machinery Manufacturing Co. Ltd.	Non-related parties	2,931,368.00	Within one year	7.85%	Equipment cost
Yingli Solar (China) Co., Ltd.	Non-related parties	2,618,017.50	Within one year	7.01%	Equipment cost
Zhonghang Sanxin PV engineering Co. Ltd.	Non-related parties	1,562,728.12	Within one year	4.16%	Item fund
LDK Solar Co., Ltd (Suzhou).	Non-related parties	1,636,419.60	Within one year	4.38%	Equipment cost
CV. Daun Mas	Non-related parties	1,619,174.69	Within one year	4.34%	Materials procurement
Total		10,367,707.91	-	27.77%	

15. Account collected in advance

(1) Aging analysis of account receivable

Creditor	Balance at the end of the year	Opening balance
Within 1 year (1 year included)	50,800,243.57	1,040,000.00
Over 1 year	1,040,000.00	
Total	51,840,243.57	1,404,340.30

(2) There are no accounts receivable of the companies who are holding more than 5% (including 5%) voting shares.

(3) Top 5 of advance receipt

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts for balance of other receivables	Nature or content of payments
Wuhai Wangliyu Coal Washing Co., Ltd.	Non-related parties	50,000,000.00	Within one year	96.45%	Deposit:
Inner Mongolia Jingtai Power Generating Co., LTD.	Non-related parties	1,040,000.00	1 to 2 years	2.01%	Payment for goods
Xinjiang Youan Fengrun Electronic Technology Co., Ltd	Non-related parties	522,157.27	Within one year	1.01%	Equipment cost
Liu Zhihe	Non-related parties	263,746.00	Within one year	0.51%	Income for sunflower sales
Mpoyi	Non-related parties	14,340.30	1 to 2 years	0.03%	Balance payment
Total		51,840,243.57		100.00%	

16. Employee pay payable

Item	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year
Wage, premium, allowance and subsidy	995,920.08	64,344,331.46	62,735,216.54	2,605,035.00
Welfare expense of employee	-	1,006,493.92	1,006,493.92	
Social insurance charges	47,823.55	10,139,870.32	10,220,763.84	-33,069.97
Commercial insurance	.	140,645.79	140,645.79	.
Housing fund	29,523.50	5,803,149.07	5,864,763.60	-32,091.03
Labour union expenditure and personnel education fund	-	96,892.87	96,892.87	
Dismission welfare and early retirement compensation	.	197,082.55	197,082.55	
Total	1,073,267.13	81,728,465.98	80,261,859.11	2,539,874.00

17. Tax payable

Item	Opening balance	Tax payable of this year	Money been handed in this year	Balance at the end of the year
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I. Domestic taxes and fees				
Value-added tax	-6,090,664.74	-943,494.66	14,701,228.25	-21,735,387.65
Business tax	251,755.84	1,267,285.27	1,234,041.11	285,000.00
Enterprise income tax	671,043.56	3,023,693.23	2,066,861.37	1,627,875.42
Urban construction tax and extra charges of education funds	25,175.59	139,207.74	135,782.53	28,600.80
Vehicle and vessel use tax	-	2,622.00	2,622.00	-
Stamp tax	-	38,327.94	38,327.94	-
Individual income tax	422,402.36	4,885,784.41	4,992,566.01	315,620.76
Flood maintenance fee	17.55	7,477.26	7,444.81	50.00
Other taxes	-	4,080.43	4,080.43	-
II. Tax payments outside China				-
Total	-4,720,269.84	8,424,983.62	23,182,954.45	-19,478,240.67

18. Interest

payable

Item	Balance at the end of the year	Opening balance
Long-term loan interest with interest paid by stages and principal paid when it expires		
Interest on enterprise bond		
Interest payable of short-term borrowing	690,295.08	329,367.60
Others	-	-
Total	690,295.08	329,367.60

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19. Other payables

(1) Other aging analysis of accounts as follows:

Item	Balance at the end of the year	Opening balance
Within 1 year (1 year included)	137,888,463.83	17,777,059.26
One to two years (including two years)		-
Two to three years (3 years included)		150,998.00
Over 3 years	151,512.26	-
Total	138,039,976.09	17,928,057.26

(2) There are no accounts receivable of the companies who are holding more than 5% (including 5%) voting shares.

(3) Top 5 other payables amount

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts for balance of other receivables	Nature or content of payments
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Beijing Zhongxing Jinyuan Investment Co., Ltd.	Non-related parties	86,947,607.16	Within one year	62.99%	Current account
Yonglian Tuanjie Farmyard	Non-related parties	8,243,291.00	Within one year	5.97%	Land rental
Original shareholders of PT Celestar	Non-related parties	7,662,708.04	Within one year	5.55%	Security deposit
Original shareholders of PT SCC	Non-related parties	7,004,426.88	Within one year	5.07%	
Retention payable	Non-related parties	2,957,256.56	Within one year	2.14%	
Total		112,815,289.65		81.73%	

(4) Other receivable accounts of related parties

Name of organization	Relationship with the Company	Account balance	Account Age	Other accounts receivable balance (%)
Beijing Zhongxing Jinyuan Investment Co., Ltd.	Related party	86,947,607.16	Within one year	62.99%
Shenzhen Zhongxing Carnet Science and Technology Ltd	Related party	14,450.00	Within one year	0.01%
Total		86,962,057.16		63.00%

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20. Long-term loans

Item	Balance at the end of the year	Opening balance
Hypothecated loan		
Mortgage loan	171,911,221.18	57,508,215.45
Guaranteed loan		
Credit loan		
Total	171,911,221.18	57,508,215.45

21. Long-term payables

Item	Balance at the end of the year	Opening balance
Total	57,033,314.85	173,930.51
Including: Top 5 of the largest balance	56,478,137.89	173,930.51
1. Harvest Express	23,751,305.48	-
2. Original shareholders of PT Celestar	25,999,735.02	-
3. PT Celestar shareholders	4,721,407.70	-
4. Others	2,005,689.69	173,930.51

22. Other non-current liabilities

Item /category	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year	Remarks
Deferred income	72,230,000.00	173,988,874.40	16,000,700.35	230,218,174.05	
Total	72,230,000.00	173,988,874.40	16,000,700.35	230,218,174.05	

The description of deferred income

Items/category	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year	The reason of this year's return
Golden Sun Demonstration Item	71,830,000.00	126,795,969.00	15,657,250.35	182,968,718.65	
Special funds for poor power in coastal new-region		36,570,000.00		36,570,000.00	
Photovoltaic Item of Tianjin Outsourcing Industrial Park		2,000,000.00		2,000,000.00	
Subsidy of Tianjin Energy Performance Contracting Item	400,000.00	1,947,900.00	343,450.00	2,004,450.00	
Earning of energy-saving services of Item of Boai Hospital of Zhongshan		6,675,005.40		6,675,005.40	
Total	72,230,000.00	173,988,874.40	16,000,700.35	230,218,174.05	

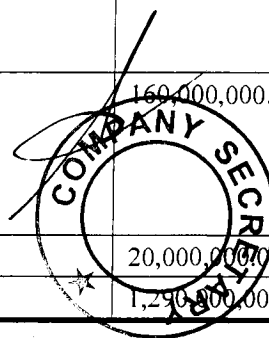
Item /category	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year	The reason of this year's return
Golden Sun Demonstration Item	58,710,000.00	87,995,969.00	15,249,883.69	131,456,085.31	
Financial subsidy capital for Shenzhen Golden-sun Demonstration Item of 1.27 MW	13,120,000.00	11,110,000.00	407,366.66	23,822,633.34	
Special funds for energy conservation in coastal new-region		36,570,000.00		36,570,000.00	

photovoltaic power station of 538.2k\vp		2,000,000.00		2,000,000.00	
Binneng Item financial subsidies	400,000.00	286,900.00	343,450.00	343,450.00	
Golden Sun Demonstration Item		7,170,000.00		7,170,000.00	
Qinhuangdao Golden-sun Demonstration Item		20,520,000.00		20,520,000.00	
Energy management bonus of Jingtai Item		1,661,000.00		1,661,000.00	
Earning of energy-saving services of Item of Boai Hospital of Zhongshan		6,675,005.40		6,675,005.40	
Total	72,230,000.00	173,988,874.40	16,000,700.35	230,218,174.05	

23. Paid-in capital

Investor name	Opening balance		Increased amount of this year	Decreased amount of this year	Balance at the end of the year	
	Investment Amount	Percentage (%)			Investment Amount	Percentage (%)
Shenzhen Zonergy International Investment Corporation Ltd.	510,000,000.00	39.53%			510,000,000.00	39.53%
ZTE Corporation	300,000,000.00	23.26%			300,000,000.00	23.26%
Shenzhen Zonergy Weixiantong Equipment Corporation Ltd.	300,000,000.00	23.26%			300,000,000.00	23.26%
Shenzhen Zonergy Development Corporation Ltd.	160,000,000.00	12.40%			160,000,000.00	12.40%
Hou Weigui	20,000,000.00	1.55%			20,000,000.00	1.55%
Total	1,290,000,000.00	100%			1,290,000,000.00	100%

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24. Undistributed profit

Item	Balance at the end of the year	Opening balance
Balance at the beginning of current year	-16,161,614.42	-89,232,389.04
Increased amount in the current year	215,828,098.62	73,070,774.62
Including: Transfer-in from net profit in the current year	215,828,098.62	73,070,774.62

Special Item reserves fees for safety production		、•
Other adjustment factors		
Decreased amount in the current year		
Including: Withdrawal surplus reserves number of this year		
General risk preparation withdrawal in this year		
Cash dividends distributed number of this year		
Withdrawal bonus and welfare fund of staff and workers		
Transfer to paid-in capital		
Other decreased amount		
Balance at the end of this year	199,666,484.20	-16,161,614.42

25. Operating income and operating cost

Item	Amount incurred in this year		Amount incurred in last year	
	Income	Cost	Income	Cost
1. Subtotal of main business	103,011,629.97	66,520,813.63	11,942,996.48	4,457,943.40
Product sales	81,949,080.89	66,305,429.02	11,942,996.48	4,457,943.40
Providing labor services	21,062,549.08	215,384.61		
Usage rights of transferred assets				
2. Subtotal of other business	1,279,972.01	1,549,477.79	47,441.16	823.64
Sales materials	1,279,972.01	1,544,511.79		
Others	9,000.00	4,966.00	47,441.16	823.64
Total	104,291,601.98	68,070,291.42	11,990,437.64	4,458,767.04

26. Investment income

(1) List of investment income situation

Item	Amount incurred in this year	Amount incurred in last year
Others	725,014.69	7,463,440.88
Total	725,014.69	7,463,440.88

Note: Earnings of other Item items for finance products

27. Non-operating proceeds

Item	Amount incurred in this year	Amount incurred in last year
Total of profits of disposing non-circulating assets	51,448.54	77,442.00
Including: Fixed assets disposal gains	51,448.54	77,442.00
Intangible assets disposal gains		
Gains from debts restructuring		
Non-monetary asset exchange profits		
Accepting donation		

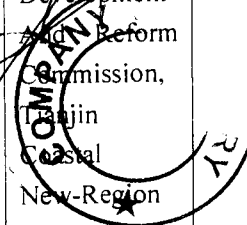
Government subsidies	136,156,395.56	1,060,000.00
Others	190,362,120.43	150,037,022.1
Total	326,569,964.52	151,174,494.10

Note: Other reduced price income got from purchasing subsidiary corporations with reduced price during current period

Government grants details:

Item	Amount		Source & basis	Related approval documents	Approval authority	Document timing
	Amount incurred in this year	Amount incurred in last year				
Golden Sun Demonstration Item	123,459.69		Financial subsidies	No. • 752 of Financial Construction (2011)	Ministry of Finance	
The Item of sweet sorghum stalk produce fuel	11,050,000.00		Financial subsidies	No. 1040 of Financial Construction (2011)	Ministry of Finance	
Cloud Computing Item of Zhongxing Energy	120,000,000.00		Financial subsidies	From Gongsheng District of Erdos	people's government of Dongsheng District of	
				No 290 file of Civil Government Conference Resolution		
Binneng Item financial subsidies	343,450.00		Financial subsidies	From Tianjin Coastal New-Region Development And Reform Commission [2010] 138 No.	Tianjin Coastal New-Region Development And Reform Commission, Tianjin Coastal New-Region Finance Bureau	
Indonesia SCC Item	3,006,500.00				Tianjin financial department	
ZTE Roof Solar Energy	407,366.66			No. 965 of Financial	Bureau of Finance of	

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1.27MW photovoltaic power station Hundred				Construction (2010) No.	Shenzhen Municipality	
Saccharomyces cerevisiae Item	500,000.00				Municipal Science Committee	
International expanding capital for middle and small-sized enterprises from Beijing business commission	407,330.00	1,060,000.00			Beijing Municipal Commission of Commerce	
Fiscal Subsidy to farmers and herdsmen	6,480.00				Indonesian Financial	
Agricultural subsidy of SCC	311,809.21					
Total	136,156,395.56	1,060,000.00				

28. Non-operating expenditure

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Item	Amount incurred in this year	Amount incurred in last year
Losses from disposal on non-current assets	293,747.95	127,093.03
Including: Losses due to the disposal of fixed assets	293,747.95	127,093.03
Disposal losses on intangible assets		
Losses from debt restructuring		
Losses of exchange of non-monetary assets		
Penalty expenditure	1,076.18	
Other Expenditures	320,851.81	126,044.35
Total	615,675.94	253,137.38

29. Income tax expense

Item	Amount incurred in this year	Amount incurred in last year
Current income tax according to tax law and related provisions	1,400,031.62	489,830.12
Adjustment deferred income tax		
Total	1,400,031.62	489,830.12

30. Other comprehensive income

Item	Amount incurred in this year	Amount incurred in last year
Converted difference in financial statements of foreign currencies	-17,505,470.89	-5,480,189.58
Subtraction: Minus: net amount of foreign operation transferred to the current profits and losses		
Subtotal	-17,505,470.89	-5,480,189.58
Total	-17,505,470.89	-5,480,189.58

31. Illustration for important items of combined cash flow statement

(1) Regulate the net profit into cash flow of operating activities

Item	Amount incurred in this year	Amount incurred in last year
1. Regulate the net profit into cash flow of operating activities		
Net profit	212,554,753.52	72,419,657.61
Add: Preparation for assets impairment		
The depreciation of biological assets	<i>Certified True Copy</i> 9,090,843.46	
Amortization of intangible assets	3,185,763.32	3,366,553.71
Amortization of long-term unamortized expenses	215,384.60	157,459.97
Loss disposal of fixed assets, intangible assets and other long-term assets (income to be filled by"-")	242,299.41	49,621.03
Fixed assets retirement losses (the gain is to be listed by"-for income)		
Loss from fair value change (the gain is to be listed by"-for income)		
Financial expenses (income to be filled by"-")	676,595.04	
Investment loss (the gain is to be listed by"-for income)	-16,108.22	7,463,440.88
Deferred income tax assets decrease (increase to be filled by"-")		
Deferred income tax debt increase (decrease to be filled by"-")		
Decrease in Inventory (increase to be filled by"-")	-20,001,025.97	6,263,718.01
Decrease in operational items receivable (increase to be filled by"-")	-9,771,873.83	-3,628,619.52
Increase in operational items receivable (decrease to be filled by"-")	192,272,971.90	-17,995,476.12
Discount difference for purchase of subsidiary	-190,362,120.42	-150,000,000.00
Others		
Net cash flow from operating activities	219,901,102.45	-87,739,682.73
2. Significant investing and financing activities that		

do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible corporation bonds due within one year		
Fixed assets by finance leased		
3. Net change situation in cash and cash equivalents:		
The closing balance of cash	1,033,610,135.39	762,984,934.11
Subtraction: The beginning balance of cash	762,984,934.11	1,142,625,019.41
Add: The closing balance of cash equivalents	1,000,000.00	104,964,711.52
Subtraction: The beginning balance of cash equivalents	104,964,711.52	
Net increase amount of cash and cash equivalents	166,660,489.76	-274,675,373.78

(2) The obtaining and disposal of the relevant information of subsidiaries and other operating units:

Item	Amount
1. Relevant information on the acquisition of subsidiaries and other operation business units:	Item
1. The prices of acquisition of subsidiaries and other operating business units	175,987,905.54
2. The cash and cash equivalents paid on acquisition of subsidiaries and other operating business units	
Subtraction: Cash and cash equivalents held by subsidiaries and other operating business units	14,234,852.92
3. Net cash paid for obtaining subsidiaries and other operating units	161,753,052.62
4. The net assets of acquisition of subsidiaries	618,637,275.66
Current assets	32,702,677.95
Non-current assets	792,551,121.20
Current liabilities:	24,939,766.99
Non-current liabilities:	181,676,756.50

(3) Information on cash and cash equivalents		
I. Cash	Balance of current year	Amount of last year
Including: Cash on hand	14,362,551.12	341,484.17
Bank deposits available for payment at any time	1,019,247,080.12	762,643,449.94
Other currency and capital available for payment at any time		
Depositing Money available for payment in Central Bank		
Depositing money in the same industries		
Parting money in the same industries		
II. Cash equivalents	1,000,000.00	104,964,711.52
Including: Bond investment due within three months		
III. Cash and cash equivalents at the end of year	1,034,610,135.39	867,949,645.63
Including: Cash and cash equivalents restricted in parent company or subsidiaries corporation in group		

IX. Relationship between related parties and the transactions

1. Related information of parent company of this enterprise

Parent	Company	Registration	Business	Registered capital	Shares proportion	Voting power
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name	place	nature		from parent Company into this enterprise (%)	proportion from the parent Company to this enterprise (%)
Shenzhen Zonergy International Investment Corporation Ltd.	Shenzhen	Investment	510,000,000.00	39.53%	39.53%

2. Related information of Subsidiary Corporation of this enterprise

Refer to Note 7 (part I)

3. Detailed Information of cooperative enterprise and joint venture of this company please refer to long-term equity investment

4. Other related party relationships

Company name	Related relationships
Beijing Zhongxing Jinyuan Investment Co., Ltd.	Controlled by the same ultimate holding company
ZTE International Investment Company Limited	Controlled by the same ultimate holding company
Linkcell Internationd Investment LTD	Controlled by the same ultimate holding company
ZTE Corporation	Controlled by the same ultimate holding company
Beijing Zhongxing Jinyuan Investment Co., Ltd.	Controlled by the same ultimate holding company
Shenzhen ZTE ICT Technologies Co. Ltd.	Controlled by the same ultimate holding company

5. Related transactions

(1) Related sales

Related name	Type of transaction	Amount incurred in this year		Amount incurred in last year		pricing method and decision making procedure
		Amount	Ratio (%)	Amount	Ratio (%)	
ZTE Corporation	Product sales	1,214,901.74	1.16%			Indoor pricing
Total		1,214,901.74	1.16%			

6. 3 Balance of Related Party

Names of related parties	Account title	Balance at the end of the year	Opening balance
ZTE International Investment Company Limited	Other receivables	30,126,404.32	
ZTE Corporation	Other receivables	12,400.00	11,900.00

X. Contingencies

Up to the balance sheet date, the Company has no major contingencies to be disclosed.

XI. Commitment matters

Up to the balance sheet date, the Company has no major commitment matters to be disclosed.

XII. Events after balance sheet date

The company has no non-adjusting events after the balance sheet which shall be disclosed.

XIII. Other important matters

None.

XIV. The notes about the main items of parent company's financial tables

1. Other receivables

(1) Presentation of age of other receivables and reserve for bad debts

Account Age	Closing balance				Opening balance			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Within one year	33,242,537.67	58.65%			24,553,607.19	100%		
1 to 2 years	23,434,636.70	41.35%						
2 to 3 years								
Over 3 years								
Total	56,677,174.37	100%			24,553,607.19	100%		

(2) Accounts receivable of the companies who are holding more than 5% (including 5%) voting shares

Name of organization	Relationship with the Company	Book balance	Account Age	Year limit	Proportion (%) that accounts for balance of other receivables
ZTE Corporation	Shareholders	500.00	Within one year		
		11,900.00	1 to 2 years		0.02%
ZTE International Investment Company Limited	Shareholders	19,168,840.12	Within one year		33.82%
Total	-	19,181,240.12	.		33.84%

(3) Conditions of top five units of receivable amounts

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts for balance of other receivables	Nature or content of payment
ZTE Energy Technology (Wuhan) Co., Ltd.	Second subsidiary	35,795.77	Within one year	0.06%	Advance
		4,278,718.77	1 to 2 years	7.55%	Advance

Zhongxing Energy Co., Ltd. Congo Sub-Company	Subsidiaries	436,111.99	Within one year	0.77%	Advance
		9,545,500.70	1 to 2 years	16.84%	Advance
Zonergy (Inner Mongolia) Company Limited	Subsidiaries	6,464,353.86	Within one year	11.41%	Advance
Zonergy. Indonesia Sub-Company	Subsidiaries	4,138,926.14	1 to 2 years	7.30%	Advance
ZTE International Investment Company Limited	Parent Company	19,168,840.12	Within one year	33.82%	Advance
Total		44,068,247.35		77.75%	

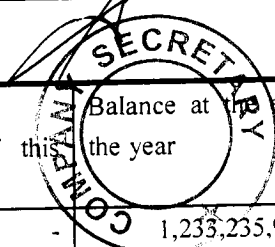
(4) The receivable accounts of related parties

Name of organization	Relationship with the Company	Book balance	Account Age	Proportion (%) that accounts for balance of other receivables
Zonergy Tianjin Company	Subsidiaries	9,052.74	Within one year	0.02%
Tianjin Zonergy Capital Management Corporation Ltd.	Subsidiaries	437,218.42	Within one year	0.77%
Zonergy (Cayman) Company Limited	Subsidiaries	96,540.00	Within one year	0.17%
		2,513,190.00	1 to 2 years	4.43%
Zonergy(Tianjin) Energy Saving Services Co., Ltd.,	Subsidiaries	455,811.55	Within one year	0.80%
ErDOS Yuntai Interconnection Technology Corporation Ltd.	Subsidiaries	3,000,000.00	Within one year	5.29%
Total		6,511,812.71		11.49%

2. Long-term equity investment

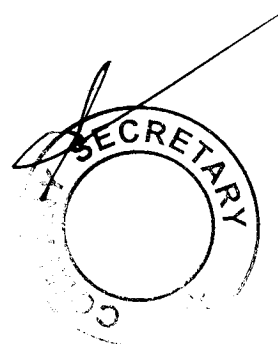
(1) Classification of long-term equity investment

Item	Opening balance	Increased amount of this year	Decreased amount of this year	Balance at the end of the year
Investments in subsidiaries	1,226,798,720.14	6,437,220.50	-	1,233,235,940.64
Investment in cooperative enterprises				
Investment in affiliated businesses				
Investment in other	4,000,000.00			4,000,000.00



enterprises				
Subtotal	1,230,798,720.14	6,437,220.50	-	1,237,235,940.64
Subtraction: Impairment reserve				
Total	1,230,798,720.14	6,437,220.50	-	1,237,235,940.64

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(2) Details of the		long-term		equity		investment			
The name of the invested units	Accounting methods	Investment cost	Opening balance	Changes of increase and decrease	Balance at the end of the year	Shareholding ratio in the invested unit (%)	Impairment reserve	Withdrawing impairment reserve of this year	Cash bonus of this year
ZTE Energy(Cayman)Co Limited	Cost method	30,775,781.89	30,775,781.89	-	30,775,781.89	100%			
Zonergy (Congo) Company Limited	Cost method	18,776,188.75	17,338,968.25	1,437,220.50	18,776,188.75	100%			
Zonergy(Tianjin) Company Limited	Cost method	1,150,000,000.00	1,150,000,000.00	-	1,150,000,000.00	100%			
Tianjin Zonergy Capital Management Corporation Ltd.	Cost method	10,000,000.00	10,000,000.00	-	10,000,000.00	100%			
Zonergy (Inner Mongolia)Company Limited	Cost method	18,000,000.00	18,000,000.00	-	18,000,000.00	100%			
PT.ZTE Agribusiness Indonesia	Cost method	683,970.00	683,970.00	-	683,970.00	100%			
Zonergy(Tianjin) Energy Saving Services Co., Ltd.,	Cost method	2,000,000.00	2,000,000.00	-	2,000,000.00	10%			
Zonergy (Shenzhen) Company Limited	Cost method	2,000,000.00	2,000,000.00	-	2,000,000.00	10%			
Inner Mongolia Hefeng Xingyuan Agricultural Technology Corporation Ltd.	Cost method	5,000,000.00			5,000,000.00	100%			
Total		1,237,235,940.64	1,230,798,720.14	6,437,220.50	1,237,235,940.64				

3. Operating income and operating cost

Item	Amount incurred in this year		Amount incurred in last year	
	Income	Cost	Income	Cost
1. Subtotal of main business	10,787,549.08		5,605,619.39	533,010.25
Product sales				
Providing labor services	10,787,549.08		5,605,619.39	533,010.25
Usage rights of transferred assets				
2. Subtotal of other business			12,107.94	474.37
Sales materials			12,107.94	474.37
Technology Transfer				
fixed assets rent				
Wrappage lease				
Others				
Total	10,787,549.08		5,617,727.33	533,484.62

4. Investment income

(1) List of investment income situation

Item	Amount incurred in this year	Amount incurred in last year
Others-benefit from bank financial products	28,293.14	538,161.50
Total	28,293.14	538,161.50

Note: income from investment is bank financial products income

5. Illustration for important items of cash flow statement of the parent company

(1) Regulate the net profit into cash flow of operating activities

Item	Amount incurred in this year	Amount incurred in last year
1. Regulate the net profit into cash flow of operating activities		
Net profit	-57,224,907.98	-58,335,241.80
Add: Preparation for assets impairment	-	
The depreciation of fixed assets, the depletion of oil and gas assets, the depreciation of productive biological assets	1,936,965.02	1,336,750.49
Amortization of intangible assets	14,724.18	6,395.76
Amortization of long-term unamortized expenses		
Loss disposal of fixed assets, intangible assets and other long-term assets (income to be filled by "-")		2,801.48
Loss on retirement of fixed assets (Proceeds are filled in the column with "-")		
Loss from fair value change (Proceeds are filled in the column with "-")		
Financial expense (income to be filled by "-")	375,158.95	13,919.87
Losses on investments (Proceeds are filled in the column	-16,109.58	-538,161.50

with "-")		
Decrease in deferred income tax assets (Increase is filled in the column with "-")		
Increase in deferred income tax liabilities (Decrease is filled in the column with "-")		
Decrease in inventory (Increase is filled by "-")		45,619.64
Decrease in receivables under business activities (Increase is filled in the column with "-")	-22,658,281.25	13,449,953.42
Increase in operating payables (Decrease is filled in the column with "-")	126,671,369.84	30,387,892.67
Others		
Net cash flow from operating activities	49,098,919.18	-13,630,063.97
2. Significant investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible corporation bonds due within one year		
Fixed assets by finance leased		
3. Net change situation in cash and cash equivalents:		
The closing balance of cash	55,977,531.13	4,788,282.81
Subtraction: The beginning balance of cash	4,788,282.81	42,599,684.20
Add: The closing balance of cash equivalents		9,000,000.00
Subtraction: The beginning balance of cash equivalents	9,000,000.00	
Net increase amount of cash and cash equivalents	42,189,248.32	-28,811,401.39

(3) Information on cash and cash equivalents		
I. Cash	Balance of current	Amount of last year
Including: Cash on hand	343,993.63	4,788,282.81
Bank deposits available for payment at any time	55,633,537.50	281,156.72
Other currency and capital available for payment at any time		4,507,126.09
Depositing Money available for payment in Central Bank		
Depositing money in the same industries		
Parting money in the same industries		
II. Cash equivalents		9,000,000.00
Including: Bond investment due within three months		
III. Cash and cash equivalents at the end of year	55,977,531.13	13,788,282.81
Including: Cash and cash equivalents restricted in parent company or subsidiaries corporation in group		

XV. Other contents that should be published according to related financial and accounting rules:
issue instructions for business merger, discrete, etc

(1) Newly established enterprises							
Serial No.	Name of newly-established enterprise	Establishment time	Registered capital	Form of contribution	Equity ratio	Bringing into consolidation scope or not	

1	INNER MONGOLIA UNCLOUD TECHNOLOGY		1,000,000.00	Currency	100%	Be involved in
2	Xinjiang Zonergy Company Limited		20,000,000.00	Currency	100%	Be involved in
3	ZTE ENERGY (SINGAPORE) HOLDINGS PTE.LTD		5.32	Currency	100%	Be involved in
4	Xian Haohan New Energy Co., Ltd.	October, 2011	2,000,000.00	Currency	100%	Be involved in
5	Zonergy (Shenzhen) Energy Services Company	July, 2011	6,000,000.00	Currency	100%	Be involved in
6	Qinhuangdao Golden light luminous energy Corporation Ltd.	June, 2011	1,000,000.00	Currency	100%	Be involved in
7	Hohhot Zonergy Company Limited	July, 2011	1,000,000.00	Currency	100%	Be involved in
8	Company	March, 2011	5,000,000.00	Currency	100%	Be involved in
9	Dongguan Xingguang Energy Co., Ltd.	November , 2011	1,000,000.00	Currency	100%	Be involved in
10	VISTA EMPIRE HOLDINGS PTE. LTD.	February, 2011	5.15	Currency	100%	Be involved in

XVI. Approval and report of the financial statement

The 2010 financial statement has been approved by the board of directors.

Zonergy Company Limited
March 16, 2012



Enterprise Legal Person Business License
(Copy) (1-1)

Registration No.: 110000009402541

Name: Beijing Guofu Jiaying Accounting Firm Co., Ltd.

Address: Room 1109, Building 2, No Xiaguangli Road, Chaoyang District,
Beijing

Name of legal representative: Zhang Huiyu

Registered capital: RMB 1 million Yuan

Paid-in capital: RMB 1 million Yuan

Types of company: Limited liability Company (natural investment or
holding)

Operating scope: Licensing project, audit of accounting statements of
enterprise; issuing the audit report; verifying enterprise
registered capital and issuing the capital verification report;
conducting audit operations in merge, schism and
liquidation of enterprises and issuing relevant reports;
annual financial final cost audit of basic construction;
keeping accounts by agent; accounting consultation; tax
query; management consulting; accounting training; other
businesses regulated by laws and regulations.

General operating items: No

Date of establishment : March 16, 2006

Term of operation: From March 15, 2006 to March 15, 2026

Send annual inspection materials to the registration authority from March 1 to June 30 each year

Notice

1. *Enterprise Legal Person Business License* is the voucher that the enterprise gets qualifications of legal person and lawful operation.
2. *Enterprise Legal Person Business License* has the original and the duplicate, and they have equal legal effect.
3. The original of *Enterprise Legal Person Business License* shall be placed at the conspicuous position where legal person dwells.
4. *Enterprise Legal Person Business License* must not be counterfeited, altered, leased, lent and transferred.
5. When the registered matters are changed, the enterprise legal person shall apply the company registration authority for change of registration and renewal *Enterprise Legal Person Business License*.
6. The enterprise shall participate in annual inspection from March 1 to June 30 each year.
7. The enterprise legal person shall not carry out operating related with liquidation after the *Enterprise Legal Person Business License* is written off.
8. The original and the copy for the *Enterprise Legal Person Business License* shall be given back when the enterprise handles with cancellation of the registration.
9. If the *Enterprise Legal Person Business License* is lost or destroyed, the enterprise shall declare to cancel the license in the newspaper authorized by the registration authority, and apply for replacement.

Annual Inspection Condition

Chaoyang Branch of Beijing Administration For Industry and Commerce (Sealed)

January 20, 2010

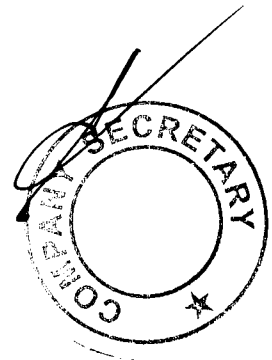
Supervised by State Administration for Industry and Commerce of the People's Republic of
China

Zonergy Company Limited

Financial Statements for the Year Ended December 31

2012

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Contents

- I. Audit Report
- II. Audited Financial Statement
 1. Consolidated Balance Sheet
 2. Consolidated Profit Statement
 3. The Consolidated Cash Flows Statement
 4. Consolidated Owner's Equity Change Statement
 5. Balance Sheet of Parent Company
 6. Profit Statement of Parent Company
 7. Cash Flow Statement of Parent Company
 8. Parent Company Change Statement of Owner's Equity
 9. Notes to Financial Statement
 10. Enterprise Business License of this Accounting Firm

Certified True Copy



Audit report

YT (J) ZS Zi (2013) No. 036

All shareholders of Zonergy Company Limited:

We have audited the attached financial statements of Zonergy Company Limited. (hereinafter referred to as the "ZONERGY"), Including the consolidated and the parent companies' balance sheets on December 31, 2012, the income statements of the year 2012 of the parent companies, the consolidated and the parent companies' changes in equity and consolidated and the parent companies' cash flow statements, and notes to the financial statements of the company and its parent companies.

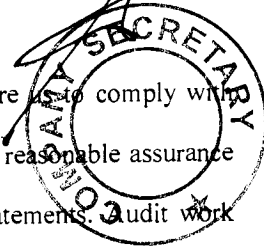
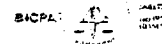
I. Responsibility of Management Layer for the Financial Statement

Compilation and fair presentation of financial statements is the responsibility of the management ZTE Energy, which includes: (1) Compiling financial statements in accordance with the Accounting Standards For Business Enterprises, and realizing fair reflection; (2) Design, implement and maintain the necessary internal control to prevent the financial statements from existing gross mistake due to fraud and error.

II. Responsibility of the certified public accountant

Our responsibility is to publish audit opinions on financial statement based on the implementation of the audit work. We have implemented our audit work in accordance with the provision of Auditing Standards of Chinese Certified Public Accountant.

The Auditing Standards of Chinese Certified Public Accountant require us to comply with code of professional ethics, plan and implement audit work, so as to obtain reasonable assurance for whether there is no material misstatement existing in the financial statements. Audit work involves the implementation of audit procedures, in order to obtain the related amounts of financial statements and the disclosed audit evidence. The selected procedure depends on the judgment of certified public accountants, including the evaluation on serious risks of wrong reports in financial statements due to fraudulent practices or mistakes. When doing the risk assessment, we consider the internal control related to the preparation of the financial statements in order to design appropriate audit procedures, but not for expressing an opinion on the effectiveness of the company's internal control. Audit work also includes evaluating the



appropriateness of the selected accounting policies by management layer, the reasonableness of making accounting estimation, and evaluating the overall presentation of the financial statements.

We believe that the obtained audit evidences are sufficient and appropriate, which provide the basis for publishing the audit opinions.

III. Audit opinions

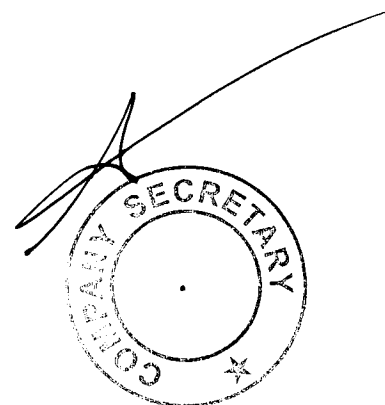
From our point of view, the financial statements of ZTE Energy are compiled in accordance with Accounting Standards for Business Enterprises in all the major aspects and fairly reflect the consolidation and financial condition of parent company on December 31, 2012 as well as the consolidation and r operating result and cash flow of parent company in 2012.

Asia Pacific (Group) Accounting Firm Co., Ltd Chinese Certified Public Accountant: Zou
Quanshao (Signature)

Beijing Branch Chinese Certified Public Accountant:
Asia Pacific (Group) Accounting Firm Co., Ltd Shenlichao (Signature)

Beijing Branch (Seal)

March 20, 2013



Consolidated Balance Sheet

December 31, 2012

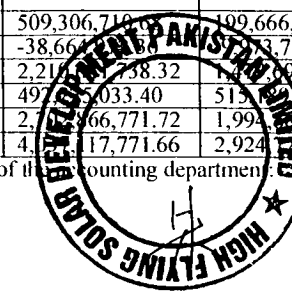
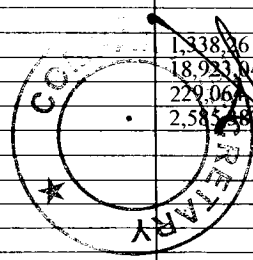
Unit name: Zonerger Company Limited

Unit: RMB Yuan

Project	Closing balance	Opening balance	Project	Closing balance	Opening balance
Current assets:			Current liabilities:		
Monetary capital	955,094,301.02	1,033,610,135.39	Short-term borrowings	342,432,022.53	259,701,919.50
Deposit reservation for balance			Borrowings from central bank		
Lending funds			Deposits from customers and interbank		
Trading financial assets			Borrowing funds		
Notes receivable			Trading financial liabilities		
Accounts receivable	170,783,425.05	10,156,874.99	Notes payable		
Prepayment	85,172,993.95	122,692,621.19	Accounts payable	151,444,577.52	37,328,198.04
Premium receivable			Account collected in advance	252,462,114.19	51,840,243.57
Reinsurance accounts receivable			Financial assets sold for repurchases		
Receivable from subcontracting reserves			Handling charges and commissions payable		
Interest receivable			Employee pay payable	2,916,942.78	2,539,874.00
Dividends receivable			Tax payable	-30,825,780.93	-19,478,240.67
Other receivables	215,133,647.58	155,680,795.66	Interest payable	9,981,280.46	690,295.08
Redemptory monetary capital for sale			Dividends payable		
Inventory	25,550,543.90	31,643,873.88	Other payables	40,390,461.67	138,039,976.09
Non-current assets due within one year			Dividend payable for reinsurance		
Other current assets		1,000,000.00	Reserve fund for insurance contracts		
Total current assets	1,451,734,911.50	1,354,784,301.11	Receiving from vicariously traded securities		
Non-current assets:			Receiving from vicariously sold securities		
Release of entrust loans and advances to be paid back later			Non-current liabilities due within one year		
Available-for-sale financial assets			Other current liabilities		
Held-to-maturity investment			Total current liabilities	768,801,618.22	470,662,265.61
Long-term receivables	942,003.60	1,375,005.40	Non-current liabilities:		
Long-term equity investment	32,501,014.80	39,001,217.76	Long-term loans	307,406,151.28	171,911,221.18
Investment real estates			Bonds payable	58,640,250.13	
Fixed assets	198,240,296.63	128,110,616.06	Long-term payables	64,702,672.24	57,053,314.85
Construction in progress	489,199,192.81	260,852,151.10	Special payables		
Engineering material	568,330.65	568,330.65	Accrued liabilities		
Disposal of fixed assets			Deferred income tax liabilities	23,785,188.70	
Productive biological assets	979,081,914.49	1,021,765,027.08	Other non-current liabilities	110,915,119.37	230,218,174.05
Oil and gas assets			Total non-current liabilities	565,449,381.72	459,182,710.08
Intangible assets	635,524,663.26	117,790,765.56	Total liabilities	1,334,250,999.94	929,844,975.69
Development expenditure			Owner's equity (or share holders' equity)		
Goodwill			Paid-in capital (or capital stock)	1,290,000,000.00	1,290,000,000.00
Long-term unamortized expenses	1,338,261.44	480,277.03	Capital reserve	450,000,000.00	
Deferred income tax assets	18,923,048.91		Subtraction: Treasury stock		
Other non-current assets	229,061,133.57		Special Reserve		
Total non-current assets	2,585,482,660.16	1,569,943,390.64	Surplus reserves		
			General risk provisions		
			Undistributed profit	509,306,710.99	109,666,484.20
			Currency translation differences	-38,661,738.32	1,733,738.31
			Total owner's equities belonging to the parent company	2,211,644,971.67	2,022,745.89
			Minority shareholder equity	49,033.40	515,070.17
			Total shareholders' equity	2,260,678,405.07	2,537,816.06
Total assets	4,037,117,771.66	2,924,727,691.75	Total liabilities and owners' equity	4,037,117,771.66	2,924,727,691.75

Legal representative:

Person in charge of competent accounting work: Person in charge of the accounting department



Consolidated Profit Statement

2012

Unit name: Zonergy Company Limited

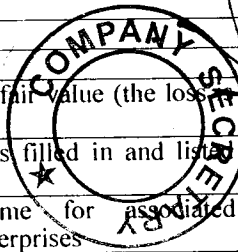
Unit: RMB Yuan

Project	Current amount	Last term amount	Project	Current amount	Last term amount
I. Total business income	389,351,449.48	104,291,601.98	III. Business profit (loss is filled in and listed by "-")	-71,172,840.71	-111,999,503.44
Including: Business revenue	389,351,449.48	104,291,601.98	Add: Non-operating income	380,837,047.45	326,569,964.52
Interest income			Subtraction: Non-operating expenditure	3,756,331.12	615,675.94
Earned premium			Including: Losses from disposal on non-current assets		
Handling charge and commission income					
			IV. Total profit (total loss is filled in and listed by "-")	305,907,875.62	213,954,785.14
II. Total business cost	555,034,021.01	217,016,120.11	Subtraction: Income tax expense	8,599,293.28	1,400,031.62
Including: Business costs	343,080,554.67	68,070,291.42			
Interest expenditure			V. Net profit (Net Loss is filled in and listed by "-")	297,308,582.34	212,554,753.52
Handling charge and commissions expenditure			Owner's net profit belonging to the parent company	309,640,226.48	215,828,098.62
Surrender charge fee			Minority shareholder profit and loss	-12,331,644.14	-3,273,345.10
Net payments for insurance claims					
Net amount payment for withdrawing reserve fund for insurance contracts					
Policy dividend expenditure			VI. Earnings per share:		
Amortized reinsurance expenses			(I) Basic earnings per share		
Business tax and surcharges	951,660.85	1,166,541.12	(II) Diluted earnings per share		
Selling expenses	33,753,019.44	6,568,117.85			
Administrative expenses	152,022,294.77	137,034,637.29			
Financial expense	25,226,491.28	4,170,532.43	VII. Other comprehensive earnings	-54,759,126.68	-17,505,470.89
Loss on the asset impairment					
Plus: Income from changes in fair value (the loss is filled in and listed by "-")	194,507,724.92				
Investment income (the loss is filled in and listed by "-")	2,005.90	725,074.69	VIII. Total comprehensive income	242,549,455.66	195,049,282.63
Including: Investment income for associated enterprises and cooperative enterprises			Total comprehensive income belonging to parent company	280,948,800.00	209,142,474.06
Foreign exchange income(the loss is filled in and listed by "-")			Total comprehensive income belonging to minority shareholder	-38,399,344.34	-13,093,191.43

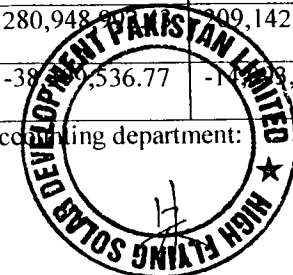
Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting department:



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The Consolidated Cash Flows Statement

2012

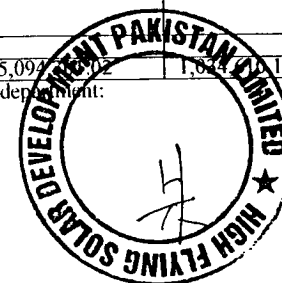
Unit: RMB Yuan

Unit name: Zonergy Company Limited					
Project	Current amount	Last term amount	Project	Current amount	Last term amount
I. Cash flows from operating activities:			Cash paid to acquire fixed assets, intangible assets and other long-term assets	312,323,849.81	178,450,590.22
Cash received from sales of goods or providing labor services	460,277,572.25	102,915,703.85	Cash paid for investments	134,845,200.00	24,386,976.94
Net increase amount in customer deposits and inter-bank deposits			Net increase amount in pledge loans		
Net increase amount in borrowings from the central bank			Net cash paid for obtaining subsidiaries and other operating units		161,753,052.62
Net increase amount in borrowing capital from other financial institutions			Other cash paid relating to investment activities		
Cash received from original insurance contract premiums			Sub-total of cash outflow of investment activities	447,169,049.81	364,590,619.78
Net amount of cash from receiving reinsurance business			Net cash flows from investment activities	-437,834,388.88	-364,487,429.02
Net increase amount in deposit of insured and investment section					
Net increase the disposal of tradable financial assets,					
Cash received from interests, handling charges and commissions					
Remove Net funds increase					
Net increase amount in repurchasing business funds			III. Cash flows generated from financing activities:		
Refunds of tax and levies	26,844.14	308.12	Cash received from capital absorption	18,011,903.74	
Other cash received relating to operating activities	316,422,856.88	419,349,687.24	Including: Cash received from a subsidiary company's absorbing investment of minority shareholder	18,011,903.74	
Sub-total of cash inflow of operating activities	776,727,273.27	522,265,699.21	Cash received from obtaining loan	589,271,708.32	327,873,058.03
Cash paid for purchasing commodities and receiving labor services	303,585,244.16	61,817,908.33	Cash received from the issuance of bonds	60,000,000.00	
Net increase amount in customer loans and advances			Other cash received relating to financing activities		431,288.19
Net increase amount in the central bank deposits and inter-bank deposits			Sub-total of cash inflow of financing activities	667,283,612.06	328,304,346.22
Cash paid for indemnity of original insurance contract			Cash paid for debts	370,300,285.27	4,366,883.97
Cash paid for interests, handling charges and commissions			Cash paid for dividends, profits or interest	25,705,339.24	13,095,428.12
Cash paid for policy dividend			Including: Dividends and profits paid to minority shareholders by subsidiary company		
Cash paid to employees and for employees paid	116,266,046.22	80,261,859.11	Other cash paid related to financing activities	7,491,780.92	4,688,632.28
Tax payments	11,369,826.10	4,259,092.03	Sub-total of cash outflow of financing activities	403,497,405.43	22,150,944.37
Other cash paid relating to operating activities	248,599,790.00	156,025,737.29	Net cash flows from financing activities	263,786,206.63	306,153,401.85
Sub-total of cash outflow of operating activities	679,820,906.48	302,364,596.76			
Net cash flow from operating activities	96,906,366.79	219,901,102.45			
			IV. Effect of exchange rate changes on cash and cash equivalents	-2,374,018.91	5,093,414.48
II. Cash flow from investment activities:					
Cash received from return of investments	8,418,992.00				
Cash received from investments		28,293.14	V. Net increase amount of cash and cash equivalents	-79,515,834.37	166,660,489.76
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	915,668.00	65,550.24	Add: Opening balance of cash and cash equivalents	1,034,610,135.39	867,949,645.63
Net cash received from disposal of subsidiaries and other operating units					
Other cash received relating to investment activities		9,347.38			
Sub-total of cash inflow of investment activities	9,334,660.93	103,190.76	VI. Closing balance of cash and cash equivalents	955,094,300.02	1,034,610,135.39

Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting department:



Consolidated Change Statement of Owner's Equity

2012

Unit name: Zenergy Company Limited

Unit: RMB Yuan

Unit name: Zenergy Company Limited		Amount of Current Period								
Project	Vest in Parent Company of Owner's Equity								Minority shareholder equity	Owner total equity
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General risk provisions	Undistributed profit	Others		
I. Balance at the end of last year	1,290,000,000.00						199,666,484.20	-9,973,738.31	515,189,970.17	1,994,882,716.06
Add: Accounting policy changes										
Correction of prior period errors										
Others										
II. Balance at the beginning of current year	1,290,000,000.00						199,666,484.20	-9,973,738.31	515,189,970.17	1,994,882,716.06
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)		450,000,000.00					309,640,226.48	-28,691,234.05	-22,964,936.77	707,984,055.66
(I) Net profit							309,640,226.48		-12,331,644.14	297,308,582.34
(II) Other comprehensive income								-28,691,234.05	-26,067,892.63	-54,759,126.68
Sub-total of (I) and (II) mentioned above							309,640,226.48	-28,691,234.05	-38,399,536.77	242,549,455.66
(II) Capital invested and reduced by the owner		450,000,000.00							15,434,600.00	465,434,600.00
1. Capital invested by the owner									15,434,600.00	15,434,600.00
2. Amount of share-based payment reckoned in owner's equity										
3. Others		450,000,000.00								450,000,000.00
(IV) Profit distribution										
1. With drawl of surplus reserves										
2. With drawl of general risk provision										
3. Distributions to shareholders										
4. Others										
(V) Internal carry-over of the owners' equities										
Capital stock conversion of capital reserve										
Capital stock conversion of surplus reserve										
3. Surplus reserve to cover the deficit										
Others										
(VI) Special Reserves										
1. Withdraw in current period										
2. Use for current period										
(VII) Others										
IV. Balance at the end of this period	1,290,000,000.00	450,000,000.00					509,306,710.68	-38,664,972.36	492,255,440.40	2,702,549,455.72

COMPANY SECRETARY

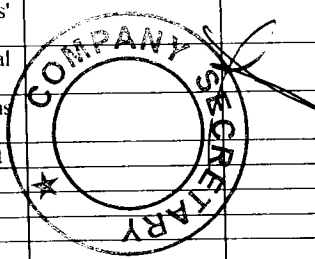
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GOVERNMENT PAKISTAN

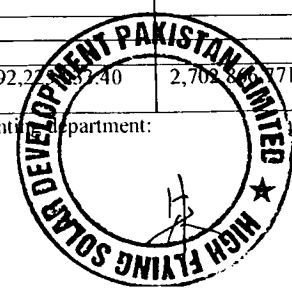
Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting department:



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Consolidated Change Statement of Owner's Equity

2012

Unit name: Zonergy Company Limited

Unit: RMB Yuan

Unit name: Zonergy Company Limited

Project	Amount of last year									Minority shareholder equity	Owner equity	total
	Vest in Parent Company of Owner's Equity											
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General risk provisions	Undistributed profit	Others				
I. Balance at the end of last year	1,290,000,000.00						-16,161,614.42	-3,288,113.75	178,571,046.14		1,449,121,317.97	
Add: Accounting policy changes												
Correction of prior period errors												
Others												
II. Balance at the beginning of current year	1,290,000,000.00						-16,161,614.42	-3,288,113.75	178,571,046.14		1,449,121,317.97	
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)							215,828,098.62	-6,685,624.56	336,618,924.03		545,761,398.09	
(I) Net profit							215,828,098.62		-3,273,345.10		212,554,753.52	
(II) Other comprehensive income								-6,685,624.56	-10,819,846.33		-17,505,470.89	
Sub-total of (I) and (II) mentioned above							215,828,098.62	-6,685,624.56	-14,093,191.43		195,049,282.63	
(II) Capital invested and reduced by the owner									350,712,115.46		350,712,115.46	
1. Capital invested by the owner									350,712,115.46		350,712,115.46	
2. Amount of share-based payment reckoned in owner's equity												
3. Others												
(IV) Profit distribution												
1. With drawl of surplus reserves												
2. With drawl of general risk provision												
3. Distributions to shareholders												
4. Others												
(V) Internal carry-over of the owners' equities												
Capital stock conversion of capital reserve												
Capital stock conversion of surplus reserve												
3. Surplus reserve to cover the deficit												
Others												
(VI) Special Reserves												
1. Withdraw in current period												
2. Use for current period												
(VII) Others												
IV. Balance at the end of this period	1,290,000,000.00						199,666,484.20	-9,973,738.31	515,189,974.73		1,882,716.06	

Legal representative:

Person in charge of competent accounting work:

Person in charge of the department:

SECRETARY

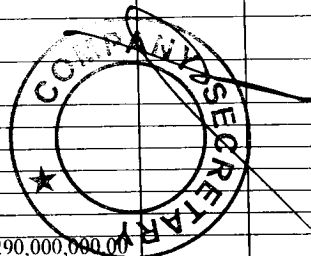
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PAKISTAN

Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting department:



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Balance sheet of parent company

December 31, 2012

Unit: RMB Yuan

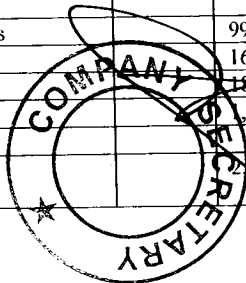
Unit name: Zonergy Company Limited

Project	Notes	Closing balance	Opening balance	Project	Notes	Closing balance	Opening balance
Current assets:				Current liabilities:			
Monetary capital		49,422,502.55	55,977,531.13	Short-term borrowings			
Trading financial assets				Trading financial liabilities			
Notes receivable				Notes payable			
Accounts receivable	X.1	54,130,398.63		Accounts payable		32,152,942.26	
Prepayment	X.2	2,576,837.90		Account collected in advance		251,912,114.19	50,000,000.00
Interest receivable				Employee pay payable		67,986.27	39,514.98
Dividends receivable				Tax payable		-1,088,160.74	-67,582.45
Other receivables	X.3	144,370,077.41	56,677,174.37	Interest payable		2,325,000.00	
Inventory				Dividends payable			
Non-current assets due within one year				Other payables		536,832,600.50	196,837,106.83
Other current assets				Non-current liabilities due within one year			
Total current assets		250,499,816.49	112,654,705.50	Other current liabilities			
Non-current assets:				Total current liabilities		822,202,482.48	246,809,039.36
Available-for-sale financial assets				Non-current liabilities:			
Held-to-maturity investment				Long-term loans			
Long-term receivables				Bonds payable		98,669,432.00	
Long-term equity investment	X.4	1,617,928,597.64	1,237,235,940.64	Long-term payables			
Investment real estates				Special payables			
Fixed assets		4,882,924.59	6,270,328.66	Accrued liabilities			
Construction in progress				Deferred income tax liabilities		18,901,545.00	
Engineering material				Other non-current liabilities			
Disposal of fixed assets				Total non-current liabilities		117,570,977.00	-
Productive biological assets				Total liabilities		939,773,459.48	246,809,039.36
Oil and gas assets				Owner's equity (or share holders' equity)			
Intangible assets		54,259.48	28,205.74	Paid-in capital (or capital stock)		1,290,000,000.00	1,290,000,000.00
Development expenditure				Capital reserve			
Goodwill				Subtraction: Treasury stock			
Long-term unamortized expenses		996,293.81		Special reserve			
Deferred income tax assets		16,362,433.33		Surplus reserves			
Other non-current assets		185,766,180.00		General risk provisions			
Total non-current assets		1,825,990,688.85	1,243,534,475.04	Undistributed profit		-153,282,954.14	-180,619,858.82
Total assets		2,076,490,505.34	1,356,189,180.54	Shareholders' equity		1,136,717,045.86	1,100,380,141.18
				Total liabilities and owners' (or shareholders') equity		2,076,490,505.34	1,356,189,180.54

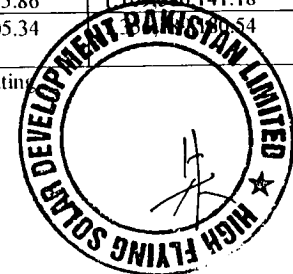
Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting department:



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Profit statement of parent company

2012

Unit name: Zonergy Company Limited

Unit: RMB Yuan

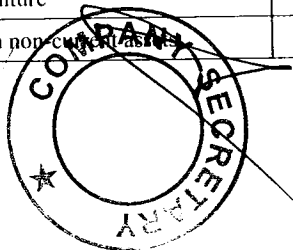
Project	Notes	Current amount	Last term amount	Project	Notes	Current amount	Last term amount
I. Business income	X.5	67,115,999.50	10,787,549.08	III. Total profit (total loss is filled in and listed by"-")		29,876,016.35	-57,224,907.98
Subtraction: Business costs	X.5	44,481,600.87		Subtraction: Income tax expense		2,539,111.67	
Business tax and surcharges		29,766.20	593,315.19				
Selling expenses		7,455.63		IV. Net profit (net loss is filled in and listed by"-")		27,336,904.68	-57,224,907.98
Administrative expenses		64,273,477.27	67,236,757.53				
Financial expense		2,732,805.90	590,977.35				
Loss on the asset impairment				V. Earnings per share:			
Add: Income from changes in fair value (the loss is filled in and listed by"-")		75,606,180.00	-	(I) Basic earnings per share			
Investment income (the loss is filled in and listed by"-")			28,293.14	(II) Diluted earnings per share			
Including: Investment income for associated enterprises and cooperative enterprises							
II. Business profit (loss is filled in and listed by "-")		31,197,073.63	-57,605,207.85	VI. Other comprehensive earnings			
Add: Non-operating income		1,749,317.26	407,433.03				
Subtraction: Non-operating expenditure		3,070,374.54	27,133.16				
Including: Losses from disposal on non-current assets				VII. Total comprehensive earnings		27,336,904.68	-57,224,907.98

Legal representative:

Person in charge of competent accounting

Person in charge of the accounting department:

work:



Cash Flows Statement of parent company
2012

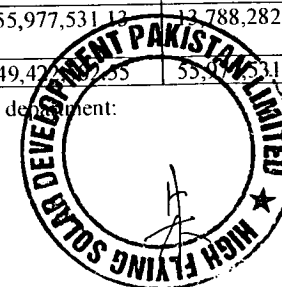
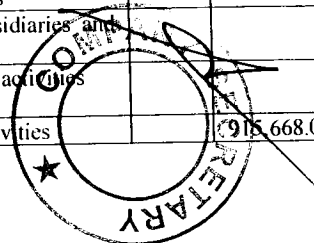
Unit name: Zonergy Company Limited

Unit: RMB Yuan

Project	Notes	Current amount	Last term amount	Project	Notes	Current amount	Last term amount
I. Cash flow from operating activities:				Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,179,401.92	252,502.37
Cash received from sales of goods or providing labor services		221,033,256.14	10,787,549.08	Cash paid for investments		489,852,657.00	6,437,220.50
Refunds of tax and levies				Net cash paid for obtaining subsidiaries and other operating units			
Other cash received relating to operating activities		891,802,583.63	130,293,953.13	Other cash paid relating to investment activities			
Sub-total of cash inflow of operating activities		1,112,835,839.77	141,081,502.21	Sub-total of cash outflow of investment activities		491,032,058.92	6,689,722.87
Cash paid for purchasing commodities and receiving labor services		20,703,990.68		Net cash flows from investment activities		-490,116,390.92	-6,652,087.52
Cash paid to employees and for employees paid		33,853,926.76	35,560,251.58	III. Cash flows generated from financing activities:			
Tax payments		317,360.10	545,467.66	Cash received from capital absorption			
Other cash paid relating to operating activities		672,929,350.24	55,876,863.79	Cash received from obtaining loan		98,560,000.00	
Sub-total of cash outflow of operating activities		727,804,627.78	91,982,583.03	Cash received from the issuance of bonds			29,056.67
Net cash flow from operating activities		385,031,211.99	49,098,919.18	Other cash received relating to financing activities			
				Sub-total of cash inflow of financing activities		98,560,000.00	29,056.67
				Cash paid for debts			
				Cash paid for dividends, profits or interest			
II. Cash flows from investment activities:				Other cash paid relating to the financial activities			280,876.00
Cash received from return of investments				Sub-total of cash outflow of financing activities		-	280,876.00
Cash received from investments			28,293.14	Net cash flows from financing activities		98,560,000.00	-251,819.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		915,668.00		IV. Effect of exchange rate changes on cash and cash equivalents		-29,849.65	-5,764.01
Net cash received from disposal of subsidiaries and other operating units				V. Net increasing amount of cash and cash equivalents		-6,555,028.58	42,189,248.32
Other cash received relating to investment activities			9,342.21	Add: Opening balance of cash and cash equivalents		55,977,531.12	13,788,282.81
Sub-total of cash inflow of investment activities		915,668.00	37,635.35	VI. losing balance of cash and cash equivalents	X.6	49,422,502.55	55,977,531.13

Legal representative:

Person in charge of competent accounting work: Person in charge of the accounting department:



Parent Company change Statement of Owner's Equity

2012

Unit name: Zonergy Company Limited

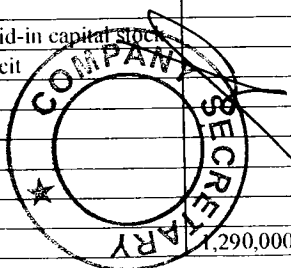
Unit: RMB Yuan

Project	Last term amount							
	Paid-in capital (or capital stock)	Capital reserve	Subtraction: Treasury stock	Specific provisions	Surplus reserves	General risk provisions	Undistributed profit	Total owner's equity
I. Balance at the end of last year	1,290,000,000.00	-	-	-	-	-	-180,619,858.82	1,109,380,141.18
Add: Accounting policy changes								-
Correction of prior period errors								-
Others								-
II. Balance at the beginning of this year	1,290,000,000.00	-	-	-	-	-	-180,619,858.82	1,109,380,141.18
III. Increase and decrease about changes in the amount of the current year (decrease is expressed with "-" to fill in the column.)	-	-	-	-	-	-	27,336,904.68	27,336,904.68
(I) Net profit							27,336,904.68	27,336,904.68
(II) Other comprehensive income		-						-
Subtotal of (I) and (II) mentioned above	-	-	-	-	-	-	27,336,904.68	27,336,904.68
(III) Capital invested and reduced by the owner	-	-	-	-	-	-	-	-
1. Capital invested by the owner								-
2. Amount of share-based payment reckoned in owner's equity								-
3. Others								-
(IV) Profit distribution	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves							-	-
2. Withdrawal of general risk provision								-
3. Distribution for the owners shareholders								-
4. Others								-
(V) Internal carry-over of the owners' equities	-	-		-	-	-	-	-
1. Capital reserves transferred to paid-in capital stock								-
2. Surplus reserve transferred to paid-in capital stock								-
3. Surplus reserve to cover the deficit								-
4. Others								-
(VI) Specific provisions		-		-	-	-	-	-
1. Extract in current period								-
2. Used for current period								-
(VII) Others								-
IV. Balance at the end of this year	1,290,000,000.00	-			-		-153,282.95	1,136,717.05

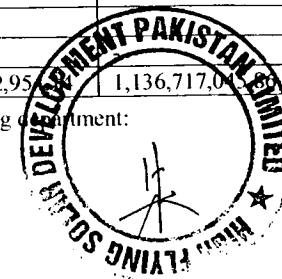
Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting document:



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Parent Company change Statement of Owner's Equity

2012

Unit name: Zonergy Company Limited

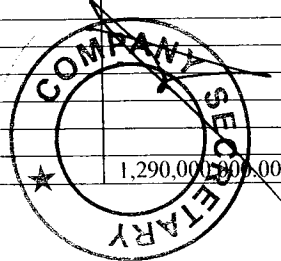
Unit: RMB Yuan

Project	Last term amount							
	Paid-in capital (or capital stock)	Capital reserve	Subtraction: Treasury stock	Specific provisions	Surplus reserves	General risk provisions	Undistributed profit	Total owner's equity
I. Balance at the end of last year	1,290,000,000.00		-	-	-	-	-123,394,950.84	1,166,605,049.16
Add: Accounting policy changes								-
Correction of prior period errors								-
Others								-
II. Balance at the beginning of this year	1,290,000,000.00	-	-	-	-	-	-123,394,950.84	1,166,605,049.16
III. Increase and decrease about changes in the amount of the current year (decrease is expressed with "-" to fill in the column.)	-	-	-	-	-	-	-57,224,907.98	-57,224,907.98
(I) Net profit							-57,224,907.98	-57,224,907.98
(II) Other comprehensive income		-						-
Subtotal of (I) and (II) mentioned above	-	-	-	-	-	-	-57,224,907.98	-57,224,907.98
(III) Capital invested and reduced by the owner	-	-	-	-	-	-	-	-
1. Capital invested by the owner								-
2. Amount of share-based payment reckoned in owner's equity								-
3. Others								-
(IV) Profit distribution	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves								-
2. Withdrawal of general risk provision								-
3. Distribution for the owners shareholders								-
4. Others								-
(V) Internal carry-over of the owners' equities	-	-	-	-	-	-	-	-
1. Capital reserves transferred to paid-in capital stock								-
2. Surplus reserve transferred to paid-in capital stock								-
3. Surplus reserve to cover the deficit								-
4. Others								-
(VI) Specific provisions		-	-	-	-	-	-	-
1. Extract in current period								-
2. Used for current period								-
(VII) Others								-
IV. Balance at the end of this year	1,290,000,000.00	-			-		-180,619,858.82	1,109,380,141.18

Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting document:



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Zonergy Company Limited

Notes for 2012 Annual Financial Statements

(Unless otherwise stated, the amount unit is RMB)

I. Basic information

Zonergy Company Limited (hereinafter referred to as the Company) is a limited liability company established on December 27, 2007 after being approved by the Beijing Municipal Administration for Industry and Commerce, and it has obtained business license with registration number 110000010716319, Company registered address: Building A, 6th Floor, No.1 office building, Jinrong street, Xicheng District, Beijing City; Legal representative: Hou Weigui; paid-in capital RMB 1.29 billion.

Company business scope: The Company belongs to new energy industry, Company business scope: Import and export of cargo, import and export of technology and import and export of agent; Project investment, Investment Management Technological development; Technical consultation; Technical support; Economical information consultation.

II. Main accounting policies, accounting estimates and prior period errors of the Company

(I). The Company shall compile the financial statements in accordance with the confirmation and measurement abiding by the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance on February 15, 2006, provisions interpreted by criterion, and application guide based on the going concern concept and actually occurred transactions and events.

(II). Declaration of following Accounting Standards for Business Enterprises

The financial statements compiled by the Company comply with the requirements of the Accounting Standards for Business Enterprises; truly and completely reflect the financial situation, operating results, cash flows and other relevant information.

(III). Accounting period

Accounting period of the company is from January 1 to December 31 of the Gregorian calendar.

(IV). Recording currency

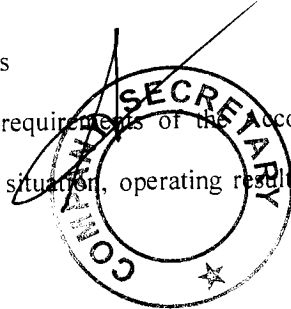
The company takes RMB as the recording currency

(V). Accounting treatment method of the business merger under the same control or not

(1) The business merger under the same control

The assets and liabilities obtained during enterprises mergence shall be measured on the basis of their carrying amount of the combined party on the combining date. In case that the combined parties and the

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Company's accounting policies are inconsistent, the Company shall adjust on the date of the merger in accordance with the Company's accounting policy, and shall confirm the book value on the basis of the adjusted accounting policy. If there is difference between the net assets book value got by the company and the paid merger consideration book value (or the total amount of the issued shares), it is required to adjust the capital reserve (capital stock premium); if the capital reserve (capital stock premium) can't make up for the write-downs, it is required to adjust the retained earnings.

The direct cost for the business combination of the combining party shall, including the expenses for audit, assessment fee and legal services fee, be recorded into the profits and losses at the current period. The handling fees, commissions and other expenses for the issuance of equity securities for the business combination shall be credited against the surplus of equity securities; if the surplus is not sufficient, the retained earnings shall be offset.

(2) The business combination which is not under the same control

Assets paid as consideration, and liabilities incurred or assumed on the merger date shall be calculated at fair value. Balance between the fair value of the paid assets and its book value is incorporated into the current profits and losses. The purchaser distributes the combined cost on the purchase date, and determines the fair value of identifiable assets, the liabilities or the contingent liability obtained by the purchaser. If the combination cost is larger than differences of the fair value share of the acquirer's identifiable net assets, it shall confirm as business reputation. The difference between the combination cost and the acquirer's identifiable net assets' fair value shall, after review, be included in the current profit and loss. (1) As for the assets other than intangible assets acquired from the acquiree in a business combination (not limited to the assets which have been recognized by the acquiree), if the economic benefits brought by them are likely to flow into the enterprise and their fair values can be measured reliably, they shall be separately recognized and measured in light of their fair values. The fair value of the intangible assets can be measured reliably. Intangible assets that are confirmed separately shall be calculated at fair value; (2) As for the liabilities other than contingent liabilities acquired from the acquiree, if the performance of the relevant obligations are likely to result in any out-flow of economic benefits from the enterprise, and their fair values can be measured reliably, they shall be separately recognized and measured in light of their fair values. (3) As for the contingent liabilities of the acquiree obtained in a combination, if their fair values can be measured reliably, they shall separately recognized as liabilities and shall be measured in light of their fair values.

For a business combination, the acquirer obtained the deductible temporary differences of the acquiree, if it fails to meet the conditions for recognition of deferred tax assets, it should not be recognized. Within 12 months

after acquisition date, if they obtained new or further information indicates that the relevant circumstances of acquisition date is existed, and the expected economic benefits from the deductible temporary differences of the acquiree on the acquisition date can be achieved, the relevant deferred income tax assets shall be confirmed, while reducing business reputation, if the business reputation is not enough to write-down, the difference is recognized as the current profits or losses; in addition to the above cases, the deferred tax assets associated with the business combination shall be confirmed and included in current profits or losses. In addition to the above, the deferred tax assets associated with the business combination, shall be confirmed and included in the current profit and loss.

The expenses made by the purchaser for audit, legal service, assessment and brokerage fee for different management of the company merger should be written into the current profit and loss as it happens. The transaction expenses made by the purchaser in issuing equity or debt securities as merger consideration will be included as the initial recognition amount of equity or debt securities.

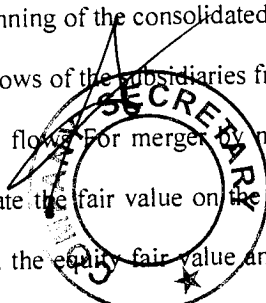
(VI) Compilation method of the combined financial statement

For a business combination, the acquiree obtained the deductible temporary differences of the acquiree, if it fails to meet the conditions for recognition of deferred tax assets, it should not be recognized. Within 12 months after acquisition date, if they obtained new or further information indicates that the relevant circumstances of acquisition date is existed, and the expected economic benefits from the deductible temporary differences of the acquiree on the acquisition date can be achieved, the relevant deferred income tax assets shall be confirmed, while reducing business reputation, if the business reputation is not enough to write-down, the difference is recognized as the current profits or losses; in addition to the above cases, the deferred tax assets associated with the business combination shall be confirmed and included in current profits or losses. In addition to the above, the deferred tax assets associated with the business combination, shall be confirmed and included in the current profit and loss. The expenses made by the purchaser for audit, legal service, assessment and brokerage fee for different management of the company merger should be written into the current profit and loss as it happens. The transaction expenses made by the purchaser in issuing equity or debt securities as merger consideration will be included as the initial recognition amount of equity or debt securities.

The scope of the Company's consolidated financial statements shall be determined on the basis of control, and all subsidiaries are included in the consolidated financial statements. For all subsidiaries taken into the consolidated financial statements, their accounting policies shall be consistent with the Company. In case that certain subsidiaries adopt accounting policies and accounting period that are inconsistent with that of the company's, in the preparation of the consolidated financial statements, make the necessary adjustments according to the company's accounting policies. For acquired branch companies that are merged not under the same control,

in the process of compiling merged financial statement, adjustments should be made to several specific financial statements according to the identifiable fair value of the net assets before the merger. The consolidated financial statements shall be prepared by the company on the basis of the financial statements of the Company and its subsidiaries, based on other relevant information, after the adjustment of long-term equity investments in subsidiaries in accordance with the equity law. During the preparation of the consolidated financial statements, counterbalance the impact of the internal transactions among the subsidiaries and between the Company and its subsidiaries on the consolidated financial statements, the consolidated balance sheet, the consolidated profit statement, the consolidated cash flow statement, statement of changes in consolidated equity. The rights and interests and profit and loss of the minority of the subsidiary's shareholders will be presented separately under the stockholder's equity in consolidated balance sheet and net profit of the consolidated profit statement. If the current loss shared by the minority of the subsidiary's shareholders has surpassed the amount that the minority shareholder shared among the entire subsidiary owner's share, the balance shall still write down the minority shareholder's equity. In the reporting period, adjust the beginning balance of the consolidated balance sheet if the merged companies buy a subsidiary. Take the income, expenses and profits of the subsidiaries from the beginning of the consolidated period to the end of the reporting into the consolidated income statement; Take the cash flows of the subsidiaries from the beginning of the consolidated period to the end of the reporting into the consolidated statement of cash flows, meanwhile adjust the related items on the comparative statements. This shall be regarded as the reporting entity after merger has existed in the previous period. In the reporting period, not adjust the beginning balance of the consolidated balance sheet if the merged company not under the same control buys a subsidiary. Take the income, expenses and profits of the subsidiaries from the beginning of the consolidated period to the end of the reporting into the consolidated income statement; Take the cash flows of the subsidiaries from the merger date to the end of the reporting into the consolidated statement of cash flows. For merger by multiple transactions between entities under different control, the company shall recalculate the fair value on the merger date of the acquiree equity held before the merger date. The differences between the equity fair value and book value on the merger date shall be included in the current investment income. Comprehensive income attained from the acquiree equity held before the merger date shall be transformed into the current investment income on the merger date. While the parent company disposes the subsidiary in the reporting period, the income, expense and profit of the subsidiary from current period beginning to disposal day will be included into the consolidated profit sheet. Take the cash flows of the subsidiaries from the current period to the end of the disposal day will be included into the consolidated statement of cash flows. In case that the control over a former subsidiary has been lost due to the disposal of part equity investments or other reasons, for the disposal of the remaining equity

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investment, the company shall recalculate the fair value on the day of the loss of control over that subsidiary. The sum of the consideration obtained by the disposal of equity and the residual equity fair value minuses the balance among the shares of the net assets of the original subsidiary calculated continuously from the Purchase date in accordance with the original shareholding ratio, and then include the value in the investment income for the current period with the control lost. For other comprehensive income associated with the equity investment of the original subsidiary, it should be converted into investment income when losing the control right. The difference between new obtained long-term equity investment of minority interest purchased by company and the recognizable net asset share of subsidiary calculated as newly increased shareholding ratio; and the difference of net asset share of subsidiary company enjoyed respectively of disposing the long-term equity investment and disposition cost obtained from partial position to equity investment of subsidiary company under the circumstance of not losing of the control power, shall be adjusted in the stock premium of capital reserve among combined balance sheet. If the stock premium of capital reserve did not enough for offset, then adjust the retained income.

(VII) Confirmation standards of the cash and cash equivalent

Cash equivalents refer to the investments held by enterprise with short-term (usually its expiration date is 3 months from the purchasing date), high liquidity, easy conversion to known amounts of cash, and insignificant risk of changes in value.

(VIII) Foreign Currency Business and the Conversion of Foreign Currency Statement

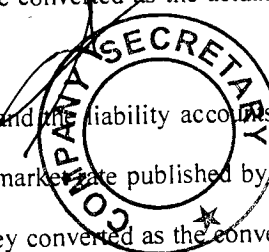
(I) Accounting methods of foreign currency transaction

① Regarding as the foreign currency transaction, take the middle rate convert of market rate published by People's Bank of China in the date of transaction as the recording currency. Among which, the transaction of occurred foreign currency exchange or the involving currency exchange shall be converted as the actual adopted exchange rate.

② In the balance sheet date, take the monetary assets of foreign assets and the liability accounts balance converted as recording currency in accordance with the middle rate convert of market rate published by People's Bank of China in balance sheet date. The difference of recording currency money converted as the converted rate of balance sheet date and the primary accounts, will be disposed as the exchange gain and loss. Among which, the exchange gain and loss generated by relevant foreign currency loans of constructing the fixed assets, will be disposed in the principle of capitalization of borrowing costs, and shall be included as the organization costs which belonging to the exchange gain and loss in the duration of opening. The rest will be included into the current financial cost.

③ In the balance sheet date, as the foreign currency nonmonetary items of historical cost measurement,

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converted as the middle rate convert of market rate published by People's Bank of China in the date of transaction, and shall not change its primary recording currency. As for the foreign currency nonmonetary items of fair value measurement, shall converted as the middle rate convert of market rate published by People's Bank of China in the confirm date of fair value, and take the thereby generated exchange gain or loss as the variable loss and profit of fair value, and included into the current profit and loss.

(2) The conversion method of operation financial statement in overseas.

① Assets and liabilities in the foreign currency balance sheet shall be converted by the spot exchange rate on the balance sheet date. Owners' equity items except Undistributed Profits shall be converted by the spot exchange rate on the business date.

② The income and expense items in the profit statement shall be converted by the average exchange rate on the transaction date.

The balance in the financial statement of foreign currency converted as above-mentioned method shall be solely listed in the owners' equity item of balance sheet.

(IX) Financial Instruments

When becoming one party of financial instruments contract, the Company shall recognize the financial assets or financial liabilities. For financial assets or financial liability initial recognition shall be measured according to the fair value. For financial assets and liabilities measured at fair value and the change of which is included into current profits and losses, relevant transaction expenses shall be included into current profits and losses directly; for other categories of financial assets or liabilities, relevant transaction expenses shall be included into the initial recognition amount.

(1) Determination method of fair value of financial assets and financial liabilities

Article 50 the "fair value" refers to the amount, at which both parties in a transaction who are familiar with the condition willing to exchange their assets or clear off their debts under fair conditions. The fair value of the financial instruments that exists in the active market shall be confirmed by the quoted price in the active market. For financial instruments in an inactive market, their fair values shall be determined through the value appraisal technology. The value appraisal techniques mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, the cash flow capitalization method and the option pricing model, etc.

(2) The effective interest rate method

Article 14 The effective interest rate method refers to the method by which the amortized costs and the

interest incomes of different installments or interest expenses are calculated in light of the actual interest rates of the financial assets or financial liabilities (including a set of financial assets or financial liabilities). The effective interest rate refers to the interest rate adopted to the future cash flow of a financial asset or financial liability within the predicted term of existence or within a shorter applicable term converted into the current interest of book value of the financial asset or financial liability.

In calculating the actual interest rate, the company will predict the future cash flow on the base of considering the financial assets or all contract terms of financial liability (not considering the future credit loss), and consider the every charge, transaction cost, reduced price or premium etc. which belong to the component of actual rate, and the payment or charge from each party of contract as financial assets or financial liability.

(3) The classification, confirmation and measurement of the financial assets

The company's financial assets is divided into: the financial assets, loan receivables and financial assets available for sale which calculated according to the fair value and its variations can be added into the current profits and losses at the initial recognition. Buy and sell the financial assets as the regular method, and confirm and derecognition as the trading day accountant.

① Financial assets which is measured at the fair value and its change is reckoned in the current profit and loss

Financial assets which are measured at the fair value and whose changes are included into the current profits and losses include trading financial assets and those financial assets specified to be measured at the fair value and its changes shall be included into the current profits and losses. The follow-up measurement shall adopt the fair value, and the gains or loss of change of fair value will be reckoned in the current profit and loss.

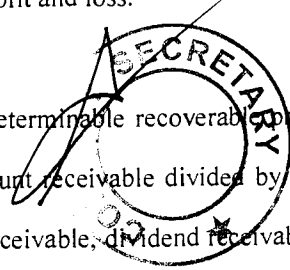
② Loans and receivables

Loans and receivables refer to non-derivative financial assets with fixed or determinable recoverable price but without quotation in the active market. The financial assets of loans and account receivable divided by the company include monetary capital, notes receivable, accounts receivable, interest receivable, dividend receivable, other receivable funds, other current assets, long-term receivable funds, issue the entrusted loan and monies advanced, other receivable land consolidation of non-current assets, advance money for owner's project etc.

Loans and receivables shall be subsequently measured by using effective interest method and based on the amortized cost, and the gains or losses arising from the deracination, impairment or amortization shall be reckoned in current profits and losses.

③ Available-for-sale financial assets

Available-for-sale financial assets include appointed available-for-sale non-derivative financial assets at the



time of initial confirmation; and financial assets, loans and receivables which are except for the measure of fair value and reckoned in current gains and loss in variation; and the financial assets except from the held-to-maturity investment.

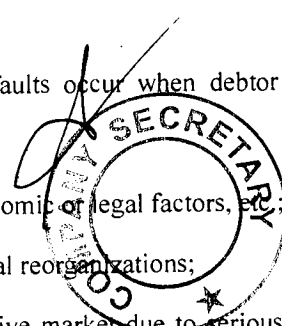
The Available-for-sale financial assets carries out the subsequent measurement by the fair value, excluding the loss of impairment and the balance of exchange arising from the foreign currency monetary financial assets and amortized cost, the gains and losses formed from the change of the fair value are recognized as other comprehensive income and included into the capital reserve; when the financial assets is in derecognizing, it shall be rolled out and reckoned in the current profits and losses. The interest obtained in the holding period of available-for-sale financial assets and the cash dividends issued by Investment Company will be reckoned in the investment income.

(4) Financial Assets Impairment

The Company shall carry out an inspection on the book value of other financial assets other than those measured at their fair values with its changes reckoned in the current profits and losses on each Balance Sheet date. If there is any objective evidence indicating that a financial asset has been impaired, the depreciation reserves shall be calculated and drawn. The objective evidences showing occurrence of the impairment of financial assets refer to the matters which actually happen after the initial recognition of financial assets and influence the expected future cash flows of the financial assets and the influence can be reliably measured by the enterprise.

The objective evidences that can prove the impairment of the financial asset shall include:

- ① A serious financial difficulty occurs to the issuer or debtor;
- ② The debtor breaches any of the contract terms, for example, defaults occur when debtor conducts payments of interests or the principal or on overdue date, etc.;
- ③ The Company makes a concession to the debtor considering the economic or legal factors, etc;
- ④ The debtor will probably become bankrupt or carry out other financial reorganizations;
- ⑤ The financial assets can no longer continue to be traded in the active market due to serious financial difficulties of the issuer;
- ⑥ The cash flow decrease of some property in a group of financial properties is indefinable, but after the general assessment with the public data, the predicted future cash flow of this group of financial properties has definitely decreased from the initial recognition, and the decreased amount is calculable. Including
 - The payment capacity of debtor in this group of financial assets will get worse gradually.
 - Country or region of debtor may occurred the situation that this group of financial assets cannot be paid.



⑦ Any seriously disadvantageous changes have occurred to technical, market, economic or legal environment, etc. Wherein the debtor operates its business, which makes the Company unable to recoup its investment costs;

⑧ The fair value of the equity instrument investments drops significantly or non-contemporarily;

⑨ Other objective evidences showing the impairment of the financial assets.

- Impairment of financial assets measured by the amortized costs

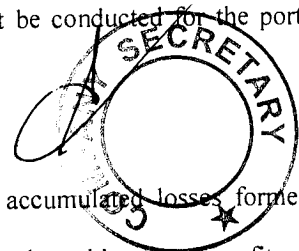
The financial assets counted as amortized cost will write-down its book value to predict present value of future cash flow confirmed as the primary actual rate of this financial assets(except for the future credit risks that not happened yet), the write-down cash will be confirmed as the impairment loss, and will be reckoned in the current gains and loss. After confirming the financial asset impairment loss, if there is objective evidence suggesting that its value has been restored, and it is objectively related to the matters occurred after confirming the loss, the original confirmed impairment loss shall be reversed, but the book value of the financial assets after reversing the impairment loss shall not exceed the amortized cost of the financial assets on the reversed date under the conditions of assuming not to withdraw impairment.

The Company carries out the separate impairment test on financial asset with a single significant amount. With regard to the financial assets with insignificant single amounts, a separate impairment test may be carried out, or they may be included in a combination of financial assets with similar credit risk features so as to carry out an impairment test. For the financial assets without impairment in the separate test (including the significant and non-significant individual amount of the financial assets), they will be included in the financial assets combination with similar credit risk characteristics so as to carry out an impairment test again. As for the financial assets with the impairment losses individually recognized, the impairment test shall not be conducted for the portfolios of financial assets with similar credit risk characteristics.

- Impairment of available-for-sale financial assets

When there is impairment for available financial assets for sale, the accumulated losses formed by the decreased fair value previously reckoned in capital reserve are rolled out and reckoned in current profit or loss, the rolled out cumulative loss is balance after deducting received principal and amortized amount from the initial acquired cost of the asset, the balance of the current fair value and the impairment loss that has been reckoned in profit or loss.

After confirming the impairment loss, if there is objective evidence suggesting that its value has been restored, and it is objectively related to the matters occurred after confirming the loss, the original confirmed impairment loss shall be reversed; the impairment loss of the investment of available-for-sale equity instrument is



reversed and confirmed as other comprehensive income, and that of the available-for-sale debt instrument is reversed and reckoned in current profit and loss.

- Impairment of financial assets measured by cost

Where an equity instrument investment for which there is no quoted price in the active market and whose fair value cannot be reliably measured, or a derivative financial asset which is connected with the equity instrument and which must be settled by delivering the equity instrument suffers from any impairment, the balance between the book value of the financial assets and the present value determined by the discounting of future cash flow according to the market returns of the similar financial assets at the same time shall be recognized as impairment losses. The impairment loss of such financial asset shall not be reversed once confirmed.

(5) Transfer of Financial Assets

Confirmation of financial asset shall be terminated in case of any one of the following cases is met: (1) The contract rights of collecting the financial assets cash flows are terminated; (2) The financial assets have been transferred, and almost all the risks and rewards of ownership of financial assets have been transferred to the transferee; (3) The financial asset has been transferred, and although the Company has neither transferred nor reserved almost all the risks and rewards of ownership of financial asset, it has waived the control on the financial asset.

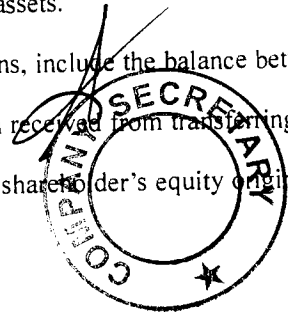
Where the Company neither transfer nor reserve almost all the risks and rewards of ownership of the financial asset, and does not waive the control on the financial asset, it shall recognize the related financial assets according to the extent of its continuous involvement in the transferred financial assets and confirm relevant liabilities accordingly. The continuous involvement in the transferred financial assets is referring to the risk level that the enterprise faces resulting from the change of the value of the financial assets.

If the overall transfer of financial assets meets the derecognition conditions, include the balance between the book value of the transferred financial assets and the sum of the consideration received from transferring and the accumulated amount of the changes in the fair value which is reckoned in the shareholder's equity originally into the current profit and loss.

(6) Confirmation, classification and metering of financial liability

According to nature arranged in this financial instrument contract and the definitions of financial liability and equity instrument, the financial instruments to be issued by the company are confirmed as financial liabilities or equity instrument.

At the initial recognition, the financial liabilities of the Company are divided into the financial liabilities that were measured at fair value and its change was reckoned in the current profit or loss and other financial liabilities.



① Financial liabilities measured at the fair value and changes of which are reckoned in current profits and losses

Financial liabilities which are measured at the fair value and the changes are reckoned in the current profits and losses include trading financial liabilities and those financial liabilities specified to be measured at the fair value and the changes are reckoned in the current profits and losses at the time of initial recognition. Such financial assets of the company mainly refer to the derivative financial liabilities.

The financial liability meeting one of the following conditions will be divided into trading financial liabilities: (1) The purpose for bearing the financial liability is mainly to buy back in the near future; (2) At the initial recognition, forming a part of the identifiable combination of financial instruments which are managed in a centralized way and for which there are objective evidences proving that the Company may manage the asset portfolio by way of short-term profit making in the near future; (3) Except for derivative instruments belonging to financial guarantee contract.

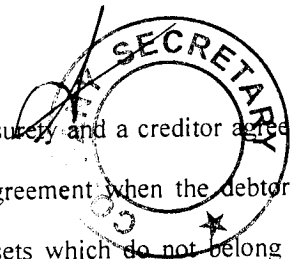
The financial liability which metered in fair value and included its changes into the current profit and loss shall use its fair value for subsequent metering; the profit or loss incurred by the changes in fair value and the dividend and interest expense relating to such financial liabilities shall be reckoned in the current profit and loss.

② Other financial liabilities

For the derivative financial liabilities which are connected to the equity instrument for which there is no quotation in the active market and whose fair value cannot be reliably measured, and which must be settled by delivering the equity instrument, they shall be measured subsequently on the basis of their costs. These kinds of financial assets should be measured subsequently with the effective rate method and in accordance with the amortized cost. The profits and losses result from the termination of recognition or the amortization should be reckoned in the current profits and losses.

③ Financial guarantee contract

Financial guarantee contract means an agreement pursuant to which a surety and a creditor agree that the surety shall perform the obligation or bear the liability according to the agreement when the debtor fails to perform his obligation. The financial guarantee contract of the financial assets which do not belong to those metered with fair value and reckoned its changes in the current profit and loss should be subject to initial recognition in its fair value; and then subject to subsequent metering in the higher one between the balances deducting the accumulative amortization amount confirmed according to the principles stipulated in Accounting Standards for Business Enterprises No. 14- Revenue from the amount confirmed according to Accounting Standards for Business Enterprises No. 13- Contingency after the initial recognition or from the initially



confirmed amount.

(7) Derecognition of financial liabilities

If the whole or part of current obligations concerning the financial liabilities has been removed, the recognition of the whole or part of financial liabilities shall be terminated. Where the Company (debtor) enters into an agreement with a creditor so as to substitute the existing financial liabilities by way of assuming any new financial liability, and if the contractual stipulations regarding the new financial liability is substantially different from that regarding the existing financial liability, the recognition of existing financial liability shall be terminates and the new financial liability shall be recognized at the same time.

The financial liability is totally or partially derecognized, calculated the difference of book value of the derecognized part and the paid considerations (including the non-cash assets it has transferred out and the new financial liabilities it has reckoned in the current profits and losses.

(8) Derivative Instruments

The derivative instrument is subject to initial metering in its fair value on the signing date of relevant contracts, and subject to subsequent metering in its fair value. The changes in the fair value of derivative instrument should be reckoned in the current profits and losses.

(9) Offsetting of financial assets and financial liabilities

When the company has the legal rights to offset the confirmed financial assets and financial liability and can perform such legal rights at present, and at the same time the company plans to settle in netting or realizes such financial assets and pays off the financial liability, the financial assets and liability will be listed in the balance sheet in the offset amount. Otherwise, the financial assets and financial liability should be listed in the balance sheet separately, and shall not be mutually offset.

(X) Confirmation standard, provision method of the bad-debt provision of account receivable, in which the account receivable includes receivables and other accounts due.

(1) Receivable accounts of single significant amount and individual provision for bad debts:

The criterion of significant single amount or the amount standard	The account receivable with the single amount exceeding RMB 2 million Yuan shall be regarded as significant account receivables
Counting – drawing method for single significant amount and calculated individual provision for bad debts	Perform impairment test on the receivables with a significant amount separately, and perform test on the financial assets without impairment separately, including the test performed in the combination of the financial assets with similar credit risk characteristics. As for the account receivable with the impairment losses that have been recognized in individual test, it will not be included in the accounts receivable portfolio with similar credit risk characteristics in order to carry out impairment test.

(2) Provision for bad debts on receivable accounts in portfolios

Basis of combination confirmation	
Name of combination	Bases
Combination 1 Account Age combination	Divide the combination according to the account receivable age
Counting method of the provision for bad debts calculated according to combination	
Name of combination	Calculating method
Combination 1 Account Age combination	Aging analysis method

In the portfolio, the provision proportion of the accounts receivable bad debts reserve by adopting aging analysis method is as follows:

Account Age	Provision proportion of the bad debt reserve of the accounts receivable	The proportion of the bad-debt provision of other accounts due
Within one year	0%	0%
1 - 2 years	10%	10%
2 - 3 Years	20%	20%
3-4 years	30%	30%
4-5 years	50%	50%
Over five years	100%	100%

(3)Accounts receivable with single amounts which are not significant but subject to single provision for bad debts reserve.

Reason for calculated individual provision of bad debts	Evaluate the possibility of recycling according to the management layer
Counting - drawing method for the provision for bad debts	Individual provision method

(XI) Classification, valuation and accounting method of inventory; Standard for recognition of inventory falling price reserves and withdrawing method:

(1) Inventory classification: The held-for-sale finished product or commodity in daily activities, the finished product in production process, The materials and supplies, etc. consumed in the production process or the process of rendering of service, including materials in storage, low priced and easily worn articles, goods in process, merchandise inventory and land development cost.

(2) The inventory system is a perpetual inventory system.

(3) Value the inventory in its actual cost, value the materials in storage in its actual purchasing cost, value the giving out materials in method of weighted mean; Low priced and easily worn articles Actual cost method will be applied in the valuation of stock merchandise warehousing; weighted average method will be applied in the valuation of sending out stocks.

(4) Inventory depreciation provision: The valuation of final inventory should be the lower between cost and

net realizable value; on the basis of stock-taking of the inventory, for the inventory suffered damage, fully or partly obsolete, the sale price is lower than the cost and other reasons, the irrecoverable part of the cost shall be estimated and inventory falling price reserves shall be withdrawn. Withdraw according to the part of the cost of single inventory item higher than the realizable net value and then reckon in the current profit and loss. The net realizable value means the amount derived by deducting the potential cost, estimated sale cost and relative taxes to the completion date from the estimated selling price of the inventory in the Company's daily activities. When value of the inventory, for which the provision for decline in the value has been made, is recovered, such provision and current earnings should be adjusted based on the recovered additional amount (the additional amount is limited to the original amount of provision).

(XII) Accounting methods of long-term equity investment

(I) Initial investment costs

Initial cost of the Company's long-term equity investment shall, based on different acquisition modes, be recognized as follows:

① The long-term equity investment acquired through the business merger under joint control takes the share of combined party's book-value of owner's equity obtained on the merger day as its initial investment cost. The capital reserve should be adjusted based on the difference between acquisition cost and initial cost; when the capital reserve is insufficient for the offset, the retained earnings should be adjusted.

② For long-term equity investment through the business merger under different controls, the involved assets on the trade date, the issued equity instruments and the fair value of liabilities occurred or assumed will be counted as the initial investment cost of the long-term equity investment. All identifiable assets and liabilities (including all liabilities) borne by the merged party on the date of the merger will be measured in accordance with their fair value regardless of the amount of minorities shareholders. In case the cost of the merger surpasses the fair value of identifiable net assets of the merged party acquired by the company, the excess part will be recorded as business reputation. Otherwise, the insufficient section should be made clear in the consolidated income sheet.

③ Long-term investments obtained through other means

A. For long-term equity investment obtained through paying cash, the purchasing price actually paid shall be counted as the initial investment cost.

B. The long-term equity investment obtained from equity securities issuance shall be the initial investment cost according to the fair value of the equity securities issued.

C. For the long-term equity investment from the investors, the value agreed in the investment contract or agreement will be counted as the initial investment cost. In case that the value agreed in the investment contract or

agreement is not fair, the fair value will be counted as the initial investment cost.

D. When the long-term equity investment obtained through the exchange of non-monetary assets is commercial in nature, the fair value of the assets surrendered should be considered as the initial cost of the received long-term equity investment; When it is not commercial in nature, the book value of the assets surrendered should be considered as the initial cost of the received long-term equity investment.

E. For the long-term equity investment obtained through debt restructuring, its initial investment cost will be subject to the fair value of the long-term equity investment.

(2) Recognition method for the subsequent measurement and profit and loss

① For the investment of subsidiaries, the cost method shall be used for calculation.

The equity investment which the subsidiary company holds for the Company and which can inflict control on the invested enterprise. If the stock shares exceed 50% or though the stock shares are less than 50%, the Company can actually control an entity and the entity will be viewed as a subsidiary company of the Company.

② Equity method should be used in the calculation of the investment of joint venture or associated enterprise.

Cooperative enterprise is the equity investment held by the company, the company can control over the invested entity together with other cooperative parties; Associated enterprise is the equity investment held by the company, the company can exert significant influences on the invested entity. If the Company holds 20% to 50% of an entity's equity shares and does not actually control the entity or the Company holds less than 20% of an entity's equity shares but has significant impact on the entity, then the entity shall be regarded as the Company's joint venture or associated enterprise.

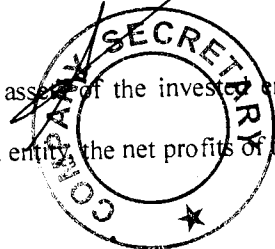
The Company shall, on the basis of the fair value of all identifiable assets of the invested entity in the confirmation of enjoying the share of the net profits and losses of the invested entity, the net profits of the invested entity shall be confirmed after the adjustment.

If the accounting policies and accounting periods adopted by the invested entity are different from those adopted by the Company, an adjustment shall be made to the financial statements of the invested entity in accordance with the accounting policies and accounting periods of the Company and confirm the investment profits and losses.

As for other changes of owner's equity except the net income and loss of the invested entity, the book value of long-term equity investment shall be adjusted and included in the owner's equity.

③ There is no control, joint control or significant influence of a long-term equity investment.

Long-term equity investment, which has no quotation and fair value on active market and cannot be



measured reliably, shall be calculated by the cost method.

Long-term equity investment, which has no quotation and fair value on active market and cannot be measured reliably, shall be stated in the available-for-sale financial assets item and be calculated according to the fair value and the change of fair value shall be included in the shareholders' equity.

(3) The basis recognized to have joint control and significant influence on the invested entity

It has joint control on the invested entity means that control over an economic activity as specified by contract, which exists only when the investing parties that need to share the power of control in important financial and operating decision-making agree unanimously. It has significant influence on the invested entity means that having the power to participate in the formulation of financial and operating policies of an enterprise, but not the power to control or jointly control the formulation of these policies together with other parties.

(4) Impairment test method and withdrawing method for impairment of assets

Our company shall estimate the recoverable amount when finding the long-term equity investment to devalue in the inspection at the term end. If the recoverable amount is lower than the book value, the company can make long-term investment impairment provisions according to the difference between the recoverable amount and the book value.

As for the long-term equity investment which has no quotation and fair value on active market and can not be measured reliably, the amount, where the book value is lower than the present value which is definite with future cash flow discounting according to the market profitability of similar financial assets at that time, shall be regarded as impairment loss and included in the current profit and loss.

As for the long-term equity investment except the available-for-sale financial assets, once the impairment provisions are made, the investment cannot be reversed within the duration.

(XIII) Accounting method of fixed assets

(1) Confirmation conditions of fixed assets

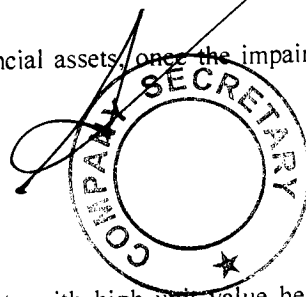
① Fixed asset confirmation: The fixed assets refer to the tangible assets with high unit value held for commodity production, rendering of service, rent or operation management, and a service life of more than one year.

② Initial measurement of fixed assets should be made according to its cost, and the depreciation should be allocated by the straight-line method (average service life method) from the month following the date when the fixed assets are ready for their intended use.

(2) Impairment method for various fixed assets

The depreciation should be allocated from the date when the fixed assets are ready for their intended use. and

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the average service life method should be adopted; estimated service life of various fixed assets, rate of net residual value and the annual depreciation rate is respectively:

Category of fixed assets	Expected service life	Expected net residual value rate	Yearly depreciation rate
Buildings	10-30years	5.00%	3.17%-9.50%
Machinery equipment	5-10years	5.00%	9.50%-19.00%
Transport equipment	3-8years	5.00%	11.88%-31.67%
Road and bridge	25	5.00%	3.80%
Office equipment and others	3-10years	5.00%	3.17%-31.67%

For fixed assets for which the provision for impairment has been withdrawn, rate of depreciation shall be calculated on the premise of deducting the accumulative amount of the provision for impairment of the fixed asset that has been already withdrawn.

The Company shall conduct re-checks and appropriate adjustment of the expected service life, expected net salvage values and depreciation methods of the fixed assets at the end of each year. When the fixed asset is disposed or cannot be expected to produce economic interests through use or disposal, the confirmation of that asset should be ceased. The amount left as the book value and relevant taxes are deducted from the disposal, the income obtained from the sale, transfer, discard or damage of the investment real estate should be accounted in the current profit and loss.

(3) Impairment test methods and with drawing method for impairment of fixed assets

The Company inspects the fixed assets at the end of term, in case of finding the following situations: the recoverable amounts of the fixed assets shall be calculated to determine whether they have experienced devaluation. For fixed assets that the recoverable amount is lower than the book values, with depreciation reserves according to the balance of the fixed asset recoverable amount lower than the book value. The drawing and counting shall be as per single assets. If the recoverable amount of the single asset is hardly estimated, the drawing and counting shall base on the assets group in which this asset is included. Once the provision for impairment is drawn, no restitution in the period of asset existence shall be made.

① The market price of fixed assets drops greatly, and the price drop is obviously higher than expected drop due to the passage of time or due to the normal use.

② The fixed assets have become obsolete or the entity have been damaged;

③ It is predicted that there is greatly unfavorable changes in the using way of the fixed assets, for example the fixed assets have been or will be idle, the enterprise plans to end or rebuild the business of the assets, or handle the assets ahead, creating negative influence on the enterprise;

④ Because the economic, technical or legal environment in which the enterprise operates its businesses and the market of fixed assets will change greatly during the current period or in the near future, which will create

unfavorable influence on the enterprise.

⑤ The market interest rate over the same period or rate on investment return on other markets have increased during the current period which will affect the enterprise's calculation of assets and prediction of discount rate of future cash flow present value, leading to significant decrease of their recoverable amount.

⑥ Any evidence in the internal report of the enterprise shows that the economic performance of the fixed assets have been or will be lower than the expected performance, for example, the net cash flow created by fixed assets or the operating profit (or losses) realized is lower (or higher) than the expected amount;

⑦ Other signs show that the impairment may have occurred to the fixed assets.

(4) Identification basis and valuation method of fixed assets under financing lease

If it satisfies one or more of the following criteria, it shall be recognized as a finance lease fixed assets:

① It has been agreed in lease contract (or make reasonable judgment on lease starting date as per relevant condition), when the lease term expires, the ownership of leased fixed assets can be transferred to the Company;

② The Company has an option to purchase the leased fixed assets, and the concluded purchase price is expected to be much lower than the fair value of the leased fixed assets when the option is exercised. Therefore, on the lease commencement date, the option to be exercised by the Company shall be reasonably determined;

③ Even if the ownership of the leased asset is not transferred, the lease term covers the service life of the leased fixed asset (75% and above 75%);

④ The minimum lease payment present value of the lessee in the lease commencement date of the Company almost is equal to 90%(or more) of the fair value of leased fixed assets on the lease commencement date; The minimum lease payment present value of the lessee in the lease commencement date of the lessor almost is equal to 90%(or more) of the fair value of leased fixed assets on the lease commencement date;

⑤ The leasing assets are of special nature that only the company can use them if major modifications are not made.

For fixed asset rented in the financing, the entry value will be subject to the smaller between the leased asset's fair value on the day of the lease and minimum lease payment.

(XIV) Accounting method for construction in process

(1) Valuation for the construction in process:

Determine the project costs according to actual expenditures. The self operating project shall be measured with direct materials, direct wages, direct construction costs, etc.; Package engineering is measured according to the payable project price; For the equipment installation engineering, the engineering cost shall be determined by the expenditure occurred from the value, installation costs, engineering test run, etc. of the installed equipment.

The cost of construction in process also includes borrowing costs and profits or losses on exchange that shall be capitalized.

(2) The standard and time point for construction in process transferred to fixed assets

The assets constructed by us will be carried forward the fixed at when it achieves predetermined running condition according to the project budget, cost or the actual cost of the project, and will be depreciated from next month. The difference of the fixed assets original value will be adjusted after completing the account closing procedure.

(3) Confirmation standard and withdrawal methods of the impairment reserves for project under construction

At the end of each year, the company makes a comprehensive inspection on the project under construction; when there are signs of impairment, the recoverable amount is estimated, and the provision for impairment should be made according to the negative difference between the recoverable amount of the project and its book value. Once the provision for impairment is drawn, no restitution in the period of asset existence shall be made.

(XV) The accounting method of the borrowing costs

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(1) The borrowing costs of the Company include interest on borrowings, amortization of discounts or premiums, auxiliary expenses, and exchange difference from foreign currency borrowings, etc.

(2) The borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization; it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount incurred, and shall be recorded into the current profits and losses.

(3) When asset expenditures have happened; the borrowing costs have happened; the necessary acquisition and construction or production activities have already started in order to reach the intended practicable or marketable status for the assets, borrowing costs capitalization can be start. If assets eligible for capitalization in the process of acquisition and construction or production are interrupted abnormally, and the interruption lasts for more than 3 months, the capitalization of borrowing costs shall be suspended. When the assets that has been established or purchased are ready for their intended use, the capitalization of the borrowing costs should be ceased, and the borrowing costs afterwards should be confirmed as the profits and losses during the period when such costs are incurred.

(4) Of every accounting period, capitalization amount will be calculated and determined according to the weighted average of cumulative expenditure of acquiring and constructing fixed assets (till the end of that term) and capitalization rate. As for interests cost occurred from special borrowings costs for the acquisition and construction or production of assets eligible for capitalization, the amount shall be confirmed based on the

interests cost of the special borrowings costs occurred actually in the current period deducting the interests income earned for depositing the unused borrowing costs or the income from temporary investment. To take up the general borrowing for acquisition and construction or production of assets eligible for capitalization, according to the calculation that the weighted average of the capital expenditure of the part that the cumulative exceeds the special borrowings multiply the capitalization rate of general borrowings, the general borrowing shall be calculated to confirm the interests amount for capitalization.

(XVI) Biological assets

(1) Conditions of biological assets recognition

Biological assets refer to living animals and plants. No biological assets may be confirmed unless it simultaneously meets the conditions as follows: (1) An enterprise possesses or controls the biological asset as a result of past transaction or event; (2) The economic benefits or service potential concerning this biological asset are likely to flow into the enterprise; (3) The cost of this biological asset can be measured reliably.

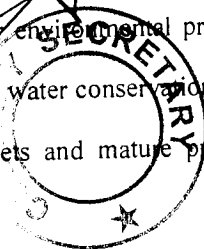
(2) Classification of biological assets

Biological assets have a classification of consumptive biological assets, productive biological assets and public welfare biological assets. The consumptive biological assets refer to the biological assets held for sale, or biological assets to be harvested as agricultural products in the future, consisting of growing field crops, vegetables, commercial forests, and livestock on hand, etc. The productive biological assets refer to the biological assets held on the purpose of producing agricultural products, rendering labor services, renting, and etc., consisting of the economic forests, fuel forests, productive livestock, draught animals, etc. The public welfare biological assets refer to the biological assets for the main purpose of protection or environmental protection, consisting of wind break and sand fixation forests, water and soil conservation forests, water conservation forests, etc. Biological assets of the company include immature productive biological assets and mature productive biological assets.

(3) Initial measurement of biological assets

Biological assets are measured initially based on the cost. The cost of a purchased biological asset consists of the purchase price, the relevant taxes, freight, insurance premium and other expenses that may be directly attributable to the purchase of this asset. The cost of self-planting and self-breeding productive biological asset shall be ascertained in accordance with the provisions as follows: (1) The cost of self-planting productive biological assets as forests consists of the necessary expenses for forestation, forest tending, forest operating facilities, testing of good species, investigation and design, indirect apportionment, etc., before accomplishing the expected objective of production and operation; (2) The cost of self-breeding productive livestock and draught

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animals consists of the necessary expenses for feedstuffs and labor, indirect apportionment, etc., before accomplishing the expected objective of production and operation (being grown up). Accomplishing the expected objective of production and operation refers that the productive biological assets may produce agricultural products, render labor services, be rented out stably for several consecutive years after they enter into the normal production period. (3) The actual costs incurred before the productive biological assets are ready for the intended production use should be the cost of productive biological assets; and the subsequent expenditure incurred after the assets are ready for the intended production use should be recorded into current profits and losses.

(4) Subsequent measurement of intangible assets

① An enterprise shall, in accordance with the schedule, make the depreciation charges of any productive biological assets whose expected objective of production and purpose has been accomplished, and shall, based on the use of the biological assets, include it in the cost or current profits and losses of the relevant assets respectively. At the end of each year, the company rechecks the service life, expected net residual value and depreciation methods; if the expected service life and net residual value greatly differ from the original estimate or the economic interest realization method is changed significantly, the service life or expected net residual value adjustment or the depreciation method change should be made as the changes in accounting estimates.

Depreciation of mature biological assets should be made by the straight-line method, depreciation life and the annual depreciation rate are as follows:

Category	Expected service life	Expected net residual value rate	Yearly depreciation rate
Productive biological assets	20 years	0.00%	5.00%

② At the end of each year, the company checks the productive biological assets and consumptive biological assets; if there is evidence that the recoverable amount of productive biological assets or the net realizable value of consumptive biological assets are lower than their book value, provision for impairment of productive biological assets and provisions for decline in value of consumptive biological assets should be made according to the difference and recorded into the current profits and losses; Once the provision for impairment of a productive biological asset is withdrawn, it shall not be reversed. When the factor that causes decline in value of consumptive biological assets vanishes, the provision for decline in value that has been made should be written back and recorded into the current profits and losses.

(XVII) The valuation and amortization methods of intangible assets

(1) Valuation methods of the intangible assets

The cost of bought-in intangible assets will be determined by the actual cost and other relevant expenses. The actual cost of the intangible assets invested by the investors shall be confirmed according to the value agreed in

the investment contract or agreement, in case that the value agreed in the contract or agreement is not fair, the actual cost shall be confirmed according to the fair value. When the intangible assets acquired through the exchange of non-monetary assets are commercial in nature, they should be recorded according to the fair value of the assets surrendered; If not commercial in nature, they should be recorded according to the book value of the assets surrendered. The fixed assets obtained via debts restructuring shall be determined at the fair value.

For the intangible assets researched and developed by the company, the expenditure during research stage should be recorded into the current profits and losses after it is incurred; When the expenditure during research stage meets the following conditions at the same time, such assets should be recognized as intangible assets (patented technology and non-patented technology):

- ① Completing the intangible assets so that it can be used or sold and having feasibility in technology:
 - ② There is intention of completing the intangible assets for using or sales:
 - ③ The products manufactured by use of the intangible assets are marketable or the intangible assets themselves are marketable;
 - ④ There are sufficient technical, financial and other resources to ensure the development of the intangible assets, and there is ability to use or sell the intangible assets;
 - ⑤ The expense at the development stage belongs to the intangible assets can be measured reliably.
 - ⑥ The product cycle manufactured by use of the intangible assets is more than one year.
- (2) The amortization method and time limit of the intangible assets:

The patent technology, non-patented technology, and other intangible assets shall be averagely amortized by the shortest age limit among expected service life, benefited age limit specified in the contract and effective age limit specified in law. Amortization amount shall be reckoned into relevant asset cost and the current profits and losses in accordance with its beneficiaries.

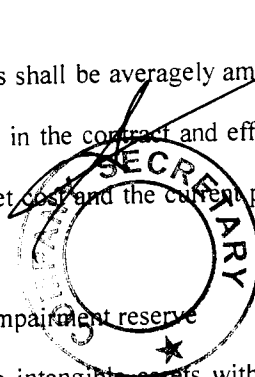
- (3) Confirmation standard and withdrawal methods of the intangible asset impairment reserve

At the end of each year, the company carries out impairment test on the intangible assets with uncertain beneficial period, such as trademark, to estimate their recoverable amount, and makes provision for impairment of intangible assets according to the negative difference between recoverable amount and the book value.

For other intangible assets at the end of the inspection, when there are signs of impairment when estimate the recoverable amount, according to its recoverable amount is lower than the book value of the difference between the provision of intangible assets depreciation reserves. Once the provision for impairment is drawn, no restitution in the period of asset existence shall be made.

- ① Has been replaced by other new technologies and had materially adverse effect on its ability to create

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economic benefits to the Company;

② The market prices fell sharply in current period, and it is expected that it cannot recover within the remaining amortization age limit;

③ Has exceeded the legal protection period, but still has some use value;

④ The other cases where the impairment of assets has been proven actually.

(XVIII) Amortization method of long-term unamortized expenses

Long-term unamortized expenses incurred to the Company are valued at actual cost and amortized averagely based on its expected benefit period, for long-term unamortized expense item that can't bring benefits during subsequent accounting period, amortized value of the item is completely recorded into the current profits and losses when it is determined.

(XIX) Research and Development

The expenditures for internal research and development projects of the Company are divided into the research stage expenditures and the development stage expenditures. The expenses at research stage will be included into current profits and losses when incurring. When the expenditure during research stage meets the following conditions at the same time, such assets should be recognized as intangible assets; otherwise, the expenditure should be recorded into the current profits and losses:

(1) Completing the intangible assets so that it can be used or sold and having feasibility in technology;

(2) There is intention of completing the intangible assets for using or sales;

(3) The ways of intangible assets to generate economic benefits include the ability to prove the existence of the product market produced by the intangible assets or the market of intangible assets themselves, and prove the usefulness if intangible assets shall be used internally;

(4) There are sufficient technical, financial and other resources to ensure the development of the intangible assets, and there is ability to use or sell the intangible assets;

(5) The expenditures attributable to the development stage of the intangible assets can be measured reliably.

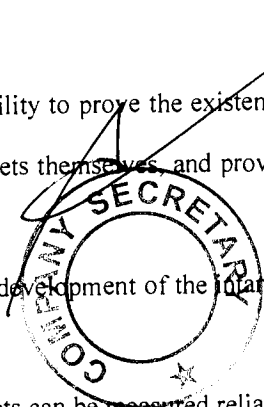
When whether the expenditure is incurred during research or development stage cannot be distinguished, all the expenditure should be recorded into the current profits and losses.

(XX). Employees' Remuneration

During the accounting period when the employee provides service for the company, the salary payable to the employee is recognized as liabilities.

The expenditure on social security system established by government institutes the company chooses for employee as required, including basic endowment insurance, housing accumulation funds, and other social

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security systems, should be recorded into the cost of relevant assets or current profits and losses after it is incurred.

The Company removes labor relations with employees before their labor contracts expire, or puts forward suggestions for compensations to encourage employees to voluntarily accept downsizing. If the Company has prepared official plans to remove labor relations or proposed suggestions on voluntary downsizing and will implement them, meanwhile the Company cannot unilaterally withdraw plans on the remove with workers' labor relations or downsizing suggestions, the expected liabilities arising out of compensation caused by removing labor relations with employees will be confirmed and reckoned into current profits and losses. The same principle for termination benefits described above should be adopted for early retirement plan. During the period from the time that the employee no longer provides service to the regular retirement date, the salary to be paid to the employee retired early and social security fee to be paid and other expenditures should be recorded into the current profits and losses (termination benefits) when they meet the estimated conditions of liabilities recognition.

(XXI) Accrued liabilities

When combined with external security, commercial acceptance bill discount, pending litigation or arbitration, product quality assurance pertinent business meets the following conditions, the company will be recognized as a liability: That obligation is a current obligation undertaken by the Company; It may make any economic benefit to flow out of the enterprise due to performance of the obligation; The obligation amount can be reliably measured.

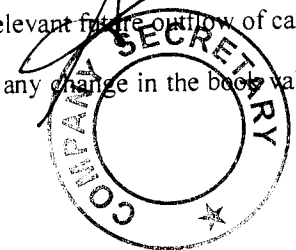
The estimated liabilities shall be initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation, and the Company shall take into full consideration of the risks, uncertainty, time value of money, and other factors relevant to the contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash. At each balance sheet date, check the book value of the estimated debts, if there is any change in the book value adjusted to reflect the current best estimate.

(XXII) Revenue recognition

(1) Sales revenue of products

The sale revenue of products cannot be confirmed until the following conditions are satisfied at the same time:

- ① The main risks and remunerations of the property in the goods have been transferred to the buyer;
- ② The Company retains neither continuing management right related with the ownership nor effective control over the goods sold;
- ③ The revenues can be measured reliably.



- ④ The relevant economic benefits are likely to flow into the Company;
 - ⑤ When the relevant costs incurred or to be incurred can be measured in a reliable way.
- (2) Revenue from rendering labor services

In the case that the results of rendering labor services transaction can be reliably estimated, confirm the revenue from rendering labor services in accordance with the percentage of completion method on balance sheet date. Provide completion progress of labor service transaction, determine on the basis of measurement of completed work.

The results of rendering labor services can be measured in a reliable way, means that the following conditions shall be met simultaneously:

- ① The amount can be measured reliably, which provide an estimate of total labor income can reasonably;
- ② Related economic benefits are likely to flow into the enterprise, which provides the possibility to recover the possibility of total labor income is greater than cannot be recovered;
- ③ The degree of completion of the transaction can be reliably determined, that is the completion schedule transaction can reasonably estimate;
- ④ Transaction costs incurred and to be incurred can be measured reliably, the cost of that transaction has taken place and will take place can be reasonably estimated.

If the result of service transaction cannot be estimated reliably at the balance sheet date, and labor costs already incurred is expected to be fully compensated, shall be received or expected to be able to recover the amount of service revenue is recognized, and has carried forward labor costs incurred.

If the result of rendering labor service transaction cannot be estimated reliably at the balance sheet date, and labor service costs already incurred is expected to be compensated, shall be received or expected to be able to recover the amount of labor service revenue is recognized, and has carried forward labor service costs incurred.

If the result of service transaction cannot be estimated reliably at the balance sheet date, and labor costs occurred is not expected to be compensated, shall have the labor costs are included in the current profits and losses (main business cost), does not recognize the revenue from providing services. Sales of goods while providing services, if the sale of goods part and services part can be measured separately, shall be accounted for part of the sale of goods and rendering of services, the sale of goods as part of sale of goods, providing services as part of providing services deal with; If the sale of goods and services part of part cannot be measured respectively, should be the sale of goods and the part of providing labor services are as selling goods and accounting treatment.

(3) Construction contract income

If results of the construction contracts can be reliably estimated, the contract income and expenses shall be

confirmed as achieved by the percentage of completion method on the balance sheet date; The completion schedule of the contract is determined by the proportion of the cumulative actual cost incurred of the contract to the estimated total cost of the contract.

Results fixed price contract can be estimated reliably identified criteria:

- ① Total contract revenue can be reliably measured;
- ② The economic benefits related to the contract will flow into the Company;
- ③ The actual contract costs incurred can be clearly distinguished and can be measured in a reliable way;
- ④ Both the schedule of the completion of contract and the contract costs to complete the contract can be measured in a reliable way.

The results of cost plus contract can be estimated reliably identified criteria:

- ① The economic interests related to the contract are most likely to flow into the Company;
- ② The actual costs incurred can be clearly distinguished and can be measured in a reliable way.

In the event that the results of contract cannot be reliably estimated, while contract costs can be recovered, the contractual income will be confirmed based on actual contract costs possibly being recovered, with the contract costs being confirmed to be contract expenses in the same period. Such as the outcome of a construction contract cannot be estimated reliably, contract costs cannot be recovered and should be recognized immediately in the event of contract costs, contract revenue is not recognized.

If the total expected contract costs exceed the total expected contract income, the expected losses shall be recognized as the current expenses.

(4) Royalty revenue

Calculated based on the time and method of the contract or agreement to confirm

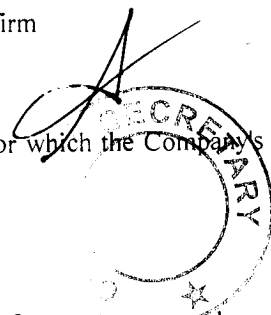
(5) Interest income

It shall be measured and confirmed in accordance with the length of time for which the Company's cash is used by others and the actual interest rate.

(XXIII) Government subsidies

Those government grants related to income used for compensating the related future expenses or losses of the Company shall be recognized as deferred income and shall included in the current profits and losses during the period when the relevant expenses are recognized; Those subsidies used for compensating the related expenses or losses incurred to the Company shall be directly included in the current profits and losses.

The government subsidy related to assets shall be recognized as the deferred income, evenly distributed within the service life of related assets, and included in the current profit or loss. But the government subsidies



measured at their nominal amounts shall be directly included into current profit and loss.

(XXIV) Measurement methods of deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences (temporary differences) arising between the tax bases of assets and liabilities and their carrying amounts. For the deductible losses and tax deduction deducted from the taxable income amount in future years in accordance with the provisions of the tax law should be confirmed the corresponding deferred income tax assets according to temporary differences. For temporary differences at the initial recognition of goodwill, do not confirm the corresponding deferred income tax liabilities. Temporary differences caused by initial recognition of assets and liabilities generated not from enterprise merger which will neither influence accounting profit nor taxable income (or can deduct loss) does not define relevant deferred income tax assets and liabilities. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

Recognition of deferred income tax is limited to taxable income that the Company possibly gets to deduct the deductible temporary differences, deductible tax losses and tax loss carryforwards.

Deferred tax assets and deferred income tax in subsidiaries, associates and joint venture investments related to temporary differences arising liabilities recognized. But the investment enterprise is not able to control the reverse time of the temporary difference and the temporary difference is not likely to be reversed in the foreseeable future, which is not recognized.

(XXV) Lease

The Company will divide lease into financial leasing and operating leasing on the lease commencement date.

The financial leasing refers to the lease that has transferred all the risks and rewards relating to the ownership of asset substantially. As lessee, at the beginning of the lease the Company will take the lower one between fair value of leased asset and present value of minimum lease payments as account record value of leased asset, the minimum lease payments will be regarded as account record value of long-term payables, and the balance regarded as the unconfirmed financing costs.

The operating leasing refers to the other lease except for the financial leasing. The rent with the Company as the lessee should be included in the relevant asset costs or the current profits and losses during each period of the lease term by the straight-line method, and the rent with this company as the lessor should be confirmed as income by the straight line method during each period of the lease term.

(XXVI) Accounting methods of income taxes

Financial accounting of income tax adopts the balance sheet liability method. The income tax comprises the

current income tax and deferred income tax. In addition to the recognized directly in equity transactions and matters relating to current income tax and deferred income tax credited to shareholders' equity, and corporate merger deferred tax adjustment of the carrying value of goodwill, the rest of the year and deferred income tax expense or income in profit or loss.

The income tax is determined for enterprise computing refers to transactions and events occurred that year, the amount payable to the tax authorities, namely, the income tax payable; Deferred income tax is in accordance with the balance sheet liability method shall be recognized deferred tax assets and deferred tax liabilities in the amount of year-end due to confirm the amount of the difference between the original has been relative.

(XXVII) Notes on accounting policies and changes in accounting estimation and corrections of accounting errors

(1) Accounting policy changes

None

(2) Accounting estimate changes

None

(3) Significant prior period error corrections

None

III. Taxation and tax incentives

(1) The main types and rate of taxes

Project	Taxation base	Tax (expense) rate
Value-added tax	Business tax	6.00%and 17.00%
Sales revenue	Turnover	5.00%
Education surcharges	Turnover tax payable	3.00%
Local education surcharges	Turnover tax payable	2.00%
Urban maintenance and construction tax	Turnover tax payable	7.00%
Enterprise income tax	Taxable income	25.00%

(II) Preferential tax and approval

(1) According to the December 2010 the Ministry of finance, and the State Administration of taxation documents (tax [2010]110) "notice on the promotion of energy-saving service industry development problem of VAT and business tax and enterprise income tax policy", the implementation of the contract energy management projects on energy Service Corporation to meet the conditions, the taxable income tax, temporarily exempt from tax exemption; Energy saving Service Corporation to implement the contract energy management projects in line

with the conditions, the VAT taxable goods project transfer to energy consuming enterprises, temporarily exempt from VAT. Zonergy Company (Tianjin) Limited's composite phase change heat exchanger technology and energy-saving service project of waste heat recovery utilization technology as well as Zonergy Company (Shenzhen) Limited's Shenzhen Tianli project enjoy preferential policies of income exemption of business tax and value added tax (VAT).

(2) In accordance with regulations of Provisional Regulations on Value Added Tax, Clause 15: Self-produced agricultural products sold by agricultural producers are exempt from VAT. According to "with respect to the notice of Tax Relief Regulations of Corporate Income Tax (Pilot Program)" issued by State Administration of Taxation and Local Taxation Bureau (NGSS Zi (2009) No. 10) of Inner Mongolia, Inner Mongolia Hefeng Zonergy Agricultural Technology Co., Ltd enjoys preferential policies of income exemption of business tax and VAT for those income privileges gained from engaging in the agriculture, forestry, animal husbandry and fishery projects

IV. Business merge and merged financial statement

(I) Condition of subsidiaries

(1) Subsidiaries (Level 2 subsidiary) obtained through incorporation or investment

Units: Ten thousand Yuan

Full name of Subsidiaries:	Type of Subsidiaries	Registration place	Legal representative	Business nature	Registered capital	Shareholding ratio	Voting right ratio
Zonergy (Tianjin) Company Limited	Limited liability	Tianjin	Hou Weigui	New energy	115,000.00	100.00%	100.00%
Zonergy (Cayman) Company Limited		CAYMAN ISLANDS		New energy	3,470.04	100.00%	100.00%
Zonergy (Inner Mongolia) Company Limited	Limited liability	Inner Mongolia	Yu Yong	Agriculture	10,000.00	90.00%	90.00%
Tianjin Zonergy Capital Management Corporation Ltd.	Limited liability	Tianjin	Hou Weigui	Fund investment	1,000.00	100.00%	100.00%
Zonergy and Luminous technology Corporation Ltd.	Limited liability	Tianjin	Zhang Wuhua	Luminous technology consulting	10,000.00	90.00%	90.00%
Erdos Yuntai Interconnection	Limited liability	Erdos	Yu Yong	Interconnection data center	20,000.00	100.00%	100.00%

Technology Corporation Ltd.							
Inner Mongolia Hefeng Xingyuan Agricultural Technology Corporation Ltd.	Limited liability	Inner Mongolia	Cui Yaping	Agriculture	500.00	100.00%	100.00 %
ZTE Energy (Congo) Company Limited		Congo	Wang Kewen	New energy	1,877.62	100.00%	100.00 %
Zonergy (Indonesia) Company Limited		Indonesia	Zhang Wuhua	New energy	68.62	100.00%	100.00 %

(2) Subsidiary acquired by corporate merger without same control or that with non-same control in current period.

(II) The current period has no changes in consolidated financial statements and no reduction of company merges.

Subsidiaries included into the merger scope in this period

Enterprise name	Control power formation mode	Net assets at the end of the year	Net profit of current year
Zonergy and Luminous technology Corporation Ltd.	Newly established subsidiaries	111,073,702.14	111,073,702.14

V. Notes to the main items in the merged financial statement

1. Monetary capital

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Project	Closing amount			Opening amount		
	FOREIGN CURRENCIES	Conversion exchange rate	RMB	FOREIGN CURRENCIES	Conversion exchange rate	RMB
Cash			337,269.96			14,362,555.27
Including: RMB			106,779.22			1,936,027.21
USD	20,613.18	6.2855	129,564.14	168,298.93	6.3009	1,060,434.73
IDR	154,347,604.87	0.0007	100,926.60	15,882,321,206.33	0.0007	1,060,434.73
EUR				15,498.50	8.1625	126,306.51
CDF				586,630.00	0.0040	4,084.07
Congolese franc				754,600.00	0.0510	38,466.30
Bank deposit			954,757,031.06			1,019,247,580.12
Including:			899,520,100.99			958,722,735.19

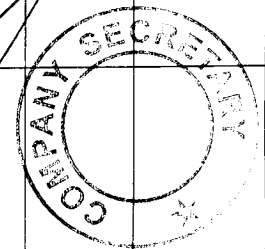
RMB						
USD	950,441.06	6.2855	5,973,997.28	7,243,253.22	6.3009	45,639,014.21
IDR	74,401,075,431.09	0.0007	48,650,235.85	11,286,304,867.07	0.0007	7,956,844.93
CDF	533,818.64	0.0070	3,715.38	671,694.36	0.0070	4,676.28
HKD	735,364.58	0.8109	596,270.37	8,506,920.87	0.8107	6,896,560.75
SGD	2,474.35	5.1372	12,711.19	5,719.00	4.8520	27,748.76
Total			955,094,301.02			1,033,610,135.39

2. Accounts receivable

(1) Disclosure of accounts receivable by category

Category	Closing amount				Opening amount			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Individually significant and individual provision for bad debts	143,046,604.43	83.76%			5,047,559.94	50.00%		
Accounts receivable which is individually insignificant but the combined portfolio, which is combined according to the credit risk characteristics, has greater risk of	27,734,820.62	16.24%			5,109,315.05	50.00%		
Including: Account Age combination	27,734,820.62	16.24%			5,109,315.05	50.00%		
Individually insignificant but individual provision for bad debts	2,000.00	0.00%				0.00%		

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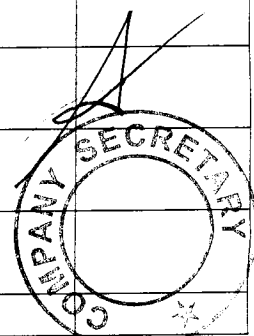
Total	170,783,425.05	100.00%			10,156,874.99	100.00%		
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(2) The calculating and submitting percent situations of bad debts for preparation about single projects which are a great number of money and though they're not great, they need increase and decrease text separately at the end of the period

Claims Unit	Debt Unit	Book balance	The depreciation amount	Account Age	Accrual basis or reason
Zonergy (Tianjin) Company Limited	Datang (Cheng Yang) Photovoltaic Power Generation Company Co., Ltd.	96,945,600.00		Within one year	Is expected to be back
Zonergy (Tianjin) Energy Saving Services Co., Ltd.	Shenzhen Zonergy Kangxun Electronics Ltd.	22,438,096.02		Within one year	Is expected to be back
Zonergy (Tianjin) Company Limited	Dongguan Nanbo Solar Glass Corporation Ltd.	12,494,000.00		Within one year	Is expected to be back
Zonergy (Tianjin) Energy Saving Services Co., Ltd.	Tibet communications services Corporation	9,283,638.20		Within one year	Is expected to be back
Other receivables of other unterm withdrawing bad-debt provision		1,887,270.21		Within one year	Is expected to be back
Total		143,048,604.43			

(3) The accounts receivable with aging analysis method to the provision for bad debts in combination

Project	Closing amount			Opening amount		
	Book balance	Proportion	Provision for bad debts	Book balance	Proportion	Provision for bad debts
Within one year	27,734,820.62			5,109,315.05		
one to two years						
two to three years						
Three to four years						
four to five years						
Over five						



years						
Total	27,734,820.62			5,109,315.05		

(4) Big amount list of ending balances

Claims Unit	Claims Unit	The amount of debt	Account Age	Proportion
Zonergy(Tianjin) Company Limited	Datang (Cheng Yang) Photovoltaic Power Generation Company Co., Ltd	96,945,600.00	Within one year	56.77%
Zonergy(Tianjin) Energy Saving Services Co., Ltd.	Shenzhen Zonergy Kangxun Electronics Ltd.	22,438,096.02	Within one year	13.14%
Zonergy(Tianjin) Company Limited	Dongguan Nanbo Solar Glass Corporation Ltd.	12,494,000.00	Within one year	7.32%
Zonergy(Tianjin) Energy Saving Services Co., Ltd.	Tibet communications services Corporation	9,283,638.20	Within one year	5.44%
PT.SINAR CEMERLANG	PT.Tunas Agro Subur Kencana	2,261,897.50	Within one year	1.32%
Total		143,423,231.72		83.98%

(5) The units of the shareholders holding 5% (including 5%) or more shares with voting power in the prepayment in the report period:

Claims Unit	Debt Unit	Relationship with the Company	Amount	Account Age	Reason for non-settlement
Zonergy (Tianjin) Company Limited	ZTE Corporation	Shareholders	168,714.42	Within one year	Global settlement
Zonergy (Shenzhen) Company Limited	ZTE Corporation	Shareholders	87,270.36	Within one year	Global settlement
Total			255,984.78		

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3. Prepayment

(1) (1) Prepayment is Listed According to the Account Age.

Project	Closing amount		Opening amount	
	Book balance	Proportion	Book balance	Proportion
Within one year	79,127,551.37	92.90%	58,879,849.63	47.99%
one to two years	5,290,897.58	6.21%	63,812,771.56	52.01%
two to three years	754,545.00	0.89%		
Three to four years				
four to five years				
Over five years				
Total	85,172,993.95	100.00%	122,692,621.19	100.00%

(2) Big amount list of ending balances

Claims Unit	Debt Unit	Amount	Account Age	Proportion
Erdos Yuntai Interconnection Technology Corporation Ltd.	IBM Shanghai Engineering Technology Co., Ltd.	24,769,232.60	Within one year	29.01%
Erdos Yuntai Interconnection Technology Corporation Ltd	IBM world trade corporation	23,531,886.18	Within one year	27.55%
Erdos Yuntai Interconnection Technology Corporation Ltd.	Nantong Construction Group Joint-Stock Co., Ltd.	4,000,000.00	Within one year	4.68%
Erdos Yuntai Interconnection Technology Corporation Ltd.	IBM (China) Co., Ltd.	3,772,201.74	Within one year	4.42%
Zonergy (Shenzhen) Energy Saving Services Co., Ltd.	Shenzhen Ruishenghua Technology Co., Ltd.	3,030,000.00	Within one year	3.55%
Total		59,103,320.52		69.21%

(3) The units of the shareholders holding 5% (including 5%) or more shares with voting power in the prepayment in the report period:

Claims Unit	Debt Unit	Relationship with the Company	Amount	Account receivable age	Reason for non-settlement
Erdos Yuntai Interconnection Technology Corporation Ltd.	Shenzhen Zonergy Weixiantong Equipment Corporation Ltd.	Shareholders	763,560.00	Within one year	Global settlement
Zonergy (Inner Mongolia) Company Limited	ZTE Corporation	Shareholders	85,360.00	Within one year	Global settlement
Total			848,920.00		

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4. Other receivables

(1) Disclosure of other accounts receivable by category

Category	Closing amount				Opening amount			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Individually significant and individual provision for bad debts	188,275,432.89	87.52%			70,208,977.05	45.10%		

Accounts receivable which is individually insignificant but the combined portfolio, which is combined according to the credit risk characteristics, has greater risk of	20,834,593.21	9.68%			85,196,880.80	54.73%		
Including: Account Age combination	20,834,593.21	9.68%			85,196,880.80	54.73%		
Individually insignificant but individual provision for bad debts	6,023,621.48	2.80%			274,937.81	0.18%		
Total	215,133,647.58	100.00%			155,680,795.66	100.00%		

(2) Individually significant or not significant but individually tested for impairment of other receivables provision for bad debts

Claims Unit	Debt Unit	Book balance	Provision Amount	Account Age	Accrual basis or reason
Zonergy Company Limited	ZTE International Investment Company Limited	67,639,019.28		Within one year	Is expected to be back
Erdos Yuntai Interconnection Technology Corporation Ltd.	Erdos Equipment Manufacturing Base Management Committee	21,100,000.00		Within one year	Is expected to be back
Erdos Yuntai Interconnection Technology Corporation Ltd.	Management Committee of Ordos Cloud Computing Industrial Park	20,100,000.00		Within one year	Is expected to be back
Zonergy (Tangshan) Energy Saving Services Co., Ltd.	Tangshan Caofei Dian industrial park Bureau of Finance	20,000,000.00		Within one year	Is expected to be back
other receivables of other		65,460,035.09		Within	Is expected

uniterm withdrawing bad-debt provision				one year	to be back
Total		194,299,054.37			

(3) Other receivables of provision for bad debts according to account age analysis in group

Project	Closing amount			Opening amount		
	Book balance	Proportion	Provision for bad debts	Book balance	Proportion	Provision for bad debts
Within one year	20,834,593.21			85,196,880.80		
one to two years						
two to three years						
Three to four years						
four to five years						
Over five years						
Total	20,834,593.21			85,196,880.80		

(4) Big amount list of ending balances

Claims Unit	Debt Unit	Amount	Account Age	Accrual basis or reason
Zonergy Company Limited	ZTE International Investment Company Limited	67,639,019.28	one to years	31.44%
Erdos Yuntai Interconnection Technology Corporation Ltd.	Erdos Equipment Manufacturing Base Management Committee	21,100,000.00	Within one year	9.81%
Erdos Yuntai Interconnection Technology Corporation Ltd.	Erdos Cloud Computing industrial parks management commitment	20,100,000.00	Within one year	9.34%
Zonergy (Tangshan) Energy Saving Services Co., Ltd.	Tangshan Caofeidian Industrial Park Finance Bureau Co., Ltd	20,000,000.00	Within one year	9.30%
Agrina	Koperasi Sinar Harapan Desa (Plasma)	16,360,713.46	Within one year	7.61%
Total		145,199,732.74		67.49%

(5) The units of the shareholders holding 5% (including 5%) or more shares with voting power in the report period:

Claims Unit	Debt Unit	Relationship with the Company	Amount	Account receivable age	Reason for non-settlement
Zonergy Company Limited	ZTE Corporation	Shareholders	4,000.00	Two to three years	Global settlement
Zonergy Company Limited	Shenzhen Zonergy International Investment Corporation Ltd.	Parent Company	56,681,455.08	One to two years	Global settlement
Zonergy(Tianjin) Company Limited	Shenzhen Zonergy International Investment Corporation Ltd.	Parent Company	10,957,564.20	Two to three years	Global settlement
Total			67,643,019.28		

5 Inventory

(1) Classification of inventory

Project	Closing amount			Opening amount		
	Book balance	Provision for falling price	Book value	Book balance	Provision for falling price	Book value
Raw materials	7,013,866.00		7,013,866.00	16,015,587.31		16,015,587.31
Commodity inventory (finished products)	15,905,893.45		15,905,893.45	15,440,603.94		15,440,603.94
Revolving materials	382,934.13		382,934.13	187,682.63		187,682.63
Others	2,247,850.32		2,247,850.32			
Total	25,550,543.90		25,550,543.90	31,643,873.88		31,643,873.88

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(2) There is no obvious indication of inventory devaluation in period end, so there is no need to accrue inventory falling price reserves

6. Other current assets

Project	Closing amount	Opening amount
Financial products of commercial banks		1,000,000.00
Total		1,000,000.00

7. Long-term Account Receivable

Category	Closing amount	Opening amount
Zhongshan Boai hospital	942,003.60	1,375,005.40

Total	942,003.60	1,375,005.40
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8. Long-term equity investment

(1) Equity Investment

Project	Beginning balance	Increased amount in current period	Decreased amount in current period	Closing balance
Investments in subsidiaries				
Investment in cooperative enterprises				
Investment in affiliated businesses				
Investment in other enterprises		39,001,217.76	6,500,202.96	32,501,014.80
Subtotal		39,001,217.76	6,500,202.96	32,501,014.80
Subtraction: Long-term investment depreciation reserves				
Total		39,001,217.76	6,500,202.96	32,501,014.80

(2) Significant equity investment accounted by cost method

The name of the invested units	Investment cost	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance	Shareholding proportion in the invested entity (%)	Voting right proportion in the invested unit (%)
China Sanjun Battery Co., Ltd (convertible preferred stock)	39,001,217.76	39,001,217.76		6,500,202.96	32,501,014.80	4.17%	4.17%
Total	39,001,217.76	39,001,217.76		6,500,202.96	32,501,014.80		

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9. Fixed assets

(I) Original value of fixed assets

Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
Houses, buildings	51,485,522.92	8,364,876.14	924,340.49	58,926,058.57
Machinery equipment	44,624,457.15	79,482,163.20	8,828,817.65	115,277,802.70
Transportation tool	13,936,997.89	8,554,243.89	1,690,687.64	20,800,554.14
Road and bridge	27,059,675.56	855,121.31	1,763,976.31	26,150,820.56
Office equipment and others	7,055,275.43	2,029,624.65	125,981.22	8,958,918.86
Total	144,161,928.95	99,286,029.19	13,333,803.31	230,114,154.83

(2) Accumulated depreciation

Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
Houses, buildings	2,457,029.04	3,420,372.60	57,593.07	5,819,808.57
Machinery equipment	4,466,422.62	5,047,683.69	41,513.86	9,472,592.45
Transportation tool	4,253,956.66	3,048,475.07	475,001.88	6,827,429.85
Road and bridge	2,844,354.63	3,514,574.78	248,468.22	6,110,461.19
Office equipment and others	2,029,549.94	1,644,129.40	30,113.20	3,643,566.14
Total	16,051,312.89	16,675,235.54	852,690.23	31,873,858.20

(3). Fixed assets net value

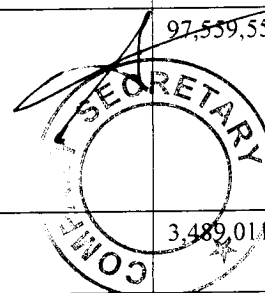
Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
Houses, buildings	49,028,493.88			53,106,250.00
Machinery equipment	40,158,034.53			105,805,210.25
Transportation tool	9,683,041.23			13,973,124.29
Road and bridge	24,215,320.93			20,040,359.37
Office equipment and others	5,025,725.49			5,315,352.72
Total	128,110,616.06			198,240,296.63

(4) There were no financing rent or fixed assets on sale in the ending balance.

10. Construction in progress

(1) Engineering project categories

Project	Closing balance			Opening balance		
	Book balance	Impairment reserve	Net book value	Book balance	Impairment reserve	Net book value
Tianjin outsourcing industrial parks photovoltaic power station				6,270,424.14		6,270,424.14
Jingtai Project	430,800.00		430,800.00	430,800.00		430,800.00
Project of ethanol fuel production from sweet sorghum stalk	250,217,818.49		250,217,818.49	97,559,555.34		97,559,555.34
Erδος international	57,962,955.93		57,962,955.93	3,489,011.00		3,489,011.00



green internet data center Phase I						
Equator Provincial agriculture development project	547,080.22		547,080.22	547,080.22		547,080.22
Palm oil plant project	180,040,538.17		180,040,538.17	152,555,280.40		152,555,280.40
Total	489,199,192.81		489,199,192.81	260,852,151.10		260,852,151.10

(2). Changes in major project under construction

Project name	Opening balance	Increased amount in current period	Transferred fixed assets	Other decreased amount	Closing balance
Tianjin outsourcing industrial parks photovoltaic power station	6,270,424.14	388,930.28	6,659,354.42		
Saccharomyces cerevisiae integration production lines	13,887.18	579,937.13	593,824.31		
Project of ethanol fuel production from sweet sorghum stalk	97,545,668.16	152,870,245.55		198,095.22	250,217,818.49
Erdos international green internet data center Phase I	3,489,011.00	54,473,944.93			57,962,955.93
Palm oil plant project	152,555,280.40	32,376,967.91	4,891,710.14		180,040,538.17
Total	259,874,270.88	240,676,138.62	12,144,888.87	198,095.22	488,207,425.41

11. Engineering material

Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
Special material (plates)	568,330.65			568,330.65
Total	568,330.65			568,330.65

12. Productive biological assets

Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
Mature palm garden Maltured Plantation	652,622,865.13	40,014,784.71	23,501,058.85	669,136,590.98
Immature palm gardens Immature Plantation	369,142,161.95	29,383,252.92	88,580,091.36	309,945,323.51
Total	1,021,765,027.08	69,398,037.63	112,081,150.21	979,081,914.49

13. Intangible assets

Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
I. Total original price	119,314,999.60	529,697,260.58	7,065,688.18	641,946,572.00
Land use right	119,125,335.24	529,653,195.11	7,065,688.18	641,712,842.17
Computer software	189,664.36	44,065.47		233,729.83
II. Total accumulated amortization	1,524,234.04	4,897,674.70		6,421,908.74
Land use right	1,483,992.29	4,865,505.01		6,349,497.30
Computer software	40,241.75	32,169.69		72,411.44
III. Total depreciation reserves				
Land use right				
Computer software				
IV. Total of book value	117,790,765.56			635,524,663.26
Land use right	117,641,342.95			635,363,344.87
Computer software	149,422.61			161,318.39

Note: The decreases of original price in Land Use Right in current period were caused by exchange rate movement.

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14. Long-term deferred expenses

Category	Original cost	Opening balance	Other decreases	Increased amount in current period	Amortization amount in current period	Closing balance
Decoration fund of the New Offices	996,293.81		996,293.81			996,293.81
Equipment payment of Tianjin Binneng Project	430,769.20	215,384.60		215,384.60		
Deferred Vehicle	227,307.35	227,307.35	127,632.38	20,742.83		354,196.90
Others	37,585.08	37,585.08	74,077.11	103,891.46		7,770.73
Total	1,691,955.44	480,277.03	1,198,003.30	340,018.89		1,338,261.44

15. The deferred income tax assets and the deferred income tax liabilities

Project	Closing amount	Opening amount
Deferred income tax assets:		
losses	18,923,048.91	
Subtotal	18,923,048.91	
Deferred income tax liabilities		
Income from changes in fair value	23,626,931.24	
Unrealized internal sales profit and loss	158,257.46	
Subtotal	23,785,188.70	

16. Other non-current assets

Project	Opening amount	Increased amount in current period		Decreased amount in current period		Closing balance
		Investment capital	Fair value adjustments	Investment capital	Fair value adjustments	
Equity of Beijing PowerU Technology Co., Ltd.		79,200,000.00	75,606,180.00			154,806,180.00
Equity of Beijing PowerU Technology Co., Ltd.		9,900,000.00	9,450,772.46			19,350,772.46
Equity of Beijing PowerU Technology Co., Ltd.		9,900,000.00	9,450,772.46			19,350,772.46
China Xinxing Energy Co., Ltd.		30,960,000.00				30,960,000.00
Hebei Xingchen Energy Co., Ltd.		4,596,408.65				4,596,408.65
Total		134,556,408.65	94,507,724.92			229,064,133.57

Note: As for the Company's equity investment into PowerU Technology Co., Ltd. and China Newstar Energy Company, it is managed and evaluated base on fair value, designated as measurement by fair value. Its changes are recorded as profit or loss of financial assets for accounting. At the end of the period, make overall assessment in turns of value of enterprises being invested, taking the two methods of the additional price valuation and earnings ratio valuation to reevaluate the year-end fair value of equity valuation, and the recognized fair value gains of 94,507,724.92 Yuan in the period according to the principle of lower fair.

17. Short-term Loan

Borrowing category	Closing amount	Opening amount
Credit loan	25,777,507.40	
Hypothecated loan	40,934,692.27	33,884,449.50
Guaranteed loan	275,719,822.86	225,817,470.00
Total	342,432,022.53	259,701,919.50

18. Accounts payable

(1) Payable account is presented by account receivable age

Account age	Closing amount		Opening amount	
	Amount	Proportion	Book balance	Amount
Within one year	145,001,936.50	95.75%	36,540,613.84	97.89%
one to two years	6,442,641.02	4.25%	787,584.20	2.11%
two to three years				
Over three years				
Total	151,444,577.52	100.00%	37,328,198.04	100.00%

(2) Large amount of remainder at the end of list

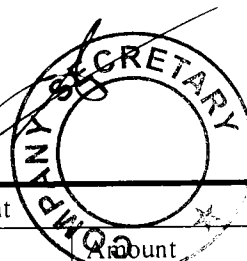
Debt Unit	Claims Unit	Amount	Account Age	Proportion
Zonergy(Tianjin) Company Limited	Yingli Energy (Beijing) Co., Ltd	18,984,645.00	Within one year	13.54%
Zonergy (Shenzhen) Company Limited	Shenzhen BYD lithium Ltd.	9,720,014.00	Within one year	6.93%
Xian Haohan New Energy Co., Ltd.	Shanghai Zhiyuan Green Energy Co., Ltd.	7,548,559.80	Within one year	5.38%
Zonergy(Tianjin) Company Limited	Sunshine Power Co., Ltd.	7,270,455.00	Within one year	5.19%
Zonergy Company Limited	Shenzhen Suntech Power Co., Ltd.	6,241,740.85	Within one year	4.45%
Total		49,765,414.65		35.49%

(3) Collections of shareholders holding more than 5% (including 5%) voting shares of the Company and having no payable account at the end of the term

19. Account collected in advance

(1) Prepayments are listed according to the aging.

Account age	Closing amount		Opening amount	
	Amount	Proportion	Book balance	Amount
Within one year	202,462,114.19	80.20%	50,800,243.57	97.99%
one to two years	50,000,000.00	19.80%	1,040,000.00	2.01%
two to three years				
Over three years				



Total	252,462,114.19	100.00%	51,840,243.57	100.00%
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(2) Big amount list of ending balances

Debt Unit	Claims Unit	Amount	Account Age	Proportion
Zonergy Company Limited	Wuhai Wangliyuan Cleaned Coal Co., Ltd.	250,000,000.00	Within one year	99.02%
Zonergy Company Limited	Commerce department	1,912,114.19	Within one year	0.76%
Tibet Zonergy Company Limited.	Xinhua Lvyuan Environmental Protection Industry Development Co., Ltd.	350,000.00	Within one year	0.14%
Zonergy (Shenzhen) Company Limited	Xian Dongqing New Energy Co., Ltd	200,000.00	Within one year	0.08%
Total		252,462,114.19		100.00%

(3) Collections of shareholders holding more than 5% (including 5%) voting shares of the Company and having no payable account at the end of the term

20. Employee pay payable

Project	Opening amount	Increased amount in current period	Decreased amount in current period	Closing balance
I. Wage, premium, allowance and subsidy	2,605,035.00	81,131,532.89	80,849,934.94	2,886,632.94
II. Welfare expense of employee		2,038,842.60	2,038,842.60	
III. Social insurance charges	-33,069.97	11,622,844.03	11,531,103.19	58,670.87
IV. Housing fund	-32,091.03	5,145,655.22	5,141,925.22	-28,361.03
V. Labour union expenditure and personnel education fund		2,624.60	2,624.60	
VI. Non-monetary welfare				
VII. Dismission welfare and early retirement compensation		28,587.26	28,587.26	
Including: (1) Compensation due to termination of labor relations		28,587.26	28,587.26	
(2) Estimated expenses of early retirement personnel				
VIII. Others				
Including: Cash-settled share-based payment				
Total	2,539,874.00	99,970,086.60	99,593,017.81	2,916,942.78

21. Interest payable

Project	Closing balance	Opening amount
"12Zhongneng 01" Bond interest	1,705,000.00	
Loan interest	8,276,280.46	690,295.08
Total	9,981,280.46	690,295.08

22. Tax payable

Project	Closing balance	Opening amount
Value-added tax	-33,490,952.99	-21,735,387.66
Business tax	47,024.00	285,000.00
Enterprise income tax	2,268,270.42	1,627,875.42
Urban maintenance and construction tax	20,655.30	19,950.57
Individual income tax	313,528.08	315,620.76
Education surcharges payable	14,753.78	8,650.24
Flood fee prevention		50.00
Water conservancy construction funds	940.48	
Total	-30,825,780.93	-19,478,240.67

23. Other payables

(1) Other payables are listed out as follows according to their account aging

Account Age	Closing amount		Opening amount	
	Amount	Proportion	Amount	Proportion
Within one year	39,376,454.40	97.49%	137,888,463.83	99.89%
one to two years	1,013,493.01	2.51%		
two to three years				
Over three years	514.26		151,512.26	0.11%
Total	40,390,461.67	100.00%	138,039,976.09	100.00%

(2) Big amount list of ending balances

Debt Unit	Claims Unit	Amount	Account Age	Proportion
Agrina	Retention payable	4,778,120.78	Within one year	99.89%
Zonergy (Inner Mongolia) Company Limited	Xianfeng Village, Longxingchang Township	2,470,734.20	Within one year	6.15%
Zonergy(Tianjin) Company Limited	Tianjin Binhai New Area Financial Bureau	1,800,000.00	Within one year	4.48%
Zonergy (Inner Mongolia) Company Limited	Wuyuan County bureau of finance	500,000.00	Within one year	1.24%
Total		405,108.00		1.01%
		9,953,962.98		24.78%

(3) Holding five percent 5% (including 5%) at the end of Phase 2

Debt Unit	Claims Unit	Relationship with the Company	Amount	Account Age	Reason for non-settlement
Zonergy (Cayman) Company Limited	Shenzhen Zhongxing Technology Co., Ltd	Shareholders	514.26	Within one year	Global settlement

Total			514.26		
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24. Long-term loans

(1) Long-term loans by categories

Borrowing category	Closing amount	Opening amount
Mortgage loan	142,452,632.03	171,911,221.18
Hypothecated loan	164,953,519.25	
Total	307,406,151.28	171,911,221.18

(2) Long-term borrowings balance situation

Loan unit	Amount	Loan date	Agreed repayment date	Annual interest rate	Collateral or guarantor
China Development Bank Co., LTD	7,683,500USD	2010-11-11	2015-11-10	6 months Libor+360BP	By the company's 60% shares in the Indonesian company PT SINAR CITRA CEMERLANG as pledged subject matter, the Company applies to the State Development Bank for foreign exchange loan of 8,683,500USD
China Development Bank Co., LTD	18,560,000USD	2012-01-09	2017-01-05	6 months Libor+420BP	Zonergy Co., Ltd. provides joint and several liability guarantee by 100% shareholding pledge of ZTE Energy (Singapore) Holdings Pte. Ltd
BankMandiri (KBK)	61,557,600,000 Indonesian rupiah	2009-12-10	2019-3-24	12.50%	HGU Certificate
BankMandiri (KBK)	156,296,000,000 Indonesian rupiah	2012-11-30	2022-3-30	11.00%	HGU Certificate

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25. Bonds payable

Project	Closing amount	Opening amount
"12Zhongneng 01"Bond (Principal)	60,000,000.00	
"12Zhongneng 01"Bond interest (Interest adjustment)	-1,359,749.87	
Total	58,640,250.13	

26. Long-term payables

Project	Closing amount	Opening amount
Harvest express	23,876,846.11	23,751,305.48
Sanggau	40,685,338.18	43,737,358.47
PT.MITSUI LEASING CAPITAL INDONESIA	140,487.95	54,050.90
Total	64,702,672.24	57,053,314.85

27. Other non-current liabilities

Project	Closing amount	Opening amount
Deferred income	100,915,119.37	230,218,174.05
Collect transmission allowance	10,000,000.00	
Total	110,915,119.37	230,218,174.05

The description of deferred income:

Project	Opening amount	Increased amount in current period	Decreased amount in current period	Closing amount
Golden Sun Project financial subsidies	221,538,718.65	138,942,906.24	255,677,509.12	104,804,115.77
Binneng project financial subsidies	343,450.00		343,450.00	
Binneng project financial subsidies	1,661,000.00			1,661,000.00
Zhongshan Boai hospital	6,675,005.40		2,225,001.80	4,450,003.60
Total	230,218,174.05	138,942,906.24	258,245,960.92	110,915,119.37

28. Paid-up capital

Investor name	Opening amount		Increased amount in current period	Decreased amount in current period	Closing amount	
	Investment Amount	Shareholding ratio			Investment Amount	Shareholding ratio
Shenzhen Zonergy International Investment Corporation Ltd.	510,000,000.00	39.53%			510,000,000.00	39.53%
ZTE Corporation Shenzhen Zonergy Development Corporation Ltd.	300,000,000.00	23.26%			300,000,000.00	23.26%
Shenzhen Zonergy	160,000,000.00	12.40%			160,000,000.00	12.40%
Weixian tong Equipment Corporation Ltd.	300,000,000.00	23.26%			300,000,000.00	23.26%
Hou Weigui	20,000,000.00	1.55%			20,000,000.00	1.55%
Total	1,290,000,000.00	100.00%			1,290,000,000.00	100.00%

29. Capital reserve

Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing amount
Capital stock premium(share premium)		450,000,000.00		450,000,000.00
Other capital reserves				
Total		450,000,000.00		450,000,000.00

30. Undistributed profit

Project	Current amount	Last term amount
Balance at the beginning of current year	199,666,484.20	-16,161,614.42
Add: Undistributed profit adjustment at the beginning of the year		
Amount at the beginning of this year	199,666,484.20	-16,161,614.42
Plus: Net profits owned by the parent company's owner this year	309,640,226.48	215,828,098.62
Subtraction: Withdrawal legal surplus		
Withdrawal discretionary surplus reserves		
Common stock dividends payable		
Current closing balance	509,306,710.68	199,666,484.20

31. Operating income and operating cost

(1) Operating proceeds and operating costs

Project	Amount incurred in the current period	Amount incurred in prior period
Revenue from main business	381,983,322.66	103,011,629.97
Other business income	7,368,126.82	1,279,972.01
Income subtotal	389,351,449.48	104,291,601.98
Cost of main business	340,539,754.72	66,520,813.63
Other Business Cost	2,540,799.95	1,549,477.79
Cost Subtotal	343,080,554.67	68,070,291.42

(3) Main business by Product Category

Product name	Amount incurred in the current period		Amount incurred in prior period	
	Operating income	Operating cost	Operating income	Operating cost
Solar power generation	264,048,848.49	240,452,093.11	2,044,566.72	1,921,428.90
Sales of Palm bunches-fresh fruit	82,013,058.99	80,798,791.41	75,866,257.99	60,862,361.57
The construction of Golden Agricultural demonstrate center in Congo	19,121,141.95	14,851,021.32		
Consulting services for Photovoltaic energy efficiency	7,747,380.67		20,887,349.08	
PV generate electricity	2,637,727.17	1,275,136.12	1,230,046.70	1,371,425.55
Mobile phone marketing	2,575,213.70	1,959,401.71		
Energy Saving Renovation Service	2,570,464.56	502,740.22	1,584,167.81	480,904.62
Construction technology service and others	1,047,614.19	552,768.24		

Sales of other agricultural products and raw materials	221,872.94	147,802.59	1,398,991.67	1,884,692.99
Total	381,983,322.66	340,539,754.72	103,011,629.97	66,520,813.63

32. Business tax and surcharges

Project	Amount incurred in the current period	Amount incurred in prior period
Business tax	827,777.11	1,051,186.32
Urban construction tax	68,900.94	76,583.04
Education surcharges	49,207.67	38,771.76
Flood protection fees	4,087.05	
Water conservancy construction funds	1,688.08	
Total	951,660.85	1,166,541.12

33. Financial expense

Project	Amount incurred in the current period	Amount incurred in prior period
Interest expenses	29,925,713.98	13,420,380.20
Subtraction: Interest income	26,386,785.86	18,919,090.85
Add: Exchange gain and loss	11,992,245.52	4,816,885.62
Add: Other Expenditures	9,695,317.64	4,858,357.46
Total	25,226,491.28	4,176,532.43

34. Profits or losses on the changes in fair value

Project	Amount incurred in the current period	Amount incurred in prior period
Financial assets calculated by the fair value and the change of which is accounted into current profit and loss	94,507,724.92	
Total	94,507,724.92	

Note: total amount accounted for the current period see Note V. 16 of financial statements

35. Investment income

(1) Income from stock rights transfer

Investee unit	Amount incurred in the current period	Amount incurred in prior period
Yancheng Puguang Energy Technology Co., Ltd.	2,009.61	
ZTE Energy Technology (Wuhan) Co., Ltd.	-3.71	
Total	2,005.90	

(2) Others

Project	Amount incurred in the current period	Amount incurred in prior period
Others		725,014.69
Total		725,014.69

36. Non-operating Revenue

(1) Non-operating income classification

Project	Amount incurred in the current period	Amount incurred in prior period
Gains from disposal of non-current assets	195,632.42	51,448.54
Including: Fixed assets disposal gains	195,632.42	51,448.54
Government subsidies	380,439,639.12	136,156,395.56
Inventory gains	0.94	
Other gains	201,774.97	190,362,120.42
Total	380,837,047.45	326,569,964.52

Note: Previous period other income is mainly formed by discount income of acquisition of subsidiaries.

(2) Government grants details

Project	Amount incurred in the current period	Doc No.	Approval authority
Golden Sun subsidy	177,814,789.12	CJ[2009] No.397, CJ[2009] No.718, CJ[2010] No.590, CJ[2010] No.932, CJ[2010] No.662, CJ[2011] No.380, CJ[2011] No.623, CJ[2012] No.21, CJ[2012] No.994, GNXN[2012] No.356	Ministry of Finance, Ministry of Science, the National Energy Board, the Ministry of Housing
Fuel ethanol project and bio-energy and bio-chemical non-food guide award funds	55,900,000.00	CJ[2012] No.998, NCG[2012] No.2239	Ministry of FinanceFinance Department of Inner Mongolia Autonomous Region
Fuel ethanol made from sweet sorghum stalks projects award funds	42,174,000.00	WCG[2012] No.110	Wuyuan County Bureau of Finance
Fuel ethanol project Strategic emerging industries award funds	41,680,000.00	CJ[2012]No.713,WCG[2012] No.1660	Ministry of FinanceFinance Department of Inner Mongolia Autonomous Region
Technology Project Support funds fo Erdos cloud computing industry park Management Committee	20,100,000.00	Letter from Erdos cloud computing industry park to Erdos Yuntai Internet Technology Co., Ltd. about appropriating subsidies to support science and technology projects	Erdos Cloud Computing industrial park Management Committee
Tangshan Caofeidian Industrial District Finance Bureau investment incentive	20,000,000.00	Certification for Tangshan Caofeidian Industrial District Finance Bureau releasing incentive funds to Xing Energy	Tangshan Caofei Dian Industrial park Bureau of Finance

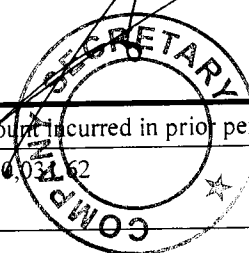
funds		(Tangshan) Energy Ltd.	
Tianjin Binhai Hi-tech Industrial Development Zone finance bureau of investment-attracting special funds	15,000,000.00	Notice of approval of disbursement of ZTE Solar Energy Technology Co., Ltd. agreement award funds	Administration Committee for Tianjin Binhai Hi-tech Industries Development Zone
Special subsidies for Foreign Economic Cooperation	3,234,100.00	JCYZ[2012]No.1406	Tianjin financial department
Chengdu Research Institute of Biology of the Chinese Academy of Sciences Subsidies	1,610,000.00		
Innovation industry development funds--energy conservation sub-funds	1,500,000.00	Nanshan district innovation industry development funds--energy conservation sub-funds	Shenzhen Nanshan Finance Bureau , Nanshan District Development and Reform Commission
Tianjin Binhai New Area Financial Bureau upfront cost subsidy for overseas M & A	1,083,300.00		
Binhai project of circular economy and low-carbon economy special funds	343,450.00	JBFGQ[2010]No.138	Tianjin Binhai New Area Financial Bureau
Total	380,439,639.12		

37. Non-operating expenditure

Project	Amount incurred in the current period	Amount incurred in prior period
Losses from disposal of on non-current assets	485,837.64	293,747.95
Including: Losses due to the disposal of fixed assets	485,837.64	293,747.95
Donation expenditure	3,068,078.37	
Penalty expenditure	39,258.47	1,076.18
Others	163,156.64	320,851.81
	3,756,331.12	615,675.94

38. Income tax expense

Project	Amount incurred in the current period	Amount incurred in prior period
Current income tax according to tax law and related provisions	3,737,153.49	1,400,031.62
Deferred income tax expense	4,862,139.79	
Including: Deferred income tax assets	-18,923,048.91	
Deferred income tax liabilities	23,785,188.70	



Total	8,599,293.28	1,400,031.62
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39. Other comprehensive income

Project	Amount incurred in the current period	Amount incurred in prior period
1. Profits (loss) amount arising from financial asset available for sale		
Subtraction: Deferred income tax liabilities of financial assets available for sale		
The net amount of prior period of other comprehensive profits transferring into profits and loss of current period		
Subtotal		
2. The profits (or loss) amount arising from cash flow hedge instruments		
Subtraction: The impact on income tax produced by cash flow hedge instruments		
The net amount of prior period of other comprehensive profits transferring into profits and loss of current period		
Subtotal		
3. Converted difference in financial statements of foreign currencies	-54,759,126.68	-17,505,470.89
Subtraction: Minus: net amount of foreign operation transferred to the current profits and losses		
Subtotal	-54,759,126.68	-17,505,470.89
Total	-54,759,126.68	-17,505,470.89

40. Cash flow statement project

(1) Supplementary information of cash flow statement

Project	Amount incurred in the current period	Amount incurred in prior period
(1) Adjust net profit to cash flows from operating activities:		
Net profit	297,308,582.34	212,554,753.52
Add: Preparation for assets impairment		
The depreciation of fixed assets, the depletion of oil and gas assets, the depreciation of productive biological assets	61,851,172.93	30,904,464.46
Amortization of intangible assets	4,897,674.70	3,187,763.32
accumulated depreciation of Investment properties		
Amortization of long-term unamortized expenses	340,018.89	215,384.60
Loss of disposing fixed, invisible and other long-term assets (the profits expressed with "-")	290,205.22	
Loss on retirement of fixed assets (income is filled in and listed by "-")		
Loss on changes of the fair value (income is filled in and listed by "-")	-94,507,724.92	
Financial expenses (income to be filled by "-")	53,987,295.99	676,595.04

Investment losses (income is filled in and listed by“-”)	-2,005.90	-16,109.58
Deferred income tax assets decrease (increase to be filled by“-”)	-18,923,048.91	
Increase in deferred income tax liabilities (decrease is filled in and listed by“-”)	23,785,188.70	
Decrease in inventory (the increase is to be listed by“-”to fill column)	5,987,600.89	-20,001,025.97
Decrease in operational items receivable (the increase is to be listed by“-”to fill column)	-29,340,901.97	-9,771,873.83
Increase in operational items receivable (decrease to be filled by“-”)	-208,767,691.17	192,272,971.90
Discount difference for purchase of subsidiary		-190,362,120.42
Others		
Net cash flow from operating activities	96,906,366.79	219,901,102.45
(2) Important investment and financing activities with no cash receipt and payment involved:		
Conversion of debt into capital	64,481,780.50	
Convertible bonds due within one year		
Fixed assets by finance leased		
(3) Net changes condition of cash and cash equivalents:		
The closing balance of cash	955,094,301.02	1,033,610,135.39
Subtraction: The beginning balance of cash	1,033,610,135.39	762,984,934.11
Add: The closing balance of cash equivalents		1,000,000.00
Subtraction: The beginning balance of cash equivalents	1,000,000.00	104,964,711.52
Net increase amount of cash and cash equivalents	-79,515,834.37	166,660,489.76

(2) Cash and cash equivalents

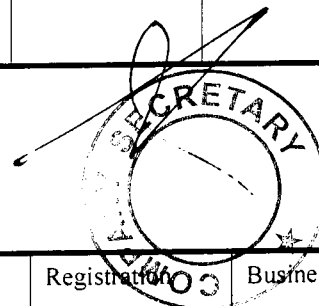
Project	Closing amount	Opening amount
I. Cash	955,094,301.02	1,033,610,135.39
Including: Cash on Hand	337,269.96	14,362,555.27
Bank deposits available for payment at any time	954,757,031.06	1,019,247,580.12
Other currency and capital available for payment at any time		
II. Cash equivalents		1,000,000.00
Including: Bond investment due within three months		
III. Cash and cash equivalent balance	955,094,301.02	1,034,610,135.39
Including: Cash and cash equivalents whose use are restricted in parent company or subsidiaries corporation in group		

VI. Related parties and related transaction

(I) Related party relationships

1. Parent company condition

Parent Company name	Related relationships	Enterprise Type	Registration place	Business nature
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Shenzhen Zonergy International Investment Corporation Ltd.	Parent Company	Limited liability	Shenzhen	Investment
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(Continued)

Parent Company name	Registered capital	Shares proportion from parent Company into this enterprise (%)	Voting power proportion from the parent Company to this enterprise (%)	The final controller of the Company
Shenzhen Zhongxing International Investment Limited	510 million USD	39.53%	39.53%	ZTE Corporation

2. Subsidiary condition

Full name of Subsidiaries	Type of Subsidiaries	Enterprise Type	Registration place	Legal representative	Business nature
Zonergy(Tianjin) Company Limited	Wholly owned Subsidiaries	Limited liability	Tianjin	Hou Weigui	New energy
Zonergy (Cayman)Company Limited	Wholly owned Subsidiaries	Limited liability	CAYMAN ISLAND		New energy
Zonergy (Inner Mongolia)Company Limited	Wholly owned Subsidiaries	Limited liability	Inner Mongolia	Yu Yong	Agriculture
Zhongxing Energy Congo Sub-Company Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Congo	Wang Kewen	New energy
Zonergy Capital Management Corporation Ltd.	Wholly owned Subsidiaries	Limited liability	Tianjin	Hou Weigui	Investment
Zonergy (Indonesia)Company Limited	Wholly owned Subsidiaries	Limited liability	Indonesia	Zhang Wuhua	New energy
Zonergy(Tianjin) Energy Saving Services Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Tianjin	Yu Yong	New energy
Zonergy (Shenzhen) Company Limited	Wholly owned Subsidiaries	Limited liability	Shenzhen	Yu Yong	New energy
Inner Mongolia Hefeng Xingyuan Agricultural Technology Corporation Ltd.	Wholly owned Subsidiaries	Limited liability	Inner Mongolia	Cui Yaping	Agriculture
VISTAEMPIREHOLDINGSPT.LTD	Wholly	Limited	SINGAPORE	Zhang	Investment

	owned Subsidiaries	liability		Wuhua	
Qinhuangdao Golden light luminous energy Corporation Ltd.	Wholly owned Subsidiaries	Limited liability	Qinhuangdao	Sheng Jianan	New energy
Xinjiang Zonergy Company Limited	Wholly owned Subsidiaries	Limited liability	Xinjiang	Yu Yong	New energy
Hohhot Zonergy Company Limited	Wholly owned Subsidiaries	Limited liability	Hohhot	Yu Yong	New energy
Zonergy(Shenzhen) Energy Saving Services Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Shenzhen	Yu Yong	energy development
Erdos Yuntai Interconnection Technology Corporation Ltd.	Wholly owned Subsidiaries	Limited liability	Erdos	Yu Yong	Interconnection data center
Dongguan Xingguang Energy Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Dongguan	Sheng Jianan	New energy
PT Sinar Citra Cemerlang	Holding	Limited liability	Indonesia	Chandra Hamsa	Palm plant
Celestar Holdings PTE.LTD	Wholly owned Subsidiaries	Limited liability	Indonesia	Zhang Wuhua	Palm plant
Agrina	Holding	Limited liability	Indonesia		Palm pla
ZTEENRGY (SINGAPORE) HOLDINGS PTE.LTD (Singapore Energy)	Wholly owned Subsidiaries	Limited liability	SINGAPORE	Zhang Wuhua	Investment
Tibet New Zonergy Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Tibet	Yu Yong	New energy
Erdos Cloud Science and Technology Ltd.	Wholly owned Subsidiaries	Limited liability	Erdos	Yu Yong	Electronic equipment production and processing
Zonergy Luminous energy and technology Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Tianjin	Zhang Wuhua	Luminous technology consulting
Kunshan Lian Chuang Energy Development Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Suzhou	Sheng Jianan	New energy
Zonergy(Tangshan) Energy Saving Co., Ltd.,	Wholly owned Subsidiaries	Limited liability	Tangshan	Zhang Wuhua	New energy

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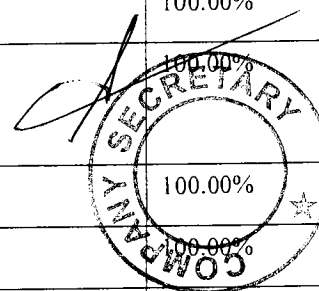


Qinghai Zonergy New Energy Corporation Ltd.	Wholly owned Subsidiaries	Limited liability	Qinghai	Guo Jun	New energy
Tianjin Du Guang Energy Technology Co., Ltd.	Wholly owned Subsidiaries	Limited liability	Tianjin	Sheng Jianan	New energy
Green Valley Zonergy Technology Co., Ltd.	Wholly owned Subsidiaries	Limited liability business	Tianjin	Ja Jian	PV solar thermal
Beijing ZTE Tongxin investment consultation center(limited joint)	Holding	Limited Partnership	Beijing	Mo Rong	Investment
Beijing ZTE Tongli investment consultation center(limited joint)	Holding	Limited Partnership	Beijing	Mo Rong	Investment

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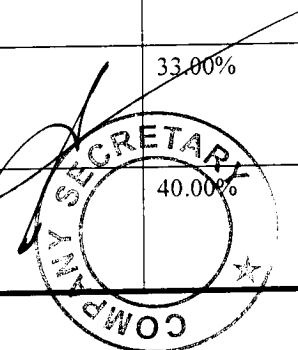
Full name of Subsidiaries	Registered capital	Shareholding ratio	Voting right ratio
Zonergy (Tianjin) Company Limited	1,150,000,000.00	100.00%	100.00%
Zonergy (Cayman) Company Limited	4,450,000USD	100.00%	100.00%
Zonergy (Inner Mongolia) Company Limited	100,000,000.00	100.00%	100.00%
Zonergy (Congo-Kinshasa) Ltd.	200,000USD	100.00%	100.00%
Tianjin Zonergy Capital Management Corporation Ltd.	10,000,000.00	100.00%	100.00%
Zonergy (Indonesia)Company Limited	100,000USD	100.00%	100.00%
Zonergy (Tianjin) Energy Saving Services Co., Ltd.	20,000,000.00	100.00%	100.00%
Zonergy (Shenzhen) Company Limited	100,000,000.00	100.00%	100.00%
Inner Mongolia Hefeng Xingyuan Agricultural Technology Corporation Ltd.	5,000,000.00	100.00%	100.00%
VISTAEMPIREHOLDINGSPTE.LTD	5.15	100.00%	100.00%
Qinhuangdao Golden light luminous energy Corporation Ltd.	1,000,000.00	100.00%	100.00%
Xinjiang Zonergy Company Limited	20,000,000.00	100.00%	100.00%
Hohhot Zonergy Company Limited	1,000,000.00	100.00%	100.00%
Zonergy (Shenzhen) Energy Saving Services	20,000,000.00	100.00%	100.00%

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Co., Ltd.			
Erdoş Yuntai Interconnection Technology Corporation Ltd.	200,000,000.00	100.00%	100.00%
Dongguan Xingguang Energy Co., Ltd.	1,000,000.00	100.00%	100.00%
PT Sinar Citra Cemerlang	92.16 billion Indonesian rupiah	60.00%	60.00%
Celestar Holdings PTE.LTD	16,210,110.22USD	100.00%	100.00%
Agrina	103billion Indonesian rupiah	51.00%	51.00%
ZTEENRGY (SINGAPORE) HOLDINGS PTE.LTD	5.32	100.00%	100.00%
Tibet Zonergy Co., Ltd.	10,000,000.00	100.00%	100.00%
Erdoş Cloud Science and Technology Ltd.	10,000,000.00	100.00%	100.00%
Shenzhen Zonergy Kangxun Electronics Corporation Ltd.	100,000,000.00	100.00%	100.00%
Kunshan Lian Chuang Energy Development Co., Ltd.	1,000,000.00	100.00%	100.00%
Zonergy (Tangshan) Energy Saving Services Co., Ltd.	100,000,000.00	100.00%	100.00%
Qinghai Zonergy New Energy Corporation Ltd.	5,000,000.00	100.00%	100.00%
Tianjin Du Guang Energy Technology Co., Ltd.	1,000,000.00	100.00%	100.00%
Tianjin Zte Energy Green Valley Technology Co., Ltd.	2,000,000.00	100.00%	100.00%
Beijing ZTE Tongxin investment consultation center (limited joint)	9,900,000.00	33.00%	33.00%
Beijing ZTE Tongli investment consultation center (limited joint)	9,900,000.00	40.00%	40.00%

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3. Other related parties of the Company

Name of related parties	The relationship of other related parties with the Company
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ZTE Corporation Shenzhen Zonergy Development Corporation Ltd.	Joint-stock shareholders
Shenzhen Zonergy Weixian tong Equipment Corporation Ltd.	Joint-stock shareholders
ZTE International Investment Company Limited	Joint-stock shareholders
Controlled by the same ultimate holding company	Joint-stock shareholders
Linkcell International Investment LTD	Controlled by the same ultimate holding company
Beijing Zhongxing Jinyuan Investment Co., Ltd.	Controlled by the same ultimate holding company
Hebei Xingchen Energy Co., Ltd.	Joint venture

(II) Transaction of Related Party

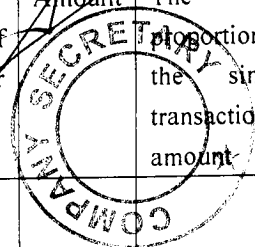
1. Purchase commodity

Related party	Content of related transactions	The method of related transaction price-making and the decision-making procedure	Amount incurred in the current period		Amount incurred in prior period	
			Amount	The proportion of the similar transaction amount	Amount	The proportion of the similar transaction amount
ZTE Corporation	Purchase mobile phone	The marketing price	292,500.00	100.00%	1,214,901.74	1.16%
Shenzhen Zonergy Weixian tong Equipment Corporation Ltd.	Purchase the equipment of machine room	The marketing price	763,560.00	1.32%		

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2. Sale commodity / provide

Related party	Content of related transactions	The method of related transaction price-making and the decision-making procedure	Amount incurred in the current period		Amount incurred in prior period	
			Amount	The proportion of the similar transaction amount	Amount	The proportion of the similar transaction amount
ZTE Corporation	Sale of PV power plants generating electricity	The marketing price	1,935,188.27	73.37%		



3. Related guarantee situation.

Guarantor	Secured party	Guarantee amounts	The beginning date of guarantee	The expire date of guarantee
Zonergy Company Limited	Shenzhen Zonergy International Investment Corporation Ltd.	510,000,000.00	2009-11-19	2017-11-18

4. The receivable and payable accounts of the related parties

Project name	Related party	Closing amount	Opening amount
Other receivables	ZTE International Investment Company Limited	67,639,019.28	30,126,404.32
Other receivables	ZTE Corporation	4,000.00	12,400.00
Prepayments	ZTE Corporation	85,360.00	
Accounts receivable	ZTE Corporation	165,754.69	

VII. Other important matters

On or before December 31 of 2011, the company doesn't have any other important matters that should be disclosed.

VIII. Notes to the main items of Parent Company's financial tables

1. Accounts receivable

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(1) Disclosure of accounts receivable by category

Category	Closing amount				Opening amount			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Individually significant and individual provision for bad debts	54,130,398.63	100.00%						
Accounts receivable which is individually								

insignificant but the combined portfolio, which is combined according to the credit risk characteristics, has greater risk of								
Including: Account Age combination								
Individually insignificant but individual provision for bad debts								
Total	54,130,398.63	100.00%						

(2) the calculating and submitting percent situations of bad debts for preparation about single projects which are a great number of money and though they're not great but they need increase and decrease text separately at the end of the period

Claims Unit	Debt Unit	Book balance	The depreciation amount	Account Age	Accrual basis or reason
Zonergy Limited Company	Qinghai Zonergy New Energy Corporation Ltd.	21,230,399.23		Within one year	Is expected to be back
Zonergy Limited Company	Xinjiang Zonergy Company Limited	18,499,999.40		Within one year	Is expected to be back
Zonergy Limited Company	Zonergy Tianjin Company	6,000,000.00		Within one year	Is expected to be back
Zonergy Limited Company	Zonergy (Shenzhen) Company Limited	5,500,000.00		Within one year	Is expected to be back
Provision for bad debts on accounts receivable in combination		2,900,000.00		Within one year	Is expected to be back
Total		54,130,398.63			

(3) Big amount list of ending balances

Unit Name	Amount	Account Age	Proportion
Qinghai Zonergy New Energy Corporation Ltd.	21,230,399.23	Within one year	39.22%
Xinjiang Zonergy Company Limited	18,499,999.40	Within one year	34.18%
Zonergy Tianjin Company	6,000,000.00	Within one year	11.08%
Zonergy (Shenzhen) Company Limited	5,500,000.00	Within one year	10.16%
Xian Haohan New Energy Co., Ltd.	2,900,000.00	Within one year	5.36%
Total	54,130,398.63		100.00%

(4) There are no shareholders' funds of more than 5% (including 5%) of above voting shares in the closing balance.

2. Prepayment

(1) (1) Prepayment is Listed According to the Account Age.

Project	Closing amount		Opening amount	
	Book balance	Proportion	Book balance	Proportion
Within one year	2,576,837.90	100.00%		
one to two years				
two to three years				
Three to four years				
four to five years				
Over five years				
Total	2,576,837.90	100.00%		

(2) Big amount list of ending balances

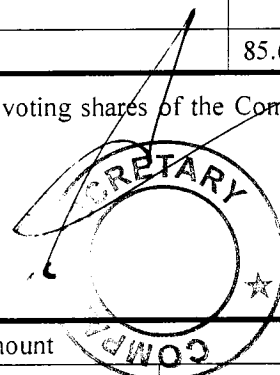
Unit Name	Amount	Account Age	Proportion
Shenzhen Zhongxing Kunteng Co., Ltd.	1,159,720.00	Within one year	45.01%
BEIJING NORTH STAR Industrial Group Company Chenxin Property Management Center	838,925.89	Within one year	32.56%
Guodu Construction (Group) Co., Ltd.	100,000.00	Within one year	3.88%
Weihai Shanhua Huabao Carpet Co., Ltd.	82,472.50	Within one year	3.20%
Beijing Branch Beijing Zaichuangshengshi Shade Technology Co., Ltd.	24,624.00	Within one year	0.96%
Total	2,205,742.39		85.60%

(3) Collections of shareholders holding more than 5% (including 5%) voting shares of the Company and having no payable account at the end of the term

3. Other receivables

(1) Disclosure of other accounts receivable by category

Category	Closing amount		Opening amount	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts



	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Individually significant and individual provision for bad debts	142,783,493.89	98.90%			53,755,489.35	94.85%		
Accounts receivable which is individually insignificant but the combined portfolio, which is combined according to the credit risk characteristics, has greater risk of	1,586,583.52	1.10%			2,716,548.21	4.79%		
Including: Account Age combination	1,586,583.52	1.10%			2,716,548.21	4.79%		
Individually insignificant but individual provision for bad debts					205,136.81	0.36%		
Total	144,370,077.41	100.00%			56,677,174.37	100.00%		

(2) Individually significant or not significant but individually tested for impairment of other receivables provision for bad debts

Claims Unit	Debt Unit	Book balance	Provision Amount	Account Age	Is expected to be
Zonergy Company Limited	ZTE International Investment	56,681,455.08		Within 2 years	back

	Company Limited				
Zonergy Company Limited	Zonergy. Indonesia Sub-Company	39,539,689.24		Within one year	Is expected to be back
Zonergy Company Limited	Tianjin Zonergy Capital Management Corporation Ltd.	12,522,978.07		Within 2 years	Is expected to be back
Zonergy Company Limited	Zhongxing Energy Co., Ltd. Congo Sub-Company	10,182,040.54		Within three years	Is expected to be back
Other receivables of other unterm withdrawing bad-debt provision		23,857,330.96			Is expected to be back
Total		142,783,493.89			

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(3) Other receivables of provision for bad debts according to account age analysis in group

Project	Closing amount			Opening amount		
	Book balance	Proportion	Provision for bad debts	Book balance	Proportion	Provision for bad debts
Within one year	1,586,583.52	100.00%		2,716,548.21	100.00%	
one to two years						
two to three years						
Three to four years						
four to five						

years						
Over five years						
Total	1,586,583.52	100.00%		2,716,548.21	100.00%	

(4) Big amount list of ending balances

Unit Name	Amount	Account Age	Proportion
ZTE International Investment Company Limited	56,681,455.08	Within two years	38.00%
Zonergy. Indonesia Sub-Company	39,539,689.24 ;	Within one year	27.00%
Tianjin Zonergy Capital Management Corporation Ltd.	12,522,978.07	Within two years	8.00%
Zhongxing Energy Co., Ltd. Congo Sub-Company	10,182,040.54	Within three years	7.00%
Zonergy (Inner Mongolia) Company Limited	8,263,267.28	Within one year	6.00%
Total	127,189,430.21 ,		86.00%

(5) The units of the shareholders holding 5% (including 5%) or more shares with voting power in the prepayment in the report period:

Name of organization	Relationship amount with the Company	Account Age	Reason for non-settlement
ZTE International Investment Company Limited	Shareholders	Within 2 years	Advance
ZTE Corporation	Shareholders	2 to 3 years	Advance

4. Long-term equity investments

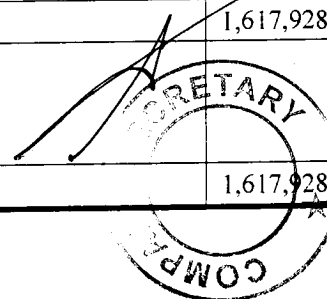
(1) Equity Investment

Project	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
Investments in subsidiaries	1,233,235,940.64	362,692,657.00		1,595,928,597.64
Investment in cooperative enterprises				
Investment in affiliated businesses				
Investment in other enterprises	4,000,000.00	18,000,000.00		22,000,000.00
Subtotal	1,237,235,940.64	380,692,657.00		1,617,928,597.64
Subtraction: Long-term investment depreciation reserves				
Total	1,237,235,940.64	380,692,657.00		1,617,928,597.64

(2) Significant equity accounted by cost method

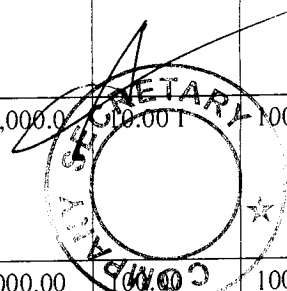
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The name of the invested units	Investment cost	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance	Shareholding proportion in the invested entity (%)	Voting right proportion in the invested unit
ZTE Energy (Cayman) Co. Limited	30,775,781.89	30,775,781.89			30,775,781.89	100.00	100.00
Zonergy (Congo) Company Limited	19,468,845.75	18,776,188.75	692,657.00		19,468,845.75	100.00 I	100.00
Zonergy (Tianjin) Company Limited	1,150,000.00	1,150,000.00			1,150,000.00	100.00 I	100.00
Tianjin Zonergy Capital Management Corporation Ltd.	10,000,000.00	10,000,000.00			10,000,000.00	100.00	100.00
Zonergy (Inner Mongolia) Company Limited	90,000,000.00	18,000,000.00 I	72,000,000.00		90,000,000.00	90.00	100.00
PT.ZTE Agribusiness Indonesia	683,970.00	683,970.00			683,970.00	99.00	99.00
Zonergy (Tianjin) Energy Saving Services Co., Ltd.	2,000,000.00	2,000,000.00	.		2,000,000.00	10.00	100.00
Zonergy (Shenzhen) Company Limited	10,000,000.00	2,000,000.00	8,000,000.00		10,000,000.00	10.00 I	100.00
Inner Mongolia Hefeng	5,000,000.00	5,000,000.00			5,000,000.00	100.00	100.00

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Xingyuan Agricultural Technology Corporation Ltd.							
ErDOS Yuntai Interconnection Technology Corporation Ltd.	200,000,000.00		200,000,000.00		200,000,000.00	90.00	100.00
Zonergy (Tianjin) Luminous technology Company Limited	90,000,000.00		90,000,000.00		90,000,000.00	90.00	100.00
Zonergy (Tangshan) Energy Saving Co., Ltd.	10,000,000.00		10,000,000.00		10,000,000.00	10.00	100.00
Total	1,617,928,597.64	1,237,235,940.64	380,692,657.00		1,617,928,597.64		

5. Operating income and operating cost

(1) Business income and business costs:

Project	Amount incurred in the current period	Amount incurred in prior period
Revenue from main business	67,115,999.50	10,787,549.08
Other business income		
Total Revenue	67,115,999.50	10,787,549.08
Cost of main business	44,481,600.87	
Other business costs		
Total cost	44,481,600.87	

(2) Main Business (Sub-product)

Project	Amount incurred in the current period		Amount incurred in prior period	
	Operating income	Operating cost	Operating income	Operating cost
Provide the healthcare consultation services	18,396,226.24		10,787,549.08	
Sale of PV household integration systems	48,719,773.26	44,481,600.87		

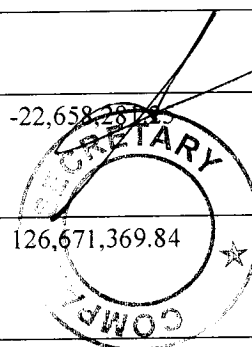
Total cost	67,115,999.50	44,481,600.87	10,787,549.08	
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6. Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

Project	Amount incurred in the current period	Amount incurred in prior period
(1) Adjust net profit to cash flows from operating activities:		
Net profit	27,336,904.68	-57,224,907.98
Add: Preparation for assets impairment		
The depreciation of fixed assets, the depletion of oil and gas assets, the depreciation of productive biological assets	1,893,025.19	1,936,965.02
Amortization of intangible assets	18,011.73	14,724.18
Minus: accumulated depreciation of Investment properties		
Amortization of long-term unamortized expenses		
Loss from disposal of fixed assets, intangible assets and other long-term assets (the gain is to be listed by“-”for income)	25,088.04	
Loss on retirement of fixed assets (income is filled in and listed by“-”)		
Loss on changes of the fair value (income is filled in and listed by“-”)	-75,606,180.00	
Financial expenses (income to be filled by“-”)	2,943,765.70	375,158.95
Investment losses (the gain is to be listed by“-”to fill column)	-16,109.58	
Deferred income tax assets decrease (increase to be filled by“-”)	-16,362,433.33	
Increase in deferred income tax liabilities (decrease is filled in and listed by“-”)	18,901,545.00	
Decrease in inventory (increase to be filled by“-”)		
Decrease in operational items payable (the increase is to be listed by“-”to fill column)	-148,448,686.79	-22,658,281.25
Increase in operational items receivable (decrease to be filled by“-”)	574,330,171.77	126,671,369.84

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Others		
Net cash flow from operating activities	385,031,211.99	49,098,919.18
(2) Significant investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets by finance leased		
(3) Net changes condition of cash and cash equivalents:		
The closing balance of cash	49,422,502.55	55,977,531.13
Subtraction: The beginning balance of cash	55,977,531.13	4,788,282.81
Add: The closing balance of cash equivalents		
Subtraction: The beginning balance of cash equivalents		9,000,000.00
Net increase amount of cash and cash equivalents	-6,555,028.58	42,189,248.32

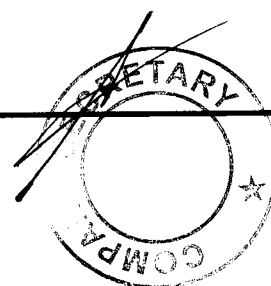
(2) Cash and cash equivalents

Project	Closing amount	Opening amount
I. Cash	49,422,502.55	55,977,531.13
Including: Cash on Hand	51,797.71	343,993.63
Bank deposits available for payment at any time	49,370,704.84	55,633,537.50
Other currency and capital available for payment at any time		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Cash and cash equivalent balance	49,422,502.55	55,977,531.13
Including: Cash and cash equivalents whose use are restricted in parent company or subsidiaries corporation in group		

IX. Other items

The company has no other important matters which need to be explained.

X. Approval of the accounting statement

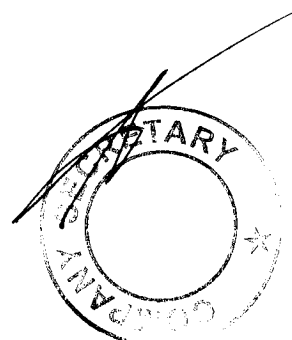


The financial statements was approved and reported by board of directors of the company on March 20, 2013.

Zonergy Company Limited

March 20, 2013

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Enterprise Legal Person Business License

(Copy) (Copy 2)

Registration No.: 110000011536498

Name: Asia Pacific(Group) CPAs Co. Ltd., Beijing Branch

Place of business: Room 301, Building 1, Door 2, No.9 Court, Chegongzhuang Street, Beijing(Desheng Park)

Name of legal representative: Ma Ming

Operating scope: Licensing items: (1) examining the accounting statements of enterprises and producing audit reports;(2) verifying the capital of enterprises and producing capital verification reports;(3) dealing with audit services in matters of merger, division or liquidation of enterprises and producing the relevant reports; and the annual financial report of the fundamental construction; Agency account Accounting consulting, tax consulting, management consulting and accounting training; Other obligations stipulated by the laws and regulations.

Date of establishment : December 17 , 2008

Notice

1. *Enterprise Legal Person Business License* is the voucher that the enterprise gets qualifications of legal person and lawful operation.
2. *Enterprise Legal Person Business License* has the original and the duplicate, and they have equal legal effect.
3. The original of *Enterprise Legal Person Business License* shall be placed at the conspicuous position where legal person dwells.
4. *Enterprise Legal Person Business License* must not be counterfeited, altered, leased, lent and transferred.
5. When the registered matters are changed, the enterprise legal person shall apply the company registration authority for change of registration and renewal *Enterprise Legal Person Business License*.
6. The enterprise shall participate in annual inspection from March 1 to June 30 each year.
7. The enterprise legal person shall not carry out operating related with liquidation after the *Enterprise Legal Person Business License* is written off.
8. The original and the copy for the *Enterprise Legal Person Business License* shall be given back when the enterprise handles with cancellation of the registration.
9. If the *Enterprise Legal Person Business License* is lost or destroyed, the enterprise shall declare to cancel the license in the newspaper authorized by the registration authority, and apply for replacement.

Annual Inspection Condition

S Beijing Administration for Industry and Commerce Xicheng Branch Sealed)

May 31, 2010

2012 annual inspection has been conducted annual inspection by Beijing Administration for Industry and Commerce Xicheng Branch (sealed)



Copy 2

Accounting Firm
Certificate of practice

Name: Asia Pacific(Group) CPAs Co. Ltd., Beijing Branch

Chief Accountant: Ma Ming

Work place: Room 301, Building 1, Door 2, No.9 Court,
Chegongzhuang Street, Beijing (Desheng Park)

Organizational form: limited liability

Accounting Firm No.: 110100751101

Registered capital (amount of contribution): 2 million Yuan

Approved document No.: JCKXK [2008] No. 0196

Establishment date approved: November 20,2008

Certificate No.: 500041

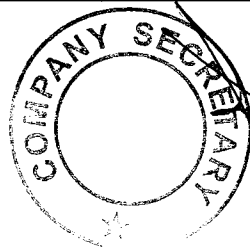
Description

1. *Practicing Certificate of Public Accounting Firm* is a proof proving the bearer is granted to execute statutory business of certified public accountants after approved by the department of finance by laws.
2. In case of any changes in the items specified in the *Practicing Certificate of Public Accounting Firm*, you should apply to the department of finance for replacement.
3. The *Practicing Certificate of Public Accounting Firm* shall not be falsified, altered, leased, lent or transferred.
4. If the accounting firm is terminated, the *Practicing Certificate of Public Accounting Firm* shall be returned to the department of finance

Issued by: Beijing **Municipal** Bureau of Finance

April 18, 2012

Ministry of Finance of the People's Republic of China



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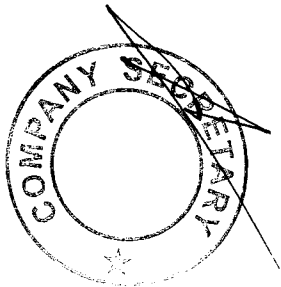
Certificate No.:000015

Permit of accounting firm securities and futures related business

Hereby approve Asia Pacific (Group) CPAs Co. Ltd., to execute securities and futures related businesses
after reviewed by China Securities Regulatory Commission.

Certificate No.:51

Issued Date:



Certified True Copy



Full name

Zou Quanshui

Sex

Male

Date of birth

December. 13, 1970

Working unit

Tianzhi Zixin Accounting Firm

IDENTITY card No

342901701213583

Annual Renewal Registration

This certificate is valid for another year after this renewal.

CAPs

Stamp of the transfer-out Institute of CAPs

Stamp of the transfer-in Institute of

October 19, 2009

Agree the holder to be transferred to

Asia Pacific(Group) CPAs C CAPs Beijing

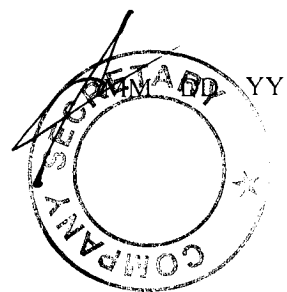
Stamp of the transfer-out Institute of CAPs

October 19, 2009

Annual Renewal Registration

This certificate is valid for another year after this renewal.

Handwritten signature





Full name

Shen Lichao

Sex

Female

Date of birth

September 30, 1979

Working unit

Zhongjing Certified Public Accountants Co., Ltd.

IDENTITY card No

130403197909301529

Annual Renewal Registration

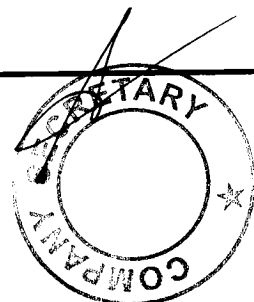
Annual Renewal Registration

This certificate is valid for another year after this renewal.

This certificate is valid for another year after this renewal.

/y/m/d

Certified True Copy
y/m/d



Zonergy Company Limited

Financial Statements for the Year Ended December 31

2013

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ZhongXi Certified Public Accountants Co., Ltd.

Audit report

Zhongxi Shenzhen Audit (2014) No.0066

All shareholders of Zonergy Company Limited:

We have audited the attached financial statements of Zonergy Company Limited. (hereinafter referred to as the "ZONERGY"), including Balance Sheet and Consolidated Balance Sheet on December 31, 2013, Profit Statement and Consolidated Profit Statement in 2013, Cash Flow Statement and Consolidated Cash Flow Statement in 2013, Owner's Equity Change Statement and Consolidated Owner's Equity Change Statement as well as Notes to Financial Statements in 2013.

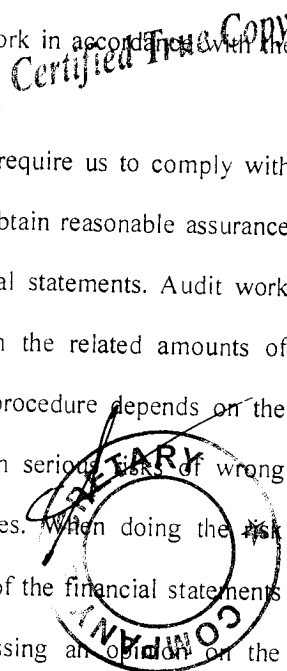
I. Responsibility of Management Layer for the Financial Statement

The energy management layer of ZONERGY is responsible for preparing financial statement in accordance with *the provision of Accounting Standards for Business Enterprises*. The responsibilities include: (1) Designing, implementing and maintaining internal control relevant to the preparation of financial statement to avoid any material misstatement in the financial statement due to fraudulent practices or errors; (2) Select and apply appropriate accounting policies; (3) Make reasonable accounting estimation.

II. Responsibility of the certified public accountant

Our responsibility is to publish audit opinions on financial statement based on the implementation of the audit work. We have implemented our audit work in accordance with the provision of Auditing Standards of Chinese Certified Public Accountant.

The Auditing Standards of Chinese Certified Public Accountant require us to comply with code of professional ethics, plan and implement audit work, so as to obtain reasonable assurance for whether there is no material misstatement existing in the financial statements. Audit work involves the implementation of audit procedures, in order to obtain the related amounts of financial statements and the disclosed audit evidence. The selected procedure depends on the judgment of certified public accountants, including the evaluation on serious risk of wrong reports in financial statements due to fraudulent practices or mistakes. When doing the risk assessment, we consider the internal control related to the preparation of the financial statements in order to design appropriate audit procedures, but not for expressing an opinion on the



effectiveness of the company's internal control. Audit work also includes evaluating the appropriateness of the selected accounting policies by management layer, the reasonableness of making accounting estimation, and evaluating the overall presentation of the financial statements.

We believe that the obtained audit evidences are sufficient and appropriate, which provide the basis for publishing the audit opinions.

III. Audit opinions

We believe that the financial statement of ZONERGY has been prepared in accordance with *the provision of Accounting Standards for Business Enterprises* and it fairly reflects the financial condition of ZONERGY on December 31, 2013 as well as the operating results and cash flow in 2013 on all major aspects.

ZhongXi Certified Public Accountants Co., Ltd. Chinese Certified Public Accountant:

Shenzhen Branch Office

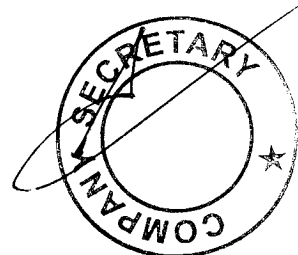
SHENZHEN, CHINA

Chinese Certified Public Accountant:: Li

Jianhai

March 13, 2014

Original True Copy



Consolidated Balance Sheet

Unit name: Zonergy Company Limited

December 31, 2013

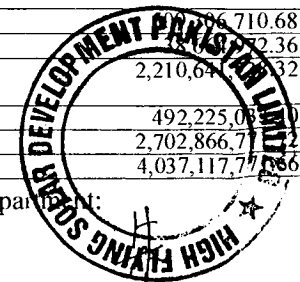
Unit: RMB Yuan

Item	Closing balance	Opening balance	Item	Closing balance	Opening balance
Current assets:			Current liabilities:		
Monetary capital	1,288,772,673.35	955,094,301.02	Short-term borrowings	584,520,182.20	342,432,022.53
Deposit reservation for balance	-	-	Borrowings from central bank	-	-
Lending funds	-	-	Deposits from customers and interbank	-	-
Trading financial assets	-	-	Borrowing funds	-	-
Notes receivable	2,000,000.00	-	Trading financial liabilities	-	-
Accounts receivable	449,528,443.54	170,783,425.05	Notes payable	34,588,470.00	-
Prepayment	99,828,755.72	85,172,993.95	Accounts payable	564,828,184.98	151,444,577.52
Premium receivable	-	-	Account collected in advance	48,684,671.54	252,462,114.19
Reinsurance accounts receivable	-	-	Financial assets sold for repurchases	-	-
Receivable from subcontracting reserves	--	-	Handling charges and commissions payable	-	-
Interest receivable	154,947.24	-	Employee pay payable	3,655,956.73	2,916,942.78
Dividends receivable	-	-	Tax payable	-19,681,301.32	-30,825,780.93
Other receivables	382,410,184.09	215,133,647.58	Interest payable	16,592,699.35	9,981,280.46
Redemptory monetary capital for sale	-	-	Dividends payable	-	-
Inventory	134,683,710.38	25,550,543.90	Other payables	51,912,653.70	40,390,461.67
Non-current assets due within one year	-	-	Dividend payable for reinsurance	-	-
Other current assets	-	-	Reserve fund for insurance contracts	-	-
Total current assets	2,357,378,714.32	1,451,734,911.50	Receiving from vicariously traded securities	-	-
Non-current assets:	-	-	Receiving from vicariously sold securities	-	-
Release of loans and advances	-	-	Non-current liabilities due within one year	-	-
Available-for-sale financial assets	-	-	Other current liabilities	-	-
Held-to-maturity investment	-	-	Total current liabilities	1,285,101,517.18	768,801,618.22
Long-term receivables	509,001.80	942,003.60	Non-current liabilities:	-	-
Long-term equity investment	32,501,014.80	32,501,014.80	Long-term loans	412,601,082.60	307,406,151.28
Investment real estates	-	-	Bonds payable	158,049,306.55	58,640,250.13
Fixed assets	524,748,443.68	198,240,296.63	Long-term payables	157,899,999.98	64,702,672.24
Construction in progress	366,775,252.79	489,199,192.81	Special payables	-	-
Engineering material	568,330.65	568,330.65	Accrued liabilities	-	-
Disposal of fixed assets	-	-	Deferred income tax liabilities	56,126,641.17	23,785,188.70
Productive biological assets	829,473,468.09	979,081,914.49	Other non-current liabilities	195,077,275.29	110,915,119.37
Oil and gas assets	-	-	Total non-current liabilities	979,754,305.59	565,449,381.72
Intangible assets	625,300,121.02	635,524,663.26	Total liabilities	2,264,855,822.77	1,334,250,999.94
Development expenditure	-	-	Owner's equity (or share holders' equity)	-	-
Goodwill	-	-	Paid-in capital (or capital stock)	1,290,000,000.00	1,290,000,000.00
Long-term intangible assets	2,036,170.78	1,338,261.44	Capital reserve	450,000,000.00	450,000,000.00
Deferred income tax assets	21,040,734.82	18,923,048.91	Subtraction: Treasury stock	-	-
Other non-current assets	355,567,724.92	229,064,133.57	Surplus reserves	-	-
Total non-current assets	2,758,520,263.35	2,585,382,860.16	General risk provisions	-	-
	-	-	Undistributed profit	792,161,974.80	96,710.68
	-	-	Currency translation differences	-109,241,563.57	32.36
	-	-	Total owner's equities belonging to the parent company	2,422,920,411.23	2,210,641,732
	-	-	Minority shareholder equity	428,122,743.67	492,225,000.00
	-	-	Owner's equity	2,851,043,154.90	2,702,866,732.36
Total assets	5,115,898,977.67	4,037,117,771.66	Total liabilities and owners' equity	5,115,898,977.67	4,037,117,771.66

Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting department:



Consolidated Profit Statement

Unit name: Zonergy Company Limited

2013

Unit: RMB Yuan

Item	Current amount	Last term amount
I. Total business income	1,041,657,522.59	389,351,449.48
Including: Business revenue	1,041,657,522.59	389,351,449.48
Interest income		-
Earned premium		-
Handling charge and commission income		-
II. Total business cost	1,395,824,340.99	555,034,021.01
Including: Business costs	1,092,189,170.82	343,080,554.67
Interest expenditure		-
Handling charge and commissions expenditure		-
Surrender charge fee		-
Net payments for insurance claims		-
Net amount payment for withdrawing reserve fund for insurance contracts		-
Policy dividend expenditure		-
Amortized reinsurance expenses		-
Business tax and surcharges	5,582,573.49	951,660.85
Selling expenses	88,440,645.05	33,753,019.44
Administrative expenses	151,016,446.52	152,022,294.77
Financial expense	58,595,505.11	25,226,491.28
Loss on the asset impairment		-
Plus: Income from changes in fair value (the loss is filled in and listed by"-")	126,500,000.00	94,507,724.92
Investment income (the loss is filled in and listed by"-")	-7,763.13	2,005.90
Including: Investment income for associated enterprises and cooperative enterprises		-
Foreign exchange income(the loss is filled in and listed by"-")		-
III. Business profit (loss is filled in and listed by "-")	-227,674,581.53	-71,172,840.71
Add: Non-operating income	720,431,406.53	380,837,047.45
Subtraction: Non-operating expenditure	100,780,881.44	3,756,331.12
Including: Losses from disposal on non-current assets		-
IV. Total profit (total loss is filled in and listed by"-")	391,975,943.56	305,907,875.62
Subtraction: Income tax expense	76,706,489.56	8,599,293.28
V. Net profit (Net Loss is filled in and listed by"-")	315,269,454.00	297,308,582.34
Owner's net profit belonging to the parent company	315,269,454.00	309,640,226.48
Minority shareholder profit and loss	-8,269,875.83	-12,331,644.14
VI. Earnings per share:	-	-
(I) Basic earnings per share		-
(II) Diluted earnings per share		-
VII. Other comprehensive earnings	-126,409,005.10	-54,759,126.68
Including: Belonging to parent company	-70,576,591.20	-28,691,234.05
Belonging to minority shareholder	-55,832,413.90	-26,067,892.63
VIII. Total comprehensive income	188,860,448.96	242,549,455.66
Total comprehensive income belonging to parent company	252,962,331.63	286,948,992.43
Total comprehensive income belonging to minority shareholder	-64,102,289.72	-38,399,536.77

Legal representative:

Person in charge of competent
accounting work:

Person in charge of
department accounting



The Consolidated Cash Flows Statement

Organization unit: Zonergy Company Limited

2013

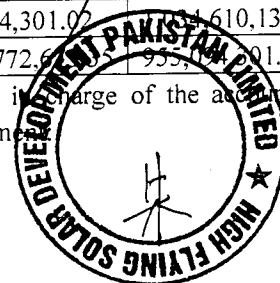
Unit: Yuan

Item	Current amount	Last term amount
I. Cash flows from operating activities:		
Cash received from sales of goods or providing labor services	839,775,149.73	460,277,572.25
Refunds of tax and levies	54,912.72	26,844.14
Other cash received relating to operating activities	760,012,117.32	316,422,856.88
Sub-total of cash inflow of operating activities	1,599,842,179.77	776,727,273.27
Cash paid for purchasing commodities and receiving labor services	880,162,170.13	303,585,244.16
Cash paid to employees and for employees paid	108,193,088.65	116,266,046.22
Tax payments	16,417,650.11	11,369,826.10
Other cash paid relating to operating activities	589,529,207.41	248,599,790.00
Sub-total of cash outflow of operating activities	1,594,302,116.30	679,820,906.48
Net cash flow from operating activities	5,540,063.47	96,906,366.79
II. Cash flow from investment activities:		
Cash received from return of investments	969,748.05	84,099.92.93
Cash received from investments	1,990.00	915,668.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,400,000.00	
Other cash received relating to investment activities		
Sub-total of cash inflow of investment activities	2,370,538.05	9,334,660.93
Cash paid to acquire fixed assets, intangible assets and other long-term assets	222,552,280.81	312,323,849.81
Cash paid for investments	243,055,547.80	34,845,200.00
Net cash paid for obtaining subsidiaries and other operating units	243,055,547.80	
Other cash paid relating to investment activities		
Sub-total of cash outflow of investment activities	243,055,547.80	447,169,049.81
Net cash flows from investment activities	-241,283,009.81	-437,834,388.88
III. Cash flows generated from financing activities:		
Cash received from capital absorption	-	18,011,903.74
Including: Cash received from a subsidiary company's absorbing investment of minority shareholder		18,011,903.74
Cash received from obtaining loan	960,011,667.47	589,271,708.32
Cash received from the issuance of bonds	98,560,000.00	60,000,000.00
Other cash received relating to financing activities		
Sub-total of cash inflow of financing activities	1,058,571,667.47	667,283,612.06
Cash paid for debts	409,835,764.50	370,300,285.27
Cash paid for dividends, profits or interest	65,457,587.94	25,705,339.24
Including: Dividends and profits paid to minority shareholders by subsidiary company		
Other cash paid related to financing activities	1,991,411.67	7,491,780.92
Sub-total of cash outflow of financing activities	477,284,764.11	403,497,405.43
Net cash flows from financing activities	581,286,903.36	263,786,206.63
IV. Effect of exchange rate changes on cash and cash equivalents	-11,865,584.69	-2,374,018.91
V. Net increase amount of cash and cash equivalents	333,678,372.33	-79,515,834.37
Add: Opening balance of cash and cash equivalents	955,094,301.02	1,034,610,135.39
VI. Closing balance of cash and cash equivalents	1,288,772,673.35	955,094,301.02

Legal representative:

Person in charge of competent accounting work:

Person in charge of the accounting department:



Consolidated Change Statement of Owner's Equity

2013

Monetary unit: RMB Yuan

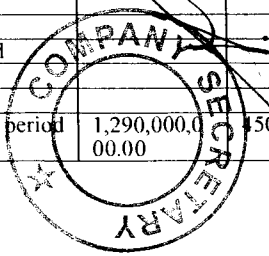
Unit name: Zonergy Company Limited

Item	Amount of Current Period									
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General risk provisions	Undistributed profit	Others	Minority shareholder equity	Owner equity total
I. Balance at the end of last year	1,290,000,000.00	450,000,000.00	-	-	-	-	509,306,710.68	-38,664,972.36	492,225,033.40	2,702,866,771.72
Add: Accounting policy changes										-
Correction of prior period errors										-
Others										-
II. Balance at the beginning of current year	1,290,000,000.00	450,000,000.00					509,306,710.68	-38,664,972.36	492,225,033.40	2,702,866,771.72
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)							282,855,264.12	-70,576,591.21	-64,102,289.73	148,176,383.18
(I) Net profit							323,539,329.83		-8,269,875.83	315,269,454.00
(II) Other comprehensive income								-70,576,591.21	-55,832,413.90	-126,409,005.10
Sub-total of (I) and (II) mentioned above							323,539,329.83	-70,576,591.21	-64,102,289.73	188,860,448.89
(II) Capital invested and reduced by the owner										-
1. Capital invested by the owner										-
2. Amount of share-based payment reckoned in owner's equity										-
3. Others										-
(IV) Profit distribution							-40,684,065.71			-40,684,065.71
1. With drawl of surplus reserves										
2. With drawl of general risk provision										
3. Distributions to shareholders							-40,684,065.71			-40,684,065.71
4. Others										
(V) Internal carry-over of the owners' equities										-
Capital stock conversion of capital reserve										-
Capital stock conversion of surplus reserve										-
3. Surplus reserve to cover the deficit										-
Others										-
(VI) Special Reserves										-
1. Withdraw in current period										-
2. Use for current period										-
(VII) Others										-
IV. Balance at the end of this period	1,290,000,000.00	450,000,000.00	-	-	-	-	792,161,974.80	-109,241,563.57		2,851,043,154.90

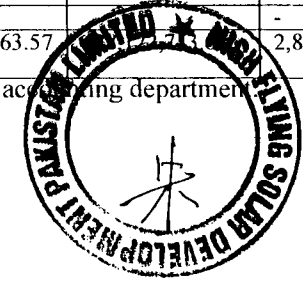
Legal representative:

Person in charge of competent accounting work:

Person in charge of accounting department:



Certified True Copy



Consolidated Change Statement of Owner's Equity

Unit name: Zonergy Company Limited

2013

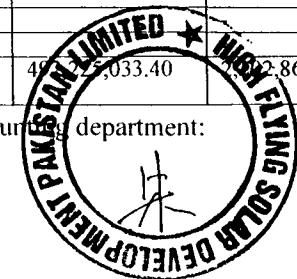
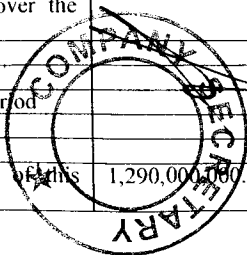
Monetary unit: RMB Yuan

Item	Amount of last year									
	Paid-in capital	Capital reserve	Subtraction: Treasury stock	Special reserve	Surplus reserves	General risk provisions	Undistributed profit	Others	Minority shareholder equity	Owner equity total
I. Balance at the end of last year	1,290,000,000.00						199,666,484.20	-9,973,738.31	515,189,970.17	1,994,882,716.06
Add: Accounting policy changes										-
Correction of prior period errors										-
Others										-
II. Balance at the beginning of current year	1,290,000,000.00	-	-	-	-	-	199,666,484.20	-9,973,738.31	515,189,970.17	1,994,882,716.06
III. Increase and decrease in changes of the amount of the current year (decrease is expressed with "-" to fill in the column.)	-	450,000,000.00	-	-	-	-	309,640,226.48	-28,691,234.05	-22,964,936.77	707,984,055.66
(I) Net profit							309,640,226.48		-12,331,644.14	297,308,582.34
(II) Other comprehensive income								-28,691,234.05	-26,067,892.63	54,759,126.68
Sub-total of (I) and (II) mentioned above							309,640,226.48	-28,691,234.05	-38,399,536.77	242,549,455.66
(III) Capital invested and reduced by the owner		450,000,000.00							15,434,600.00	465,434,600.00
1. Capital invested by the owner									15,434,600.00	15,434,600.00
2. Amount of share-based payment reckoned in owner's equity										-
3. Others		450,000,000.00								450,000,000.00
(IV) Profit distribution										-
1. Withdrawal of surplus reserves										-
2. Withdrawal of general risk provision										-
3. Distributions to shareholders										-
4. Others										-
(V) Internal carry-over of the owners' equities										-
1. Capital stock conversion of capital reserve										-
2. Capital stock conversion of surplus reserve										-
3. Surplus reserve to cover the deficit										-
4. Others										-
(VI) Special reserve										-
1. Withdraw in current period										-
2. Use for current period										-
(VII) Others										-
IV. Balance at the end of this period	1,290,000,000.00	450,000,000.00	-	-	-	-	509,306,710.68	-38,664,972.36	482,033.40	2,282,866,771.72

Legal representative:

Person in charge of company accounting work:

Person in charge of accounting department:



Balance Sheet

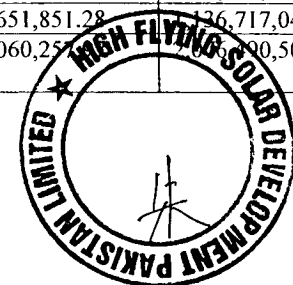
Organization unit: Zonergy Company Limited

December 31, 2013

Unit: Yuan

Item	Notes	Closing balance	Opening balance	Item	Notes	Closing balance	Opening balance
Current assets:				Current liabilities:			
Monetary capital		6,644,930.09	49,422,502.55	Short-term borrowings		-	-
Trading financial assets		-	-	Trading financial liabilities		-	-
Notes receivable		-	-	Notes payable		-	-
Accounts receivable	VII.1	73,007,591.14	54,130,398.63	Accounts payable	VII.4	22,961,990.70	32,152,942.26
Prepayment		26,004,012.64	2,576,837.90	Account collected in advance		15,296,913.55	251,912,114.19
Interest receivable		-	-	Employee pay payable		92,439.32	67,986.27
Dividends receivable		-	-	Tax payable		4,027,722.17	-1,088,160.74
Other receivables	VII.2	209,539,946.10	144,370,077.41	Interest payable	VII.5	9,687,500.00	2,325,000.00
Inventory		3,568.38	-	Dividends payable		-	-
Non-current assets due within one year		-	-	Other payables	VII.6	869,415,789.40	536,832,600.50
Other current assets		-	-	Non-current liabilities due within one year		-	-
Total current assets		315,200,048.35	250,499,816.49	Other current liabilities		-	-
Non-current assets:				Total current liabilities		921,482,355.14	822,202,482.48
Available-for-sale financial assets		-	-	Non-current liabilities:			
Held-to-maturity investment		-	-	Long-term loans		-	-
Long-term receivables		-	-	Bonds payable	VII.7	198,024,506.55	98,669,432.00
Long-term equity investment	VII.3	1,618,551,826.04	1,617,928,597.64	Long-term payables		-	-
Investment real estates		-	-	Special payables		-	-
Fixed assets		4,536,955.25	4,882,924.59	Accrued liabilities		-	-
Construction in progress		5,731,708.61	-	Deferred income tax liabilities		18,901,545.00	18,901,545.00
Engineering material		-	-	Other non-current liabilities		-	-
Disposal of fixed assets		-	-	Total non-current liabilities		216,926,051.55	117,570,977.00
Productive biological assets		-	-	Total liabilities		1,138,408,406.69	939,773,459.48
Oil and gas assets		-	-	Owner's equity (or share holders' equity)			
Intangible assets		71,682.74	54,259.48	Paid-in capital (or capital stock)	VII.8	1,290,000,000.00	1,290,000,000.00
Development expenditure		-	-	Capital reserve		-	-
Goodwill		-	-	Subtraction: Treasury stock		-	-
Long-term unamortized expenses		1,165,412.74	996,293.81	Special reserve		-	-
Deferred income tax assets		18,036,444.24	16,362,433.33	Surplus reserves		-	-
Other non-current assets		185,766,180.00	185,766,180.00	General risk provisions		-	-
Total non-current assets		1,833,860,209.62	1,825,990,688.85	Undistributed profit		-279,348,148.72	-153,282,954.14
Total assets		2,149,060,257.97	2,076,490,505.34	Owners'(shareholders') equity		1,010,651,851.28	1,136,717,045.86
				Total liabilities and owners'(or shareholders')equity		2,149,060,257.97	2,076,490,505.34

Legal representative: Person in charge of competent accounting work: Person in charge of the accounting department:
(Signature and seal) (Signature and Seal) (Signature and seal)



Profit Statement
2013

Organization unit: Zonergy Company Limited

Unit: Yuan

Item	Notes	Current amount	Last term amount
I. Business income	VII.9	92,381,059.91	67,115,999.50
Subtraction: Business costs	VII.9	23,074,172.89	44,481,600.87
Business tax and surcharges		11,652.84	29,766.20
Selling expenses		-	7,455.63
Administrative expenses		70,510,368.02	64,273,477.27
Financial expense		18,978,678.16	2,732,805.90
Loss on the asset impairment		-	-
Add: Income from changes in fair value (the loss is filled in and listed by "-")		-	75,606,180.00
Investment income (the loss is filled in and listed by "-")			
Including: Investment income for associated enterprises and cooperative enterprises		-	-
II. Business profit (loss is filled in and listed by "-")		-20,193,812.00	31,197,073.63
Add: Non-operating income		1,476,177.35	1,749,317.26
Subtraction: Non-operating expenditure		68,337,505.13	3,070,374.54
Including: Losses from disposal on non-current assets		-	-
III. Total profit (total loss is filled in and listed by "-")		-87,055,139.78	29,876,016.35
Subtraction: Income tax expense		-1,674,010.91	2,539,111.67
IV. Net profit (net loss is filled in and listed by "-")		-85,381,128.87	27,336,904.68
V. Earnings per share:		-	-
(I) Basic earnings per share		-	-
(II) Diluted earnings per share		-	-
VI. Other comprehensive earnings		-	-
VII. Total comprehensive earnings		-85,381,128.87	27,336,904.68

Legal representative:

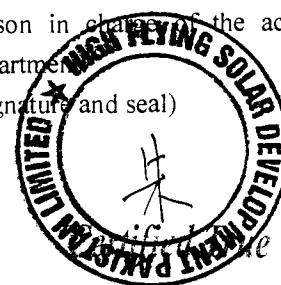
(Signature and seal)

Person in charge of competent
accounting work:

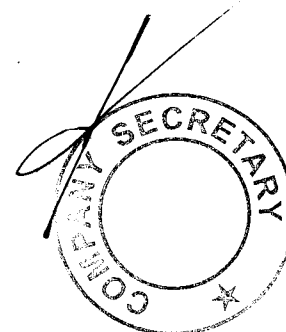
(Signature and Seal)

Person in charge of the accounting
department:

(Signature and seal)



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Cash Flows Statement

2013

Prepared unit: Zonergy Company Limited

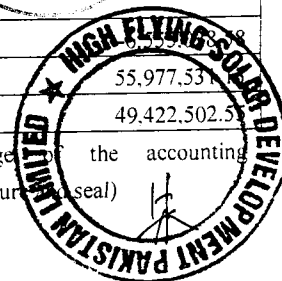
Unit: Yuan

Item	Notes	Current amount	Last term amount
I. Cash flow from operating activities:			
Cash received from sales of goods or providing labor services		62,041,299.36	221,033,256.14
Refunds of tax and levies		54,912.72	-
Other cash received relating to operating activities		747,253,361.60	891,802,583.63
Sub-total of cash inflow of operating activities		809,349,573.68	1,112,835,839.77
Cash paid for purchasing commodities and receiving labor services		29,973,321.54	20,703,990.68
Cash paid to employees and for employees paid		35,184,382.78	33,853,926.76
Tax payments		1,449,183.82	317,360.10
Other cash paid relating to operating activities		846,433,690.46	672,929,350.24
Sub-total of cash outflow of operating activities		913,040,578.60	727,804,627.78
Net cash flow from operating activities		-103,691,004.92	385,031,211.99
II. Cash flows from investment activities:			
Cash received from return of investments			
Cash received from investments			915,668.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other operating units			
Other cash received relating to investment activities			
Sub-total of cash inflow of investment activities			915,668.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,241,731.64	1,179,401.92
Cash paid for investments			489,852,657.00
Net cash paid for obtaining subsidiaries and other operating units		624,930.57	
Other cash paid relating to investment activities			
Sub-total of cash outflow of investment activities		3,866,662.21	491,032,058.92
Net cash flows from investment activities		-3,866,662.21	490,990.92
III. Cash flows generated from financing activities:			
Cash received from capital absorption			
Cash received from obtaining loan		98,560,000.00	98,560,000.00
Cash received from the issuance of bonds			
Other cash received relating to financing activities			
Sub-total of cash inflow of financing activities		98,560,000.00	98,560,000.00
Cash paid for debts			
Cash paid for dividends, profits or interest		33,773,515.50	
Other cash paid relating to the financial activities			
Sub-total of cash outflow of financing activities		33,773,515.50	
Net cash flows from financing activities		64,786,484.50	98,560,000.00
IV. Effect of exchange rate changes on cash and cash equivalents		-6,389.83	-29,849.65
V. Net increasing amount of cash and cash equivalents		-42,777,572.46	
Add: Opening balance of cash and cash equivalents		49,422,502.55	55,977,531.01
VI. Closing balance of cash and cash equivalents		6,644,930.09	49,422,502.55

Legal representative: (Signature and seal)

Person in charge of accounting work: (Signature and seal)

Person in charge of the accounting department: (Signature and seal)



Statement of changes in owners' equity (shareholders' equity)

2013

Prepared unit: Zonergy Company Limited

Unit: Yuan

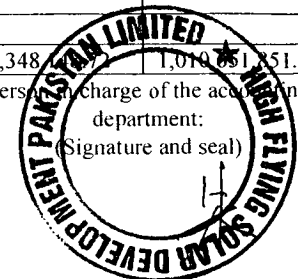
Item	Last term amount							
	Paid-in capital (or capital stock)	Capital reserve	Subtraction: Treasury stock	Specific provisions	Surplus reserves	General risk provisions	Undistributed profit	Total owner's equity
I. Balance at the end of last year	1,290,000,000.00						-153,282,954.14	1,136,717,045.86
Add: Accounting policy changes								
Correction of prior period errors								
Others								
II. Balance at the beginning of this year	1,290,000,000.00						-153,282,954.14	1,136,717,045.86
III. Increase and decrease about changes in the amount of the current year (decrease is expressed with "-" to fill in the column.)							-126,065,194.58	-126,065,194.58
(I) Net profit							-85,381,128.87	-85,381,128.87
(II) Other comprehensive income								
Subtotal of (I) and (II) mentioned above							-85,381,128.87	-85,381,128.87
(III) Capital invested and reduced by the owner								
1. Capital invested by the owner								
2. Amount of share-based payment reckoned in owner's equity								
3. Others								
(IV) Profit distribution							-40,684,065.71	-40,684,065.71
1. Withdrawal of surplus reserves								
2. Withdrawal of general risk provision								
3. Distribution for the owners (or shareholders)							-40,684,065.71	-40,684,065.71
4. Others								
(V) Internal carry-over of the owners' equities								
1. Capital reserves transferred to paid-in capital (or capital stock)								
2. Surplus reserve transferred to paid-in capital (or capital stock)								
3. Surplus reserve to cover the deficit								
4. Others								
(VI) Specific provisions								
1. Extract in current period								
2. Used for current period								
(VII) Others								
IV. Balance at the end of this year	1,290,000,000.00						-279,348,218.51	1,010,651,781.28

Legal representative
(Signature and seal)

Certified True Copy

Person in charge of accounting work:
(Signature and seal)

Person in charge of the accounting department:
(Signature and seal)



Statement of changes in owners' equity (shareholders' equity)

2013

Prepared unit: Zonergy Company Limited

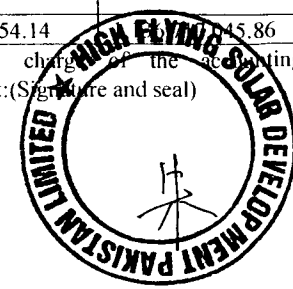
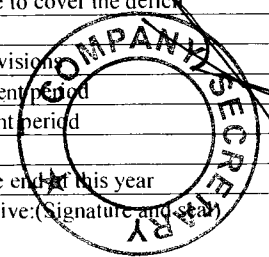
Unit: Yuan

Item	Last term amount							
	Paid-in capital (or capital stock)	Capital reserve	Subtraction: Treasury stock	Specific provisions	Surplus reserves	General risk provisions	Undistributed profit	Total owner's equity
I. Balance at the end of last year	1,290,000,000.00						-180,619,858.82	1,109,380,141.18
Add: Accounting policy changes								
Correction of prior period errors								
Others								
II. Balance at the beginning of this year	1,290,000,000.00						-180,619,858.82	1,109,380,141.18
III. Increase and decrease about changes in the amount of the current year (decrease is expressed with "-" to fill in the column.))							27,336,904.68	27,336,904.68
(I) Net profit							27,336,904.68	27,336,904.68
(II) Other comprehensive income								
Subtotal of (I) and (II) mentioned above							27,336,904.68	27,336,904.68
(III) Capital invested and reduced by the owner								
1. Capital invested by the owner								
2. Amount of share-based payment reckoned in owner's equity								
3. Others								
(IV) Profit distribution								
1. Withdrawal of surplus reserves								
2. Withdrawal of general risk provision								
3. Distribution for the owners (or shareholders)								
4. Others								
(V) Internal carry-over of the owners' equities								
1. Capital reserves transferred to paid-in capital (or capital stock)								
2. Surplus reserve transferred to paid-in capital (or capital stock)								
3. Surplus reserve to cover the deficit								
4. Others								
(VI) Specific provisions								
1. Extract in current period								
2. Used for current period								
(VII) Others								
IV. Balance at the end of this year	1,290,000,000.00						-153,282,954.14	1,136,717,045.86

Legal representative: (Signature and seal)

Person in charge of accounting
work: (Signature and seal)

Person in charge of the accounting
department: (Signature and seal)



Zonergy Company Limited

Notes for 2013 Annual Financial Statements

(Unless otherwise stated, the amount unit is RMB)

I. Basic information

1. Establishing Conditions: Zonergy Company Limited (hereinafter referred to as: Company or the Company) is a limited liability company established on December 27, 2007 after being approved by the Beijing Municipal Administration for Industry and Commerce, and it has obtained business license with registration number 110000010716319, the registered capital RMB 1.29 billion, paid-in capital RMB 1.29 billion, the operating period 25 years.

2. Business scope: Research and development of new energy, bio-energy; Sale of vegetable oil and fat; Planting of crops; Import and export of cargo, import and export of technology and import and export of agent Item Investment Management Technological development; Technical consultation; Technical support; Economical information consultation; The Information service business in the second type of value-added telecommunications service.

3. Address: Building E3, No.12 Yumin Road, Chaoyang District, Beijing City

4. Legal representative: Hou Weigui

II. Main accounting policies, accounting estimates and prior period errors of the Company

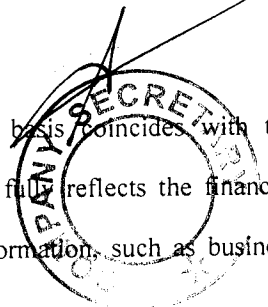
1. Preparation basis of financial statements

The Company is based on continuing operation, and the financial statements shall be confirmed and measured pursuant to the *Accounting Standards for Business Enterprises – Basic Standards* issued by Ministry of Finance in February 15th, 2006 and relevant provisions of other accounting standards, application guide and criterion interpretation in accordance with actually occurred transactions and events, and it shall be compiled based on the above-mentioned accounting policies and accounting estimates.

2. Declaration of following Accounting Standards for Business Enterprises

The financial statement which is compiled based on the above compiling basis coincides with the requirements of the company's accounting principles. The statement precisely and fully reflects the financial status and merged financial conditions on December 31, 2013; and the related information, such as business performance, cash flow, as well as the merged business performance and cash flow.

3. Accounting period



The Company adopts the Gregorian calendar, namely, from January 1st each year to December 31st is an accounting period.

4. Recording currency

The company takes RMB as the recording currency.

5. Accounting treatment method of the business merger under the same control or not

(1) The business merger under the same control

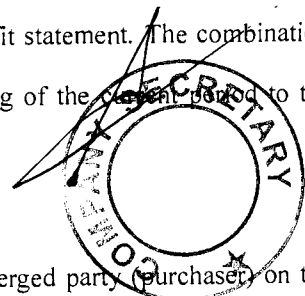
The assets and liabilities obtained during enterprises mergence shall be measured on the basis of their carrying amount of the combined party on the combining date. Merger of the company with controlling interests shall take the owners' interest shares enjoyed by the combined party on the day of merger as the initial investment capital to form long-term equity investment; the assets and liabilities acquired from the merger should be entered to the account according to the original book value of the correspondent assets and liabilities in the combined party.

The capital reserve is adjusted according to the difference between the net assets book value got by the combiner and the paid combination price's book value (or the total amount of the issued shares).if the capital reserve is not enough for writing down, then adjust the retained earnings. The direct related cost produced for the business merger, including the expenses of audit, assessment and legal services, etc. paid for business merger shall be recorded into the profits and losses at the current period as they happen.

When the relationship between a parent company and a subsidiary company is formed due to a business merger, the parent company shall, on the combining date, compile a consolidated balance sheet, a profit statement and a cash flow statement. Each asset and liability of the combined party in the consolidated balance sheet shall be measured pursuant to their carrying amount. If the accounting policy adopted by the combined party is different from that adopted by, the assets and liabilities of the combined party (parties) shall be adjusted in accordance with the policy of combining party and measured on the basis of the post-adjustment carrying amount. The combination profit statement shall include the incomes, expenses and profits of each party incurred from the beginning of the current period to the combining date. The net profits of the combined party which has been realized prior to the merger shall be separately presented in the combination profit statement. The combination cash flow statement shall include the cash flow of each party from the beginning of the current period to the combining date.

(2) The business combination which is not under the same control

The Company takes the assets paid for obtaining the control rights of the merged party (purchaser) on the date of merger, the occurred or assumed liabilities and the fair value of issued equity securities as combined cost.



The expenses made by the purchaser for audit, legal service, assessment and management during the company merger should be written into the current profit and loss as it happens. The transaction expenses made by the purchaser in issuing equity or bond securities as merger consideration will be included as the initial recognition amount of equity or bond securities.

The assets paid for business merger on the date of merger and the incurred or assumed liabilities shall measured as fair value, and the balance between fair value and their carrying amounts is recorded into the profits and losses at the current period. When the merger cost is larger than the difference of the fair value of the identifiable net assets, obtained by the combined party, it shall confirm as business reputation. When the merger cost is lower than the difference of the fair value of the identifiable net assets obtained by the combined party, a re-check should be organized for the measurement of fair value and the combined cost of the identifiable assets, liabilities and contingent liabilities obtained by the combined party. After the recheck, if the combination costs are still less than the fair value of the identifiable net assets obtained by the combined party, it shall record the balance into the profits and losses of the current period.

Where the relationship between a parent company and a subsidiary company is formed due to a business merger, the parent company shall compile a combined balance sheet on the date of merger, and the identifiable assets, liabilities and contingent liabilities acquired by the combined party in the combination are listed at their fair values.

6. Compilation method of the combined financial statement

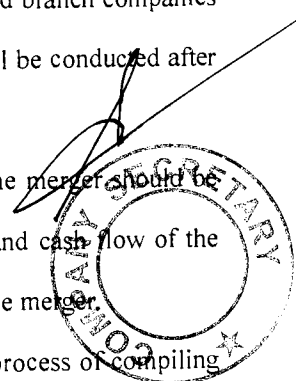
The subsidiaries that the Company actually controls and the bodies with special objectives are included in combined financial statements of by the Company. (1) Taking the financial statements and other relevant materials of the Company and other branch companies which have been included in the merger financial statement as basis, the merger financial statement is compiled after the long-term equity investment to branch companies being adjusted, all investments and transactions between the Company and the included branch companies being countervailed, and the loss and equities of a minority of shareholders being calculated.

(2) During the merger, if there is difference between the accounting policy of the included branch companies (companies that have been included into the merger scope) and the Company, the merger shall be conducted after adjusted in accordance with the accounting policy of the Company.

(3) As for the acquired branch companies which are merged under the same control, the merger should be treated as happened at the beginning of the merger, the assets, liabilities, operation results and cash flow of the companies should be included into the combined financial statements from the beginning of the merger.

(4) For acquired branch companies that are merged not under the same control, in the process of compiling

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merged financial statement, adjustments should be made to several specific financial statements according to the fair value of the identifiable net assets before the merger.

7. Confirmation standards of the cash and cash equivalent

Cashes refer to the cash on hand and the deposit that can be used for payment at any time of the Company. Cash equivalents refer to the investments held by enterprise with short-term (usually its expiration date is 3 months from the purchasing date), high liquidity, easy conversion to known amounts of cash, and insignificant risk of changes in value.

8. Foreign Currency Business and the Conversion of Foreign Currency Statement

(1) Accounting methods of foreign currency transaction

All foreign currency transactions of the Company will apply the approximate exchange rate around the transaction day to convert to recording currency, the approximate exchange rate around the transaction day refers to the exchange rate at the beginning of the month when the transaction happens. On the balance sheet date, the foreign currency monetary items and foreign currency non-monetary items shall be disposed according to the following provisions: A. For foreign currency monetary items, spot exchange rate will be used for conversion on balance sheet day. The exchange balance arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or prior to the balance sheet date shall be recorded in the profits and losses in the current period.

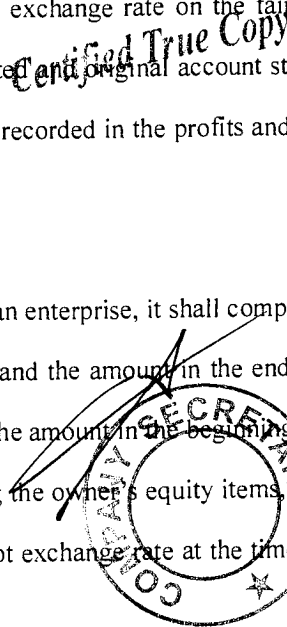
B. For foreign currency non-monetary items measured by historical cost, spot exchange rate on transaction day will still be used for conversion and its amount of recording currency will not be changed

C. For foreign currency non-monetary items measured by fair value, spot exchange rate on the fair value determination day will be used for conversion. The balance between the converted amount and original account standard money will be taken as the fair value fluctuation (exchange rate fluctuation) and recorded in the profits and losses in the current period.

(2) Conversion method in accounting statement of foreign currency

When converting the financial statements about the overseas businesses of an enterprise, it shall comply with the following provisions: A. The asset and liability items in the balance sheets and the amount in the end of the period shall be converted at a spot exchange rate on the balance sheet date, and the amount in the beginning of the period is converted at the conversion exchange rate of the last en period. Among the owner's equity items, except for the items as "undistributed profits", other items shall be converted at the spot exchange rate at the time when they are incurred.

B. The income and expense items in the profit statement shall be converted at the spot rate on the transaction



date or average rate.

The balance in the financial statement of foreign currency converted as above-mentioned method shall be solely listed in the owners' equity item of balance sheet.

9. Financial Instruments

(1) Classification of Financial Instruments

The financial instruments are divided into financial assets financial liabilities measured at fair value and their change is numbered in current profits and losses (including trading financial assets and those measured at fair value and its change is numbered in current profits and losses), held-to-maturity investment, loan, receivables, available-for-sale financial assets and other financial liabilities.(2) Confirmation Basis and Measurement of Financial Instruments

A. The financial assets are measured in accordance with the fair value when it initially confirmed. For the financial assets measured at their fair values and with their changes recorded into the profits and losses of the current period, the transaction expenses thereof shall be directly recorded into the profits and losses of the current period; for other categories of financial assets, the related transaction expenses thereof shall be recorded into the initially recognized amount.

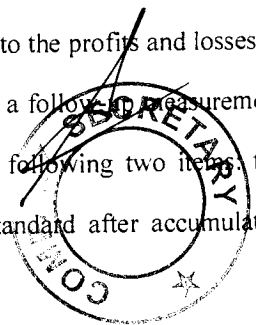
B. For the financial assets and the financial liabilities measured at their fair values with their changes recorded into the profits and losses of the current period, they shall be measured at their fair values, and the transaction expenses which may occur when the financial liabilities are settled in the future may not be deducted.

C. The held-to-maturity investment, loan and receivables shall be measured on the basis of the amortization costs by adopting the actual interest rate method;

D. The equity instrument investments for which there are no quotation in the active market and whose fair value cannot be measured reliably, and the derivative financial assets which are connected with the equity instrument and must be settled by delivering the equity instrument, shall be measured on the basis of their costs.

E. For the financial guarantee contracts which are not designated as a financial liability measured at its fair value with their changes recorded into the profits and losses of the current period, or for the loan commitments which are not designated to be measured at the fair value with their changes recorded into the profits and losses of the current period, and which will enjoy an interest rate lower than that of the market, a follow-up measurement shall be made after they are initially recognized according to the higher one of the following two items: the amount confirmed by contingent standard and the balance confirmed by income standard after accumulated amortization

F. In spite of the above liabilities, other financial liabilities will be follow-up measured according to



amortized cost.

(3) Transfer of Financial Assets

When the Company transferred almost all risks and payments of the financial properties ownership to the transfer-in, or abdicate controlling of these financial properties, the Company terminated recognizing these financial properties.(4) Termination of financial liabilities:

When the actual obligations of a financial liability have been relieved in all or in part, the financial liability will be recognized to terminate in all or partly.(5)Confirmation of Fair values of financial asset and liability

A. The quoted price in the active market is confirmed as fair value by the financial instrument that exists in the active market.

B. If the financial instruments do not exist in the active market, the fair value shall be confirmed by the valuation technique. The result obtained by adopting value techniques shall reflect the transaction prices that may be adopted in fair dealings on the value appraisal day.

(6) Financial Assets Impairment

The Company shall carry out an inspection on the book value of the financial assets other than those measured at their fair values with its change included into the current profits and losses on the Balance Sheet date. If there is any objective evidence proving that these financial assets have been impaired, the provision for impairment shall be made. The objective evidences that can prove the impairment of the financial asset shall include:

A. A serious financial difficulty occurs to the issuer or debtor;

B. The debtor breaches any of the contract terms, for example, defaults occur when debtor conducts payments of interests or the principal or on overdue date, etc.;

C. The Company makes a concession to the debtor considering the economic or legal factors, etc.;

D. The debtor will probably become bankrupt or carry out other financial reorganizations;

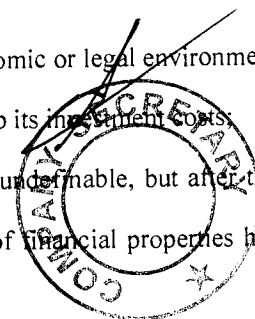
E. The financial assets can no longer continue to be traded in the active market due to serious financial difficulties of the issuer;

F. Any seriously disadvantageous changes have occurred to technical, market, economic or legal environment, etc. wherein the debtor operates its business, which makes the Company unable to recoup its investment costs;

G. The cash flow decrease of some property in a group of financial properties is undetectable, but after the general assessment with the public data, the predicted future cash flow of this group of financial properties has definitely decreased from the initial recognition, and the decreased amount is calculable.

H. The fair value of the equity instrument investments drops significantly or non-contemporarily;

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I. Other objective evidences showing the impairment of the financial assets.

(7) Measurement for the financial assets impairment loss

A. There is no need to carry out an impairment test to financial assets measured by the fair value with its change included into the current profits and losses;

B. Measurement to impairment losses of held-to-maturity investments: Impairment provision shall be counted according to the prediction that future cash flow value will be lower than the difference of final book value.

C. Judgement for impairment of available-for-sale financial assets: Judgment for the available-for-sale financial assets impairment: If the fair value of the financial assets continues to decline, and the decline is not temporary, then the financial asset will be recognized as impairment.

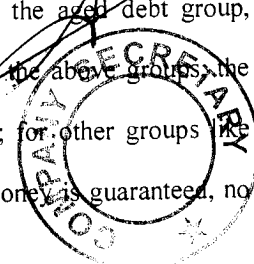
10. Receivables

(1) Reorganization standards and withdrawing methods for bad debt reserve of receivables of large amount:

The judgement criterion of significant single amount or the amount standard	On the balance sheet date, individual client's arrears balance, which is more than RMB 2 million Yuan (2 million Yuan included) and other receivables more than RMB 500,000 Yuan (500,000 included) should be recognized as major receivables for individual account.
The withdrawing methods for significant single amount and single calculation bad debt preparation	The impairment test shall be conducted separately, if there is objective evidence to show impairment occurred, it shall confirm the impairment loss and calculate the bad debt reserves according to the balance derived by deducting the present value of the future cash flow from the book value. If the impairment does not occur in the individual test, it will be attributed to receivables which have similar credit risk characters, and count for dead-debt provision using aging debt for the credit risk group.

(2) Reorganization standards and withdrawing methods for bad debt reserve of receivables whose amount are not great but the risk arranged according to risk properties is great:

According to the nature of receivables, Company will divide the receivables into the aged debt group, relevant parties within the merger scope, Item department deposit, bid fund etc. Among the above groups, the aging analysis will be applied to the aged debt group to count for dead-debt provision; for other groups the relevant parties within the merger scope, Item department deposit, bid fund, for which money is guaranteed, no dead-debt provision will be counted.



The conditions with aging analysis method calculating the provision for bad debts in groups are as follows:

Account receivable age	Provision proportion of accounts receivable (%)	Provision proportion of other accounts receivable (%)
Within one year	5	5
1 to 2 years	10	10
2 to 3 years	15	15
3 to 4 years	20	20
four to five years	50	50
Over five years	100	100

(3) Accounts receivable with amounts which are not individually significant but subject to respective assessment for provision for bad debts.

Reason for calculated individual provision of bad debts	Concrete evidence proves that there is a clear difference in irretrievability.
Withdrawing methods method for the provision for bad debts	It shall be calculated in the provision for bad debts reserves according to the balance derived by deducting the present value of the future cash flow from the book value

11. Inventory

(1) Classification of inventory

Inventories can be categorized into expandable bio-properties, raw materials, engineering construction materials, low-value consumable products, and packaging materials; among them "expandable bio-properties" are nursery stock costs.

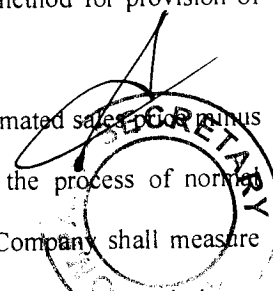
(2) Valuation method of delivery of inventory

The purchase and storage of various types of inventories are valued according to the actual cost, and the delivery is valued by the weighted average method.

(3) Determination basis of net realizable value of inventory and the withdrawing method for provision of inventory falling price reserves

Net realizable value of inventory refers to the value can be acquired by using the estimated sales price minus the estimated cost and sales expensed when the production is almost completed. in the process of normal operation of the company. Withdrawing method of inventory falling price reserves The Company shall measure the inventory which have suffered a loss, become old-fashioned and outdated in whole or part, or been in lower

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sales prices than the costs on the basis of an overall stocktaking at the end of mid-term and of the year every year in accordance with cost and net realizable value whichever is lower for the inventories, and withdrawing inventory falling price reserves as per the balance that the net realizable value is lowered than the inventory cost of a single inventory item to the same inventory item and record into the profits and losses of the current. In determination of the net realizable value, in addition to holding purposes and the price and cost fluctuations of the inventory on the date of balance sheet, the influences on future matters shall also be taken into account.

(4) Inventory System of Inventory

The inventory adopts the perpetual inventory system.

(5) Amortization method of low value consumables and packaging materials:

Low value consumables shall be amortized in the manner of the one-off amortization at the time of consuming. The packaging materials shall be amortized in the manner of the one-off amortization at the time of consuming.

12. Long-term equity investment

(1) Confirmation of the cost of investment

A. The investment cost of the long-term equity investment formed by the business merger shall be confirmed in accordance with the following provisions:

a. For the business merger under the same control, if the consideration of the merging enterprise is that it makes payment in cash, transfers non-cash assets or bear its debts as well as issues equity securities, it shall, on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The balances among initial cost of investment of long-term equity investment and paid cash, assigned non-cash assets or assumed book value of debt as well as the total par value of issued stocks, capital reserve (capital stock premium) shall be adjusted; On condition **Certified True Copy** of the capital reserve (capital stock premium), the retained earnings shall be adjusted; The intermediary fees including auditing, appraisal consultation and legal service, etc. and other relevant fees of the Buyer shall be reckoned in the current profits and losses at the time of occurrence.

b. For the business merger under different controls, the merger costs determined according to the following provisions shall be deemed as the cost of long-term equity investment:

For a business merger realized by a transaction of exchange, the merger costs shall be the sum, on the acquisition date, of the assets paid, the liabilities incurred or assumed and the fair value of equity securities issued by the Buyer in exchange for the right of control on the Acquiree. The intermediary fees including auditing, appraisal consultation and legal service, etc. and other relevant fees of the Buyer shall be reckoned in the current

profits and losses at the time of occurrence. The transaction expenses made by the Buyer in issuing equity or debt securities as merger consideration will be reckoned as the initially recognized amount of equity or debt securities.

For the business merger via multiple transactions step by step, the merger costs shall be the sum of the book value prior to acquisition date and the newly increased costs of investment on the acquisition date. B. Besides the long-term equity investments formed by the business merger, the investment cost of the long-term equity investment obtained by other means shall be confirmed in accordance with the following provisions:

a. For long-term equity investment obtained through paying cash, the purchasing price actually paid shall be counted as the cost of investment. The cost of investment consists of the expenses directly relevant to the obtainment of the long-term equity investment, taxes and other necessary expenses.

b. The long-term equity investment obtained from equity securities issuance shall be deemed as the cost of investment according to the fair value of the equity securities issued.

c. The long-term equity investment of an investor shall take the value specified in the investment contract or agreement as the cost of investment, but except the unfair value specified in the contract or agreement.

d. For long-term equity investment obtained via non-monetary assets exchange, if the non-monetary assets exchange has a commercial essence, the swap-in long-term equity investment shall be deemed as the cost of investment as per fair value and payable relevant taxes and dues; If the non-monetary assets exchange does not have a commercial essence, the book value of swap-out assets and payable taxes and dues shall be the costs of investment of the swap-in long-term equity investment.

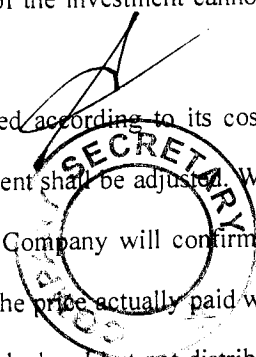
e. For the long-term equity investment obtained via debt restructuring, its costs of investment shall be determined as per fair value and payable relevant taxes and dues.

(2) Confirmation method for the subsequent measurement as well as profit and loss

A. The Company uses the cost approach to account the long-term equity investments in the invested enterprises if the Company can exert the control on the invested enterprises, or the long-term equity investments in the invested enterprises if the Company has no joint control or significant influence on the invested enterprises, and there is no quotation in the active market for the investment and the fair value of the investment cannot be reliably measured.

The long-term equity investment accounted by the cost method shall be valued according to its cost of investment. When add or reclaim the investment, the cost of long-term equity investment shall be adjusted. When a cash dividend or profit declared by an invested enterprise to be distributed, this Company will confirm the current investment income according to such cash dividend or profit after deducting the price actually paid when obtaining the investment or the cash dividend or profit in the considerations already declared but not distributed

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yet.

B. For the long-term equity investment that has the joint control or the significant influence on the invested enterprise, the Company uses the equity method accounting.

If the initial cost of a long-term equity investment is more than the investing enterprise' attributable share of the fair value of the invested enterprise's identifiable net assets at the time of the investment, the cost of the long-term equity investment may not be adjusted. If the initial cost of a long-term equity investment is less than the investing enterprise' attributable share of the fair value of the invested enterprise's identifiable net assets at the time of the investment, the balance shall be reckoned in the current profits and losses and the cost of the long-term equity investment shall be adjusted simultaneously.

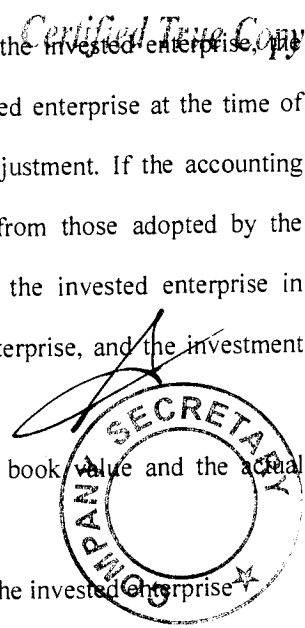
After the Company obtained the long-term equity investment, following the share that the Company shall have or shall share net profit and loss realized by the invested enterprise, the net profit and loss of the investment shall be confirmed and the book value of the long-term equity investment shall be adjusted. The Company will accordingly reduce the book-entry value of the long-term investment in terms of the due part calculated according to the profit or cash dividend declared by the invested enterprise to be distributed. When confirming the net loss occurred by the invested enterprise, the Company shall reduce the book value of the long-term equity investment and other long-term equities that substantially constitute the net investment in the invested enterprise to the extent of zero, except the situation that Company bears the obligation to undertake the additional loss. If the invested enterprise realizes any net profits later, the investing enterprise shall, after the amount of its attributable share of profits offsets its attributable share of the un-recognized losses, resume to recognize its attributable share of profits.

When confirming the enjoyment of the share of the net profits and losses of the invested enterprise, the Company shall, on the basis of the fair value of all identifiable assets of the invested enterprise at the time of obtaining the investment, confirm the net profits of the invested enterprise after adjustment. If the accounting policies and accounting periods adopted by the invested enterprise are different from those adopted by the investing enterprise, an adjustment shall be made to the financial statements of the invested enterprise in accordance with the accounting policies and accounting periods of the investing enterprise, and the investment profits and losses shall be confirmed based on the statements.

C. When disposing the long-term equity investment, the balance between its book value and the actual obtained price shall be reckoned in the current profits and losses.

(3) The basis that is confirmed to have joint control and significant influence on the invested enterprise

The term "joint control" means control over an economic activity as specified by contract, which exists only



when the investing parties that need to share the right of control in important financial and operating decision-making agree unanimously. The term "significant influence" means having the power to participate in the decision-making of financial and operating policies of an enterprise, but not the right to control or jointly control the formulation of these policies together with other parties.

(4) Impairment test method and withdrawal method for depreciation reserve

Check the long-term equity investment item by item on the date of balance sheet to estimate whether it indicates any possibility of decrease in value. If it indicates decrease in value such as poor state of operation of the invested enterprise, recoverable amount should be estimated. When the measurement result of recoverable amount shows that the recoverable amount of long-term equity investment is lower than its book value, the book value shall be written down to the recoverable amount. The written-down amount shall be confirmed as asset impairment loss, and reckoned in current profit and loss, meanwhile, the appropriate depreciation reserve of the long-term equity investment shall be withdrawn. Once the assets impairment loss is confirmed, it will not be turned back in following accounting periods.

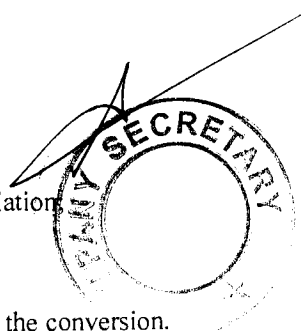
13. Investment real estates

The term "investment real estates" refers to the real estates held for generating rent and/or capital appreciation. The Company uses the method of cost to measure, withdrawing depreciations or amortization as per the after-mentioned methods specified in "fixed assets" and "intangible assets". The investment real estate at the end of the period shall be valued as per the book value and recoverable amount whichever is lower. The impairment loss of investment real estate shall be determined as per the balance that the recoverable amount lowered than the book value of a single investment real estate and shall be reckoned in the current profits and losses, at the same time, the corresponding depreciation reserves of the investment real estate shall be withdrawn. Once the impairment loss of the investment real estate is confirmed, it will not be turned back in following accounting periods.

On the premise of meeting one of the following conditions, the Company shall convert the investment real estate into other assets or convert other assets into investment real estate:

- (1) The investment real estate begins to be used for its own;
- (2) The real estate for inventory is changed for rent;
- (3) The lands with the right to self-use are changed for generating rents or capital appreciation;
- (4) The buildings with the right to self-use are changed for rent.

For the conversion of investment real estate, the book value shall be the entry value after the conversion.



14. Fixed assets

(1) Confirmation conditions of fixed assets

The fixed assets refer to the tangible assets held for commodity production, rendering of service, rent or operation management with a service life of more than one accounting year. The Company shall confirm when the fixed assets meet the following conditions:

The economic benefits associated with the fixed assets are likely to flow into the enterprise; the costs of the fixed assets can be measured reliably.

(2) Depreciation method for various fixed assets

The depreciation of fixed assets adopts straight-line method for withdrawing the depreciation. When provision for depreciation reserve is not considered, depreciation life and annual depreciation rate is confirmed according to category of fixed assets, estimated economic life and estimated net residual value as follows:

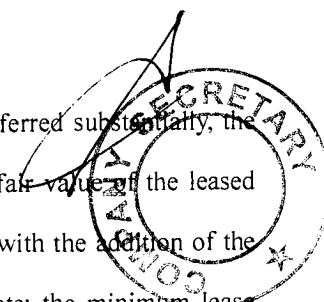
Category	Depreciation period	Residual Value Rate (%)	Annual depreciation rate
Houses and buildings	20-25years	5%	3.80%-4.75%
Transportation equipment	10years	5%	9.50%
Transportation equipment	5-10years	5%	9.50%-19.00%
Office and other equipments	3-5years	5%	31.67%-19.00%

(3) Impairment test methods and withdrawing method for depreciation reserve of fixed assets

On balance sheet day, the Company will judge whether the fixed assets have signs that impairment is likely to occur. On condition of any indications of decrease in value such as continuous decrease of market prices of assets, or technological obsolescence, damage, long-term idle, etc., then the recoverable amount may be estimated. When the measurement results of recoverable amount shows that the recoverable amount of fixed assets is lower than its book value, the book value shall be written down to the recoverable amount. The written-down amount shall be confirmed as asset impairment loss and shall be reckoned in current profit and loss; meanwhile, the appropriate depreciation reserve of the fixed assets shall be withdrawn. Once the impairment loss of the fixed asset is confirmed, it will not be turned back in following accounting periods.

(4) Identification basis and valuation method of fixed assets under financing lease

On condition of all risks and rewards related to a leased fixed asset have been transferred substantially, the Company shall affirm it as financing lease. For the financially leased fixed assets, the fair value of the leased assets from the commencement date or the minimum lease payment whichever is lower, with the addition of the initial direct expense belong to the leasing item, shall be the entry value of leased assets; the minimum lease



payment shall be the entry value of long-term payables where the balance shall be the unrecognized financing fees. The unrecognized financing fees shall use effective interest rate method to be amortized within the leasing term. The rate of depreciation of the leased fixed assets shall be determined as per the leasing term and the estimated residual value and the depreciation shall be withdrawn accordingly.

15. Construction in progress

(1) Accounting method of the construction in progress

The construction in progress includes preliminary works, architectural engineering under construction, installation Item, technical transformation Item, major repair and so on. The construction in progress is accounted based on the actual expenditure by Items and is transferred to fixed assets when the Item reached the expected serviceable condition. The borrowing costs related to the construction in progress (including interest on borrowings, overflow discount amortization, exchange gains and losses, etc.) shall be reckoned in the Item costs before the related Items reach the expected serviceable condition, and shall be reckoned in the current financial costs after the related Items reach the expected serviceable condition.

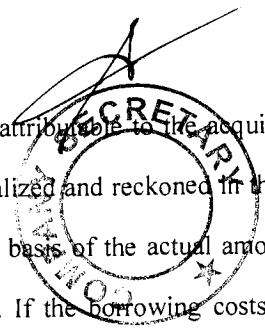
(2) Depreciation reserve of construction in progress

Conduct overall inspection on the construction in progress on the date of balance sheet to estimate whether it indicates any possibility of decrease in value. If it exists: (1) Construction in progress have long been in suspended and will not be re-started within the coming three years; (2) For any indications of decrease in value of falling-behind in aspects of performances and technologies of the constructing Item and significant uncertainty of the economic benefits it brings, etc., then the recoverable amount should be estimated. When the measurement result of recoverable amount shows that the recoverable amount of the construction in progress is lower than its book value, the book value shall be written down to the recoverable amount. The written-down amount shall be confirmed as asset impairment loss and shall be reckoned in current profit and loss; meanwhile, the appropriate depreciation reserve of construction in progress shall be withdrawn. Once the impairment loss is confirmed, it will not be turned back in the following accounting periods.

16. Borrowing costs

(1) Where the borrowing costs incurred to an enterprise can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and reckoned in the costs of relevant assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount in the event of occurrence, and shall be reckoned in the current profits and losses. If the borrowing costs meet the

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following conditions simultaneously, the capitalization should be started:

- a. The asset expenditures have already incurred, which shall include the cash, transferred non-cash assets or interest-bearing debts paid for the acquisition and construction or production activities for preparing assets eligible for capitalization;
- b. Borrowing costs have occurred;
- c. The acquisition and construction or production activities which are necessary to make assets reach predetermined usable and marketable state have already started.

(2) The borrowing costs shall stop capitalization when the assets whose acquisition and construction or production of the qualified assets reach the predetermined usable and marketable state. The borrowing costs incurred after the asset eligible for capitalization reach the predetermined usable and marketable state shall be recognized as expenses at the amount when they are incurred, and shall be reckoned in the current profits and losses.

17. Intangible assets

(1) Intangible assets refer to those identifiable non-monetary assets that the Company own or control without physical forms, including proprietary technology, land use rights, etc.

(2) The intangible assets shall be calculated as per the actual cost when obtained.

(3) For intangible assets with confirmed service lives, from the commencement date of available intangible assets, use method of line to amortize within the service life, and reckon it in the current profits and losses; Intangible assets with uncertain service life may not be amortized. The Company shall review the service life and amortization method on intangible assets at the end of the year, for discrepancy with the previous estimation, then change the time limit and method of amortization.

(4) Intangible assets depreciation reserves

Check the capability of future economic benefits that all intangible assets may bring to the Company at the end of the year, when in one of the following situations: (1) Some intangible asset has been replaced by other new technology, which greatly weakens its ability of creating economic benefits for the company; (2) The market value of an intangible asset declines substantially in current period and it is estimated that the market value will not recover within remaining amortization period; (3) For the indications of decrease in value that an intangible asset has expire the term of legal protection yet still with part use value, then the recoverable amount should be estimated. When the measurement result of recoverable amount shows that the recoverable amount of intangible assets is lower than its book value, the book value shall be written down to the recoverable amount. The

written-down amount shall be confirmed as asset impairment loss, and shall be reckoned in the current profit and loss; meanwhile, the appropriate depreciation reserve of intangible assets shall be withdrawn. (4) For other circumstances sufficing to show an intangible asset has incurred depreciation reserve, the depreciation reserves of intangible assets shall be withdrawn as per the balance that the recoverable amount lowered than the book value. Once the intangible asset impairment losses are recognized, they are not turned back in subsequent accounting periods.

18. Long-term unamortized expenses

(1) Long-term unamortized expenses are referred to all expenses which have incurred and are amortized in more than one year during the current period and subsequent periods.

(2) The long-term unamortized expenses shall be valued according to the actual cost at the time of receipt and the organization costs shall be reckoned in the current profits and losses upon occurrence; The remodeling costs of operating leased fixed assets shall be evenly amortized within the durable years and leasing term whichever has the less years, and other long-term unamortized expenses shall be evenly amortized as per the benefit period of the item. For long-term unamortized expenses that will not be able to bring expected economic benefits during the future accounting periods, the Company will transfer all the unamortized values into the current profits and losses.

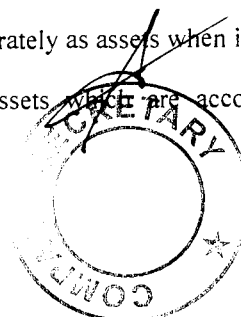
19. Accrued liabilities

(1) External guarantees, pending litigation or arbitration, product quality assurance, job cuts, loss of contract, the obligation of restructuring matters, fixed asset retirement obligations, or the relevant business meeting all the following conditions, shall be recognized as liabilities:

(1) The obligations are current obligations of the Company; it is likely to cause any economic benefits to flow out of the enterprise as a result of performance of the obligation; the amount of the obligation can be measured in a reliable way.

(2) If all or part of estimated expenditures for the Company to settle the estimated liabilities are compensated by the third party and when the amount of compensation can only be recognized separately as assets when it does be received; Simultaneously, the recognized amount of compensation for the assets which are accounted separately should not exceed the book value of corresponding estimated liabilities.

20. Income



(1) Income from the sale of goods

The goods sales income will be recognized when meeting all the following conditions are satisfied. The main risks and rewards of the goods ownership have been transferred to the buyer by the enterprise; the enterprise retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; the amount of income can be reliably; the relevant economic benefits are possible to flow into the enterprise; the relevant cost incurred or to be incurred can be measured in a reliable way.

(2) Income from rendering labor services

For the labor services that starts and completes in the same accounting year, the Company shall confirm the income at the completion of the labor service.

For the labor services that starts and completes in different accounting years, the Company shall settle as per the following circumstances:

The transaction results of providing labor services can be reliably estimated, that is, the gross income and total cost of labor services can be reliably calculated, the economic benefits related to transactions can flow into the enterprise, the completion progress can be reliably recognized, and verify relevant income from labor services as per the percentage of completion degree at the end of term;

For the transaction results of providing labor services cannot be reliably estimated, the incurred cost can be compensated, and the income of labor services shall be as per the cost of the incurred available compensation amount; For the incurred cost cannot be compensated, then the income shall not be verified, and the incurred cost shall be recognized as the expenses of the current term.

(3) Income from transfer of assets use right

Income from transfer of assets use right includes interest income and royalty income.

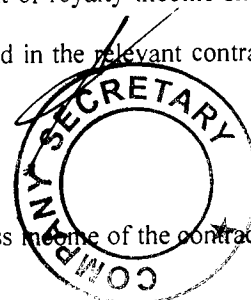
The income from transfer of assets use right shall be verified on condition of meeting all the following conditions:

The economic benefits related to transactions can flow into the enterprise; the amount of income can be reliably measured.

The amount of interest income shall be measured and recognized in accordance with the length of time for which the enterprise's cash is used by others and the actual interest rate; The amount of royalty income shall be calculated and recognized in accordance with the charging time and method specified in the relevant contract or agreement.

(4) Construction contract income

The results of the construction contract can be reliably estimated, that is, the gross income of the contract can



be reliably calculated, the economic benefits related to the contract can flow into the enterprise, the actual contract cost can be clearly distinguished and reliably calculated, and when the completion progress and the costs remain in need for completion of the contract are reliably recognized, the contract income and expenses shall be recognized as per the method of completion percentage on the date of balance sheet date.

For the results of the construction contract cannot be reliably estimated, the income shall be recognized as the incurred cost and recoverable amount on the date of balance sheet date, and the incurred contract cost shall be recognized as the contract expenses of the current term.

If the expected total contract cost exceeds the total contract income, the excepted loss shall be provided loss preparation and recognized period expenses.

The Company uses the method of completion percentage to accounting the contract income and expenses:

Recognize the completion progress of the contract as per the proportion of the completed contract workload to the total predicted work load of the contract as affirmed by a third party;

For the current unfinished construction contract, confirm the current contractual income according to the method that the total contractual income multiply by completion progress and then deduct accumulated income recognized in previous accounting periods.

At the same time, the current contract expenses in the current period shall be confirmed in accordance with the method that expected total contract cost multiply by completion progress and then deducting the accumulated expenses recognized in previous accounting periods

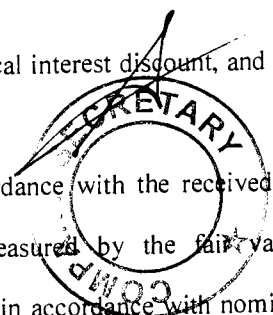
For the current finished construction contract, confirm the current contractual income according to the method that the total contractual income deducts accumulated income recognized in previous accounting periods. Confirm the current contract expenses according to the method that the accumulated actual incurred contract cost deducts accumulated cost recognized in previous accounting periods.

If the expected total contract cost exceed the total contract income, the excepted loss shall be provided loss preparation and recognized period expenses

21. Government subsidies

Government subsidies mainly include forms such as the financial allocation, fiscal interest discount, and tax revenue return and free transfer of non-monetary assets, etc.

If the government subsidy is a monetary asset, it shall be measured in accordance with the received or receivable amount. Non-monetary assets of government subsidies shall be measured by the fair value measurement. When the fair value cannot be reliable acquired, it shall be measured in accordance with nominal



amount.

The government subsidy pertinent to asset obtained by the Company shall be recognized as the deferred income. When the relevant assets achieve the scheduled serviceable condition, they are equally distributed in the current profits and losses within the useful lives of the assets, and separately included in the current profits and losses. If the relevant assets are sold, transferred, discarded or damaged before the end of service life, the deferred income balance shall be recognized as the profits or losses of the current period for asset disposal.

The income-related government subsidy shall be recognized as the deferred income if it is used to compensate the relevant expenses or losses in the later period and included in the current profits or losses in the period of confirming the related expenses. Those used for compensating the related expenses or losses shall be included in the current profits and losses directly.

22. Deferred income tax assets / Deferred income tax liabilities

(1) Confirmation of deferred income tax assets

A. The Company shall recognize the deferred income tax assets arising from a deductible temporary difference to the extent of the amount of the taxable income which it is most likely to obtain and which can be deducted from the deductible temporary difference. However, it shall not confirm the deferred income tax assets arising from the initial confirmation of the assets or liabilities in a transaction which is simultaneously featured by the following:

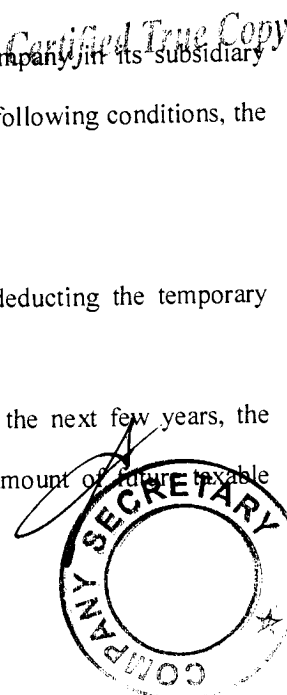
- a. The transaction is not business merger;
- b. At the time of transaction, the accounting profits will not be affected, nor will the taxable amount (or the deductible losses) be affected.

B. For the deductible temporary difference related to the investments of the Company in its subsidiary companies, branches, associated enterprises and joint enterprises complying with all the following conditions, the Company shall confirm the corresponding deferred income tax assets:

- a. The temporary differences are likely to be reversed in the expected future;
- b. It is likely to acquire any amount of taxable income that may be used for deducting the temporary differences.

C. As for any deductible losses or tax deduction that can be carried forward to the next few years, the corresponding deferred income tax assets shall be recognized to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

(2) Confirmation of the deferred income tax liabilities



Except for the deferred income tax liabilities arising from the following cases, the Company shall confirm the deferred income tax liabilities arising from all taxable temporary differences:

- A. The initial recognition of goodwill;
- B. The initial recognition of assets or liabilities arising from the following transactions which are simultaneously featured by the following:
 - a. The transaction is not business merger;
 - b. At the time of transaction, the accounting profits will not be affected, nor will the taxable amount (or the deductible losses) be affected.
- C. The temporary differences of taxes payable resulting from the associated investment of the Company in its subsidiaries, associated companies and joint ventures meet all the following conditions:
 - a. The investing enterprise can control the time of the reverse of temporary differences;
 - b. The temporary differences are unlikely to reverse in the excepted future.

23. Operating lease and finance lease

(1) Judging standards of finance lease

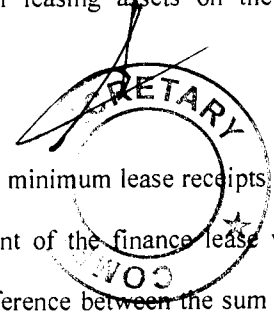
At expiration of the lease term, the ownership of leasing assets is transferred to the lessee; This situation usually refers to those have agreed in the lease contract, or those judged reasonably in accordance with the relevant conditions on the lease beginning date, the lessor can transfers the ownership of the asset to the lessee when the lease term expires.

Even if the ownership of the asset is not transferred, the lease term accounts for the most part of the service life of the leasing assets; The "most" thereinto usually was grasped in the lease term cover more than 75% of the service life of the leased asset (including 75%).

The minimum lease payment present value of the lessee in the lease commencement date almost is equal to the fair value of leasing assets on the lease commencement date; The minimum lease payment present value of the lessee in the lease commencement date is almost equal to the fair value of leasing assets on the lease commencement date.

(2) The initial recognition of lessor in the finance lease.

At the beginning date of the lease term, a lessor shall recognize the sum of the minimum lease receipts on the lease beginning date and the initial direct costs as the entry value in an account of the finance lease values receivable, and record the un-guaranteed residual value at the same time. The difference between the sum of the minimum lease receipts, the initial direct costs and the un-guaranteed residual value, and the sum of their present



values shall be recognized as unrealized financing income. When the lessor in the lease beginning date transfer out the leased asset according to the regulations above, if there is a difference between fair value of leased asset and its book value, it shall be included in the current profits and losses.

(3) Application of the actual interest rate method in finance lease

A. The share of unrecognized financing charges

The unrecognized financing charges shall be amortized to each period during the lease term. The lessee shall adopt the effective interest rate method to calculate and recognize the financing charges in the current period.

When the lessee apportion the unrecognized financing charges by adopting the effective interest rate method, the unrecognized financing charges shall adopt different absorption rate according to different situations of entry value of leased assets on the lease beginning date.

a. When the minimum lease payment was discounted using the lessor's interest rate implicit in the lease as a discount rate and use the present value as entry value of the rent assets, the interest rate implicit in lease shall be used as the absorption rate of unrecognized financing charges.

b. For the discounting of minimum lease payments in terms of the contract interest rate as discount rate, and the present value of as the entry value of the leased asset, the interest rate specifies in the contract should be recognized as the absorption rate of unrecognized financing charges.

c. For the discounting of minimum lease payments in terms of the bank lending rates over the same period as the discount rate, and the present value of as the entry value of the leased asset, the bank lending rates over the same period should be recognized as the absorption rate of unrecognized financing charges.

d. When the fair value of the leased asset was used as the entry value, the absorption rate shall be recalculated.

The absorption rate is the discount rate that makes the present value of the minimum lease payment equals the fair value of the leased asset.

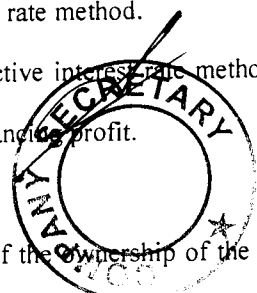
B. The distribution of the unrealized financing income

The unrealized financing income shall be allocated to each period during the lease term. The lessor shall calculate the financing income at the current period by adopting the effective interest rate method.

When the lessor distributes unrealized financing income by adopting the effective interest rate method, the interest rate implicit in lease shall be used as the absorption rate of unrecognized financing profit.

(4) Judging standards of operating lease

The operating lease refers to the other lease except for the financial leasing. If the ownership of the leased asset is not transferred, when the lease term expires, the lessee has options of surrender or renewal, instead of



option of favorable purchase.

(5) Accounting treatment of leaseback

① If the leaseback transaction forms a finance lease, the difference between the selling price and the book value of the assets shall be treated as unrealized leaseback gains and losses, deferred, and apportioned according to the depreciation degree of the leased asset as the adjustment of the depreciation charge, and conduct accounting treatment according to the provisions of finance lease.

When drawing depreciation of these assets, the apportionment thereinto according to degree of depreciation refers to that the depreciation of the leased assets apportion the unrealized gains and losses on the sale and leaseback adopted by the proportion which is the same as depreciation degree when drawing depreciation of these assets.

② When leaseback transaction of enterprise was recognized as operating leases, it shall be handled according to specific circumstances. However, in case any evidence shows that the leaseback transaction is based on the fair value, the difference between the selling price and the book value of the assets shall be recorded in the profits and losses of the current period. If the leaseback transaction is not finished in accordance with the fair value, the profits and losses should be recognized in the current period. But if the losses will be compensated by the future lease payment lower than the market price, it shall be deferred, and be distributed in the expected asset service life adopted the same method of confirming the rent charge. If the selling price is higher than the fair value, the higher part shall be deferred and be distributed in the expected asset service life.

24. Share-based payment and equity instruments

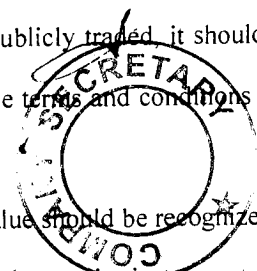
(1) Share-based payment classification

Share-based payment refers to a transaction in which an enterprise grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employees or other parties. The share-based payment shall consist of equity-settled share-based payment and cash-settled share-based payment.

(2) The determination method of the fair value of the equity instrument

Shares granted to the employees of the enterprise shall be measured according to market price of the enterprise shares, and adjusted considering terms and conditions (not including the vesting conditions outside market conditions) that granted shares is based on. If the enterprise shares are not publicly traded, it should be calculated by estimated market price and be considered to be adjusted according to the terms and conditions that granted shares is based on.

As for granted share option and other equity instruments in active markets, fair value should be recognized in accordance with the quoted price in active markets. As for granted share option and other equity instruments not



in active markets, fair value should be recognized in accordance with the option pricing model.

(3) Relevant accounting treatment

A: Grant date

In addition to share-based payments of the immediate vesting, regardless of equity-settled share-based payment or cash-settled share-based payment, they shall not accepted accounting treatment in grant date.

B: Each balance sheet date in the waiting period

In the waiting period of each balance sheet date, services acquired in hiring employees or other parties shall be included in the cost, and the owner's equity or debt should be recognized. As for share-based payments with market conditions, as long as employees meet all other non-market conditions, the acquired service shall be recognized.

As for equity-settled share-based payment involving employees, according to fair value of equity instruments in the grant date, it should be included in cost and capital reserve (other capital reserve), and its subsequent changes of fair value shall not be recognized. As for cash-settled share-based payment involving employees, it should be recounted according to fair value of equity instruments at each balance sheet date to recognize the cost and payable employee compensation.

C: After vesting date

As for equity-settled share-based payment, after vesting date, the recognized cost and the total owner equity shall no longer be adjusted. At vesting date, according to the exercise situation, the share capital and share premium shall be recognized; meanwhile recognized capital reserve in the waiting period shall be carried forward.

As for cash-settled share-based payment companies, after the vesting date, the enterprise shall no longer confirm the cost, and fair value change of liabilities is included in current profits and losses.

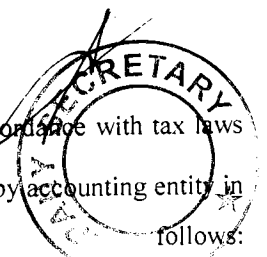
25. Changes of main accounting policies and estimates

- (1) The Company does not have other significant accounting policies changes during the report period.
- (2) The Company does not have other significant accounting estimates changes during the report period.

26. Influence of major contract changes to accounting statement

III. Tax

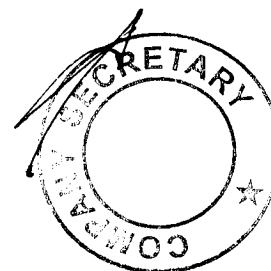
Each accounting entity within the scope of merger shall declare and pay taxes in accordance with tax laws and regulations of relevant nations, and among which the tax rates and tax categories paid by accounting entity in Chinese mainland are as follows:



Categories of taxes	Taxation basis	Tax rate
Value-added tax (General taxpayers)	Sale of goods income	17%
Value-added tax (General taxpayers)	Taxable services income	6%
Value-added tax (Agricultural producers)	Sales of self-produced agricultural products.	0%
Value-added tax (Small-scale taxpayers)	Taxable goods or services	3%
Urban maintenance and construction tax	Turnover tax payable	1%/3%or7%
Education surcharges	Turnover tax payable	3%
Enterprise income tax	Taxable income	25%

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IV. Business merges and merged financial statement

1. Condition of subsidiaries

(1) Subsidiaries acquired through establishment or investment and other ways (all included in the scope of merger):

Enterprise name	Type of subsidiaries	Registration place	Legal representative	Business nature	Registered capital	Direct and indirect share proportion (%)	Voting power proportion (%)
Zonergy (Tianjin) Co., LTD.	Subsidiaries	Tianjin	Hou weigui	Energy industry	RMB 1.15 billion Yuan	100.00%	100.00%
Zonergy (Cayman) Company Limited	Subsidiaries	Cayman Islands	No	Investment	US 4.45 million dollars	100.00%	100.00%
Zonergy (Inner Mongolia) Company Limited	Subsidiaries	Inner Mongolia	Yu yong	Fuel ethanol	RMB 100 million Yuan	100.00%	100.00%
Inner Mongolia He Feng Xingyuan Agricultural Science and Technology Co., LTD	Subsidiaries	Inner Mongolia	Cui Yaping	Sweet sorghum cultivation	RMB 5 million Yuan	100.00%	100.00%
Zonergy (Congo Kinshasa) Company Limited	Subsidiaries	Congo	Wang Kewen	Agriculture, palm	US 200,000 dollars	100.00%	100.00%
Tianjin Zte Capital Management Co., LTD	Subsidiaries	Tianjin	Hou weigui	Investment management	RMB 10 million Yuan	100.00%	100.00%
PT.ZTE Agribusiness Indonesia	Subsidiaries	Indonesia	Zhang Wuhua	Palm	US 100,000 dollars	100.00%	100.00%
Zonergy (Tianjin) Energy Saving Service Company Limited	Subsidiary of the Company	Tianjin	Yu yong	Energy saving service	RMB 20 million Yuan	100.00%	100.00%
Zonergy (Shenzhen) Company Limited	Sub-subsidiary of the Subsidiary	Shenzhen	Yu yong	New energy	RMB 100 million Yuan	100.00%	100.00%
VISTA EMPIRE HOLDINGS PTE. LTD.	Sub-subsidiary of the Subsidiary	Singapore	Zhang Wuhua	Palm industry investment	1 Singapore dollar	100.00%	100.00%
ZTE ENERGY(SINGAPORE)HOLDINGS PTE.LTD	Sub-subsidiary of the Subsidiary	Singapore	Zhang Wuhua	Palm industry investment	US 34.3 million dollars	100.00%	100.00%
Qinhuangdao Jinguang Energy Company Limited	Sub-subsidiary of the Subsidiary	Qinhuangdao	Sheng Jianan	New energy	RMB 1 million Yuan	100.00%	100.00%
PT. Sinar Cemerlang	Sub-subsidiary of the Subsidiary	Indonesia	Chandra Hamsa	Palm cultivation	92.16 billion Indonesian Rupiah	100.00%	100.00%
Zonergy (Xinjiang) Company Limited	Sub-subsidiary of the Subsidiary	Urumchi	Yu yong	New energy	RMB 20 million Yuan	100.00%	100.00%
Erdos Uncloud Technology Limited	Subsidiaries	Erdos	Yu yong	Cloud computing	RMB 200 million Yuan	100.00%	100.00%

Notes for 2013 Annual Financial Statements of Zonergy Company Limited

Zonergy (Hohhot) Company Limited	Sub-subsidiary of the Subsidiary	Hohhot	Yu yong	New energy	RMB 1 million Yuan	100.00%	100.00%
Zonergy (Shenzhen) Energy Saving Services Company	Sub-subsidiary of the Subsidiary	Shenzhen	Yu yong	New energy	RMB 6 million Yuan	100.00%	100.00%
Celestar	Sub-subsidiary of the Subsidiary	Jakarta, Indonesia	Zhang Wuhua	Palm	US 7,686,191 dollars	100.00%	100.00%
Zonergy (Tibet) New Energy Co., LTD.	Sub-subsidiary of the Subsidiary	Lhasa, Tibet	Yu yong	New energy	RMB 10 million Yuan	100.00%	100.00%
Ordos Cloud Technology Co., LTD	Sub-subsidiary of the Subsidiary	Erdos City	Yu yong	Mobile terminal	RMB 10 million Yuan	100.00%	100.00%
Zonergy and Light Energy Technology Co., LTD	Subsidiaries	Tianjin	Zhang Wuhua	Photovoltaic headquarters	RMB 100 million Yuan	100.00%	100.00%
Zonergy (Qinghai) New Energy Co., LTD.	Sub-subsidiary of the Subsidiary	Xining, Qinghai	Guo Jun	New energy	RMB 5 million Yuan	100.00%	100.00%
Agrina	Sub-subsidiary of the Subsidiary	Indonesia		Palm	103 billion Indonesian Rupiah	100.00%	100.00%
Zonergy (Tangshan) Energy Saving Co., LTD.	Sub-subsidiary of the Subsidiary	Caofeidian, Tangshan	Zhang Wuhua	New energy	RMB 100 million Yuan	100.00%	100.00%
Zonergy Green Valley Technology Co., LTD	Sub-subsidiary of the Subsidiary	Tianjin	Jia Jian	New energy	RMB 2 million dollars	100.00%	100.00%
Beijing Zte Tongxin Investment Consultation Center (limited partnership)	Subsidiary enterprise of the Subsidiary	Beijing	Zte capital assigned Mo Rong	Investment	RMB 9.9 million Yuan	100.00%	100.00%
Beijing Zte Tongli Investment Consultation Center (limited partnership)	Subsidiary enterprise of the Subsidiary	Beijing	Zte capital assigned Mo Rong	Investment	RMB 9.9 million Yuan	100.00%	100.00%
Zonergy (Sichuan) Company Limited	Sub-subsidiary of the Subsidiary	Chengdu	Guo Jun	New energy	RMB20 million Yuan	100.00%	100.00%
Caofeidain Jingtian Real Estate Co., LTD	Sub-subsidiary of the Subsidiary	Caofeidian, Tangshan	Zhang Wuhua	Real estate development	RMB 10 million Yuan	100.00%	100.00%
Zonergy (Gansu) Company Limited	Sub-subsidiary of the Subsidiary	Lanzhou	Guo Jun	New energy	RMB 20 million Yuan	100.00%	100.00%
Jiaxing Helian Energy Co., LTD	Sub-subsidiary of the Subsidiary	Jiaxing	Sheng Jianan	Photovoltaic	RMB 2.5 million Yuan	100.00%	100.00%
Hebei Cloud Tech Information Technology Co., LTD	Sub-subsidiary of the Subsidiary	Caofeidian, Tangshan	Mo Rong	IDC	RMB 180 Million Yuan	100.00%	100.00%
Xinjiang Uncloud Technology Co., LTD	Sub-subsidiary of the Subsidiary	Xinjiang	Mo Rong	IDC	RMB 100 million Yuan	100.00%	100.00%
Zibo Lingyang Haobo Energy Technology Co., LTD	Sub-subsidiary of the Subsidiary	Zibo	Sheng Jianan	New energy	RMB 1 million Yuan	100.00%	100.00%

(2) Subsidiaries acquired by corporate merger without same control or that with non-same control in current period.

2. Subsidiaries, special purpose subjects, and operating entities with control power via entrusted operation or lessee modes which are newly not included in the scope of consolidation in current period.

3. Newly included subjects in the scope of consolidation in the reporting period and excluded subjects in the scope of consolidation in the reporting period.

(1) Subsidiaries included into the merger scope in this period

Full Name	Type of subsidiaries	Registration place	Business nature	Registered capital	Legal representative	Shareholding ratio	Voting power proportion
Zibo Lingyang Haobo energy technology Co., LTD.	The subsidiary's branch	Shandong Province	New energy	1 million Yuan	Sheng Jianan	100.00%	100.00%
Xinjiang Yuntai Unicloud Technology Limited Company	The subsidiary's branch	Xinjiang	IDC	100 million Yuan	Mo Rong	100.00%	100.00%
Zonergy (Sichuan) Company Limited	The subsidiary's branch	Chengdu	New energy	RMB20,000	Guo Jun	100.00%	100.00%
Jiaxing Helian energy Co., LTD.	The subsidiary's branch	Jiaxing	New energy	RMB 2.5 million Yuan	Sheng Jianan	100.00%	100.00%
Zonergy (Gansu) Company Limited	The subsidiary's branch	Lanzhou	New energy	20 million Yuan	Guo Jun	100.00%	100.00%
Hebei Yuntai Information Technology Co., LTD.	The subsidiary's branch	Tangshan	IDC	180 million yuan	Mo Rong	100.00%	100.00%
Caofeidain	The	Tangshan	Real	10 million	Zhang	100.00%	100.00%

Jingtian Real Estate Co., LTD.	subsidiary's branch		Estate	Yuan	Wuhua		
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(2) Situations that the company loses control because of the sale of shares in report period and that the company reduced its subsidiaries due to cancellation.

Enterprise name	Process mode	Registration place	Registered capital	Business nature
Du Guang Energy Technology Co., LTD. in Tianjin	Transfer	Tianjin	1 million Yuan	New energy
Lian Chuang Energy Development Co., LTD. in Kunshan	Transfer	Kunshan	Ten million Yuan	New energy
Dongguan Xingguang Energy Co., LTD.	CANCELLED	Dongguan	1 million Yuan	New energy

V. Notes to the consolidated financial statements

1. Monetary capital

Item	Closing balance			Opening balance		
	The amount of the original currency	Conversion rate	Amount in RMB	The amount of the original currency	Conversion rate	Amount in RMB
Cash:			380,917.59			337,269.96
RMB			52,219.86			106,779.22
USD	16,781.71	6.0969	102,316.41	20,613.18	6.2855	129,564.14
Indonesian Rupiah	452,749,754.36	0.00050	226,381.32	154,347,604.87	0.00065	100,926.60
Bank deposit:			1,288,391,755.76			954,757,031.06
RMB			1,202,467,157.74			899,520,100.99
USD	6,666,716.74	6.0969	40,646,305.29	950,441.06	6.2855	5,973,997.28
Indonesian Rupiah	89,388,422,087.60	0.0005	44,689,446.63	74,401,075,431.09	0.00065	48,650,235.85
Congolese franc	385,733.04	0.0067	2,584.41	533,818.64	0.007	3,715.38
HKD	735,364.58	0.7862	578,143.63	735,364.58	0.8109	596,270.37
SINGAPORE	1,688.66	4.8074	8,118.06	2,474.35	5.1372	12,711.64
Other monetary funds:						
RMB						

Total			1,288,772,673.35			955,094,301.02
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The company's RMB deposits are restricted by following items:

(1) Zhong Xing Energy (Tianjin) Co., LTD., as a subsidiary, in Tanggu Branch of China Agricultural Bank had fixed deposit of 14,820,000 Yuan as security deposit of bank acceptance bill, 970,000 Yuan of which expired in March 2014, and 13,850,000 Yuan of which expired in April 2014.

(2) The company's fixed of 7,107,862.50 Yuan is placed in Tianjin Branch of China Development Bank as solvency security deposit, the use of which is supervised by China Development Bank Tianjin Branch.

2. Notes receivable

Category	Closing balance	Opening balance
Bank acceptances	2,000,000.00	
Commercial acceptance bill		
Total	2,000,000.00	

3. Accounting receivable

(1) Disclosure of accounting receivable by category

Category	Closing balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion
Accounting receivable of single significant amount and individual provision for bad debts.	384,179,901.88	85.46%		
Provision for bad debts on accounting receivable in combination				
Aging combination	65,348,541.66	14.54%		
Other combinations				
Combination subtotal	65,348,541.66	14.54%		
Accounting receivable with amounts which are not individually significant but subject to respective assessment for provision for bad debts.				
Total	449,528,443.54	100.00%		

(Continued)

Category	Opening balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion
Accounting receivable of single significant amount and individual provision for bad debts.	143,046,604.43	83.76%		
Provision for bad debts on accounting receivable in combination				
Aging combination	27,734,820.62	16.24%		
Other combinations				

Combination subtotal	27,734,820.62	16.24%		
Accounting receivable with amounts which are not individually significant but subject to respective assessment for provision for bad debts.	2,000.00	0.00%		
Total	170,783,425.05	100.00%		

The accounting receivable with aging analysis method to the provision for bad debts in combination

Account receivable age	Closing balance		
	Amount	Proportion	Provision for bad debts
Within one year	55,079,353.02	84.29%	
1 to 2 years	10,267,188.64	15.71%	
More than 2 years	2,000.00	0.00%	
Total	65,348,541.66	100.00%	

(3) The accounting receivable at term end shall not include debts from shareholders who hold 5% or more voting right shares.

(4) Conditions of top five units of accounting receivable

Creditor's rights unit	Debt unit	Amount	Year limit	Ratio in total accounting receivable
Zonergy energy and light energy technology Co., LTD.	Photovoltaic Power Generation Co., LTD. in Datang Alashan economic development area.	97,450,000.00	Within one year	21.68%
Zonergy energy and light energy technology Co., LTD.	Lian Chuang Energy Development Co., LTD. in Kunshan	52,940,000.00	Within one year	11.78%
Agrina	PT. CAHAYA KALBAR	29,790,358.28	Within one year	6.63%
Tianjin Energy (Tianjin) Company Limited	Datang (Cheng Yang) Photovoltaic Power Generation Company Co., LTD.	23,945,600.00	1 to 2 years	5.33%
Zonergy (Shenzhen) Company Limited	Xinyi(Shenzhen) Automobile Glass Co., LTD.	20,845,440.00	Within one year	4.64%
Total		224,971,398.28		50.05%

4. Prepayment

(1) Prepayments are listed according to the aging.

Account receivable age	Closing balance	Proportion in the total amount (%)	Opening balance	Proportion in the total amount (%)
Within one year	65,521,721.62	65.64%	79,127,551.37	92.90%
1 to 2 years	28,982,934.89	29.03%	5,290,897.58	6.21%
More than 2 years	5,324,099.21	5.33%	754,545.00	0.89%
Total	99,828,755.72	100.00%	85,172,993.95	100.00%

(2) Top five units of year end balance of Advance money:

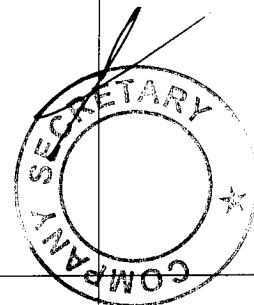
Creditor's rights unit	Debt unit	Amount	Year limit	Proportion in total prepayments
Erdos Unicloud Technology Company Limited	IBM Shanghai Engineering Technology Co., Ltd.	15,897,000.00	1 to 2 years	15.92%
Zonergy Company Limited	jiangsu Construction Engineering Group Co., Ltd.	11,754,924.13	0-2 years	11.78%
Agrina	Prepaid Tax (including VAT in)	8,149,417.26	Within one year	8.16%
Zonergy Company Limited	Beijing Yonglong Xinli Automatic-control Engineering Co., Ltd.	7,607,027.03	Within one year	7.62%
Agrina	Advance	7,246,317.81	Within one year	7.26%
Total		50,654,686.23		50.74%

(3) The condition of the shareholders holding 5% (including 5%) or more shares with voting power in the prepayment of this reporting period:

5. Other receivables

(1) Disclosure of other accounts receivable by category

Category	Closing balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion
Other receivables of single significant amount and individual provision for bad debts.	373,494,373.40	97.67%		
Other receivables based on provision for bad debts according to the combination				
Aging combination	8,915,810.69	2.33%		
Other combinations				
Combination subtotal	8,915,810.69	2.33%		
Other receivables with amounts which are not individually significant but subject to respective assessment for provision for bad debts.				
Total	382,410,184.09	100.00%		



(Continued)

Category	Opening balance	Provision for bad debts		
	Amount	Proportion	Amount	Proportion
Other receivables of single significant amount and individual provision for bad debts.	188,275,432.89	87.52%		
Other receivables based on provision for bad debts according to the combination				
Aging combination	20,834,593.21	9.68%		
Other combinations	6,023,621.48	2.80%		
Combination subtotal	215,133,647.58	100.00%		
Other receivables with amounts which are not individually significant but subject to respective assessment for provision for bad debts.				
Total	215,133,647.58	100.00%		

Notes on categories of other receivables:

The company, according to the operation scale and business nature, determines the standard of other receivables with significant single amount shall be 500,000 Yuan, and other receivables with significant single amount does not decrease in value at end of the period, the company shall accrue provision for bad debts reverse by aging of accounts

Other accounts receivable with account receivable age analysis method to the provision for bad debts in groups

Account receivable age	Closing balance		
	Amount	Proportion	Provision for bad debts
Within one year	6,993,455.22	78.44%	
1 to 2 years	791,131.33	8.87%	
2 to 3 years	606,466.82	6.80%	
3 to 4 years	418,545.40	4.69%	
More than four years.	106,211.92	1.19%	
Total	8,915,810.69	100.00%	

(2) Conditions of the shareholders holding 5% (including 5%) or more shares with voting power in the accounts receivable of this reporting period

Creditor's rights unit	Debt unit	Amount	Year limit	Ratio accounting for
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Notes for 2013 Annual Financial Statements of Zonergy Company Limited

				the total amount of other receivables
Zonergy Company Limited	Zhong Xing Guo Tou Co., Ltd.	76,534,536.73	0-3 年	20.01%
Zonergy (Tianjin) Company Limited	Zhong Xing Guo Tou Co., Ltd.	10,957,564.20	3-4 年	2.87%
Zonergy Company Limited	Zonergy Corporation	42,000.00	0-5 年	0.01%
Total		87,534,100.93		22.89%

(3) Top five units of other receivables amount:

Creditor's rights unit	Debt unit	Amount	Year limit	Ratio accounting for the total amount of other receivables
Zonergy Company Limited	Zhongxing International investment Co., Ltd.	76,534,536.73	0-3 years	20.01%
Zonergy (Gansu) Company Limited	Gansu Province Finance Department	68,304,760.00	Within one year	17.86%
Xinjiang Yuntai Internet Co., LTD.	Government of Hutubi County Changji Prefecture Xinjiang Province	55,000,000.00	Within one year	14.38%
Zonergy (Qinghai) New Energy Co., LTD.	Xining Financial Bureau	29,848,500.00	0-2 years	7.81%
Erdos Unicloud Technology Limited Company	Erdos Equipment Manufacturing Base Management Committee	21,100,000.00	1 to 2 years	5.52%
Total		250,787,796.73		65.58%

6. Inventory

(1) Inventory classification:

Inventory items	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
Raw materials	7,013,866.00	43,523,236.10	41,032,096.76	9,505,005.34
Commodity stocks	15,905,893.45	1,437,630,009.26	1,330,339,797.54	122,996,105.17
Revolving materials	382,934.13	203,163.54	451,246.38	134,851.29
Others	2,247,850.32		400,101.74	1,847,748.58

Total	25,550,543.90	1,481,356,408.90	1,372,223,242.42	134,683,710.38
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(2) There is no obvious indication of inventory devaluation in period end, so there is no need to accrue inventory falling price reserves

7. Long-term equity investment

(1) Equity Investment

Invested entity	Closing balance	Opening balance
China TMK Battery System Company	32,501,014.80	32,501,014.80
Total	32,501,014.80	32,501,014.80

(Continued)

Invested entity	Shareholding ratio	Voting power proportion	Accounting methods
China TMK Battery System Company	4.17%	4.17%	Method of cost

8. Fixed assets

(1) Fixed assets situation

Item	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
I. Total original price	230,114,154.83	607,663,631.31	246,956,867.21	590,820,918.93
Road and bridge	26,150,820.56	15,204,139.88	10,307,259.42	31,047,701.02
Buildings	58,926,058.57	136,172,692.65	3,582,649.70	191,516,101.52
Machines and mechanical equipment	115,277,802.70	405,163,494.15	227,709,134.62	292,732,162.22
Transportation tool	20,800,554.14	2,942,579.75	4,896,368.15	18,846,765.73
Office equipment and others	8,958,918.86	48,180,724.89	461,455.32	56,678,188.43
II.. Total accumulated depreciation	31,873,858.20	39,032,086.63	4,833,469.58	66,072,475.25
Road and bridge	6,110,461.19	1,915,827.33	3,672,696.18	4,353,592.34

Notes for 2013 Annual Financial Statements of Zonergy Company Limited

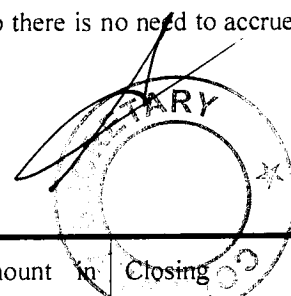
Buildings	5,819,808.57	9,345,133.53	312,714.26	14,852,227.84
Machines and mechanical equipment	9,472,592.45	15,782,433.75	230,828.06	25,024,198.14
Transportation tool	6,827,429.85	3,793,181.02	451,812.09	10,168,798.78
Office equipment and others	3,643,566.14	8,195,511.00	165,418.99	11,673,658.15
III. Fixed assets				
Depreciation reserves				
Road and bridge				
Buildings				
Machines and mechanical equipment				
Transportation tool				
Office equipment and others				
IV. Accounting for fixed assets				
Total value	198,240,296.63			524,748,443.68
Road and bridge	20,040,359.37			26,694,108.68
Buildings	53,106,250.00			176,663,873.69
Machines and mechanical equipment	105,805,210.25			267,707,964.08
Transportation tool	13,973,124.29			8,677,966.96
Office equipment and others	5,315,352.72			45,004,530.28

(1) There is no obvious indication of devaluation of fixed assets in period end, so there is no need to accrue depreciation reserves.

9. Construction in progress

Item	Opening	Increased amount in	Decreased amount in	Closing
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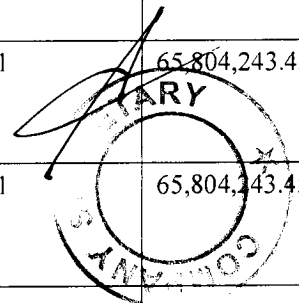
	balance	current period	current period	balance
Construction installation engineering	380,711,415.19	80,613,999.12	240,857,059.07	220,468,355.24
Erecting equipment-in-process	50,891,668.61	205,191,606.45	153,863,844.77	102,219,430.29
Prepaid expenses	57,596,109.01	31,293,085.40	44,801,727.15	44,087,467.26
Total	489,199,192.81	317,098,690.97	439,522,630.99	366,775,252.79

10. Engineering material

Item	Opening balance	Increased amount in current period	Amortization amount in current period	Closing balance
Special material (plates)	568,330.65			568,330.65
Total	568,330.65			568,330.65

11. Biological Assets:

Item	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
I. Total of original book value	1,031,715,462.75	26,630,367.67	163,068,118.88	895,277,711.54
Including: Mature palm garden	721,770,139.24	7,590,980.04	82,302,967.44	647,058,151.84
Non- mature palm garden	309,945,323.51	19,039,387.63	80,765,151.44	248,219,559.70
II. Total accumulated depreciation	52,633,548.26	19,045,280.80	5,874,585.61	65,804,243.45
Including: Mature palm garden	52,633,548.26	19,045,280.80	5,874,585.61	65,804,243.45
Non- mature palm				



garden				
V. Total of book value	979,081,914.49			829,473,468.09
Including: Mature palm garden	669,136,590.98			581,253,908.39
Non- mature palm garden	309,945,323.51			248,219,559.70

12. Intangible assets

(1) Intangible assets situation

Item	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
I. Total of original book value	641,946,572.00	22,682,303.70	21,797,373.45	642,831,502.25
Including: Land use right	641,712,842.17	22,607,114.19	21,797,373.45	642,522,582.91
Computer software	233,729.83	75,189.51		308,919.34
II. Total accumulated amortization	6,421,908.74	11,771,665.15	662,192.66	17,531,381.23
Including: Land use right	6,349,497.30	11,736,893.15	662,192.66	17,424,197.79
Computer software	72,411.44	34,772.00		107,183.44
III. Total of book values	635,524,663.26			625,300,121.02
Including: Land use right	635,363,344.87			625,098,385.12
Computer software	161,318.39			201,735.90
IV. Total depreciation reserves				
Including: Land use right				
Computer software				

V. Total of book value	635,524,663.26			625,300,121.02
Including: Land use right	635,363,344.87			625,098,385.12
Computer software	161,318.39			201,735.90

(1) There is no obvious indication of devaluation of fixed assets in period end, so there is no need to accrue depreciation reserves.

13. Long-term unamortized expenses

Item	Opening balance	Increased amount in current period	Amortization amount in current period	Closing balance
Yuanchenxin Building renovation costs	996,293.81	727,743.54	558,624.61	1,165,412.74
Others	341,967.63	528,790.41		870,758.04
Total	1,338,261.44	1,256,533.95	558,624.61	2,036,170.78

14. The deferred income tax assets and the deferred income tax liabilities

(1) Deferred income tax assets have been confirmed

Item	Closing balance	Opening balance
Deferred income tax assets:	21,040,734.82	18,923,048.91
Including: Deductible effective sum of income taxes with undistributed loss	21,040,734.82	18,923,048.91
Preparation for depreciation reserves		
Total	21,040,734.82	18,923,048.91

(2) Deferred income tax assets have been confirmed

Item	Closing balance	Opening balance
Deferred income tax liabilities:	56,126,641.17	23,785,188.70
Including: effective sum of income taxes in fair value alteration	55,251,931.23	23,626,941.87
Others	874,709.94	158,257.47
Total	56,126,641.17	23,785,188.70

15. Other non-current assets

Item	Closing balance		
	Principal	Fair value adjustments	Fair value adjustments
Stock rights of PowerU Energy Technology Co., LTD.	79,200,000.00	75,606,180.00	154,806,180.00
Stock rights of PowerU Energy Technology Co., LTD. (Tongxin)	9,900,000.00	9,450,772.46	19,350,772.46
Stock rights of PowerU Energy Technology Co., LTD. (Tongli)	9,900,000.00	9,450,772.46	19,350,772.46
Stock rights of China Newstar Energy Co., Ltd	30,960,000.00		30,960,000.00
Stock rights of Hebei Xingchen Energy Limited Company	4,600,000.00	126,500,000.00	131,100,000.00
Others			
Total	134,560,000.00	221,007,724.92	355,567,724.92

(Continued)

Item	Opening balance		
	Principal	Fair value adjustments	Total
Stock rights of PowerU Energy Technology Co., LTD.	79,200,000.00	75,606,180.00	154,806,180.00
Stock rights of PowerU Energy Technology Co., LTD. (Tongxin)	9,900,000.00	9,450,772.46	19,350,772.46
Stock rights of PowerU Energy Technology Co., LTD. (Tongli)	9,900,000.00	9,450,772.46	19,350,772.46
Stock rights of China Newstar Energy Co., LTD.	30,960,000.00		30,960,000.00
Stock rights of Hebei Xingchen Energy Limited Company	4,596,408.65		4,596,408.65
Others			
Total	134,556,408.65	94,507,724.92	229,064,133.57

The equity investment business of The Company (including subsidiaries and subsidiary) to Pei PowerU Energy Saving Technology Co., LTD., Zhongcheng Xinxing Oilfield Engineering and Technical Service Co., Ltd., Hebei Xingchen Energy Co., LTD., will be conducted management evaluation based on fair value. It will be

financially accounted after designated as financial assets which will be counted based on fair value, and alteration of which will be included in current profits and losses. Overall assessment of value of the invested enterprise was conducted at the end period of 2012, Two methods of offering value valuation and p/e valuation were adopted to revalue the year-end fair value of the stock, and the gains on the changes in the fair value of equity investment of PowerU energy saving technology Co., LTD. was confirmed to be RMB 94,507,724.92 according to the principle that the lower one is prior.

The company have conducted an overall assessment of value of the invested enterprise ,and revalue the value of the invested enterprise has carried on the overall assessment the year-end fair value of the stock on the equity investment value of Hebei XingChen energy Co., LTD. according to method of offering value valuation (no suitable comparable company p/e ratio as a reference),and confirmed the loss and gains on the changes in the fair valve was RMB 126,500,000.00.In 2013, in addition to Hebei Xingchen Energy Co., LTD., the above enterprises' operations are relatively stable, we fail to acquire fair value alteration and measurable foundation, so we will not adjust fair value.

16. Short-term borrowing

(1) Short-term Loan Classification

Borrowing category	Closing balance	Opening balance
Mortgage loan		25,777,507.40
Pawn loan	4,750,000.00	40,934,692.27
Guaranteed loan	579,770,182.20	275,719,822.86
Total	584,520,182.20	342,432,022.53

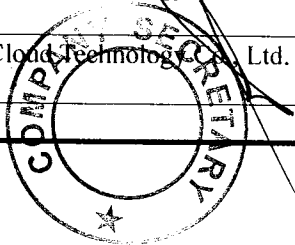
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Notes for 2013 Annual Financial Statements of Zonergy Company Limited

(2)	Short-term	Borrowing	Appraisal			List
Debt unit	Creditor's rights unit	Starting date:	Termination Date	Closing balance	Guarantee method	
Zonergy energy and light energy technology Co., LTD	Bank of Dalian , Tianjin Branch Office	2013/12/31	2014/12/9	100,000,000.00	Zonergy Limited	Company
Zonergy (Tianjin) Company Limited	Tianjin Jiefang Road Branch of Bank of Communications	2013/9/26	2014/9/25	100,000,000.00	Zonergy Limited	Company
Zhongxing Energy (Tangshan) Energy Saving Services Co., LTD.	Caofeidian Industrial Area Branch of China Construction Bank	2013/10/22	2014/10/21	54,000,000.00	Zonergy Limited	Company
Zonergy (Tianjin) Company Limited	Agricultural Bank of China Tianjin Tanggu Branch Banking Department	2013/11/28	2014/11/27	50,000,000.00	Zonergy Limited	Company
Zonergy (Tianjin) Company Limited	Tianjin Jiefang Road Branch of Bank of Communications	2013/4/15	2014/2/17	50,000,000.00	Zonergy Limited	Company
Zonergy (Tianjin) Energy Saving Service Company Limited	Tianjin Binhai Branch of Bank of China	2013/8/13	2014/6/13	40,000,000.00	Zonergy Limited	Company
Zonergy energy and light energy technology Co., LTD.	Bank of Dalian , Tianjin Branch Office	2013/12/13	2014/11/12	35,000,000.00	Zonergy Limited	Company
Zonergy (Inner Mongolia) Company Limited	China Development Bank Co., LTD.	2013/12/27	2014/12/26	30,000,000.00	Zonergy Limited	Company
Zonergy energy and light energy technology Co., LTD.	Bank of Dalian , Tianjin Branch Office	2013/12/10	2014/12/9	25,000,000.00	Zonergy Limited	Company
Zonergy Energy (Tianjin) Company Limited	Shenzhen Fu Qiang Branch of Shanghai Pudong Development Bank	2013/6/7	2014/6/7	15,000,000.00	Zonergy Limited	Company
Zonergy (Shenzhen) Company Limited	Shenzhen Fu Qiang Branch of Shanghai Pudong Development Bank	2013/4/8	2014/6/8	4,750,000.00	Pledge of fixed deposit receipt	
Zonergy (Tianjin) Energy Saving Service Company Limited	Tianjin Binhai Branch of Bank of China	2013/3/1	2014/3/1	4,925,914.20	Zonergy Limited	Company
UniCloud Technology Co., Ltd.	Beijing Branch of Import and Export Bank of China	2013.11.11	2014/11/11	34,874,268.00	Zonergy Limited	Company
UniCloud Technology Co., Ltd.	Beijing Branch of Import and Export Bank of China	2013.11.11	2014/11/11	40,970,000.00	Zonergy Limited	Company
Total				584,520,182.20		



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17. Notes payable

(1) Listed in categories

Bill Categories	Closing balance	Opening balance
Bank acceptances	34,588,470.00	
Total	34,588,470.00	

(2) Ending balance details are as follows:

HOLDER	Date of issue	Maturity date	Balance at the end of the year
Dongguan CSG Solar Technology Co., LTD.	2013/07/10	2014/01/09	34,588,470.00

18. Accounts payable

(1) Listed in aging

Accounts payable age	Closing balance		Opening balance	
	Amount	Proportion in the total amount (%)	Amount	Proportion in the total amount (%)
Within one year	516,151,404.68	91.38%	145,001,936.50	95.75%
1 to 2 years	46,580,127.55	8.25%	6,442,641.02	4.25%
More than 2 years	2,096,652.75	0.37%		
Total	564,828,184.98	100.00%	151,444,577.52	100.00%

(2) The payment conditions of the shareholders units or related parties holding 5% (including 5%) or more shares with voting power in Account receivables closing balance;

(3) The top five situation of closing balance of payables as the following table

Debt unit	Creditor's rights unit	Amount	Year limit	Ratio in total account receivable
Zonergy and light energy technology co., LTD	Shanghai Suori New Energy Technology Co., Ltd.	45,552,000.00	Within one year	8.06%
Tianjin Energy (Tianjin) Company Limited	Dongguan CSG Solar Technology Co., Ltd.	35,870,030.10	Within one year	6.35%
Zonergy (Tangshan) Energy-Saving Ltd.	Shenzhen City Chuangyin Electronics Technology Co., Ltd.	28,938,407.97	Within one year	5.12%

Tianjin Energy (Tianjin) Company Limited	HSM International, Inc	28,907,548.70	Within one year	5.12%
Zonergy (Tangshan) Energy-Saving Ltd.	Ridi Suntech Power Co., Ltd	27,987,084.45	Within one year	4.95%
Total		167,255,071.22		29.61%

19. Deposit received

(1) Listed in aging

Deposit receivable age	Closing balance		Opening balance	
	Amount	Proportion in the total amount (%)	Amount	Proportion in the total amount (%)
Within one year	46,422,557.35	95.35%	202,462,114.19	80.20%
1 to 2 years	2,262,114.19	4.65%	50,000,000.00	19.80%
Total	48,684,671.54	100.00%	252,462,114.19	100.00%

(2) The payment conditions of the shareholders units or related parties holding 5% (including 5%) or more shares with voting power in deposit r receivables closing balance;

(3) Year end balance of deposit received in advance are listed in the following table:

Debt unit	Creditor's rights unit	Amount	Year limit	Ratio in total amount of advance payments
Zonergy Company Limited	Commerce department	15,296,913.55	0-2 years	31.42%
Agrina	PT. SumberIndahPerkasa	11,204,700.53	Within one year	23.01%
Zonergy and light energy technology Co., LTD	Shandong Hezhe Photoelectric New Energy Investment Co., Ltd.	7,400,000.00	Within one year	15.20%
Zonergy (Shenzhen) Company Limited	Xinxing Textile (Shenzhen) Co., Ltd.	7,200,000.00	Within one year	14.79%
Agrina	PT. WilmarCahayaIndonesia	6,852,357.46	Within one year	14.07%
Total		47,953,971.54		98.50%

20. Employee pay payable

Item name	Opening balance	Increased amount in current period	Amount paid of this year	Closing balance
I. Wage, premium, allowance and subsidy	2,886,632.94	72,144,431.45	71,492,065.80	3,538,998.59
II.. Welfare expense of employee		990,779.18	990,779.18	
III. Social insurance charges	58,670.87	12,112,481.75	12,017,661.13	153,491.49
IV. Housing fund	-28,361.03	5,466,500.81	5,474,673.13	-36,533.35
V. Commercial insurance		1,459.61	1,459.61	
VI. Labor union expenditure		14,355.36	14,355.36	
VII. Personnel education fund		166,947.80	166,947.80	
VIII. Non-monetary welfare		6,000.00	6,000.00	
IX. Compensation due to termination of labor relations		403,993.57	403,993.57	
Total	2,916,942.78	91,306,949.53	90,567,935.58	3,655,956.73

21. Tax payable

Taxes and dues items	Closing balance	Opening balance
Enterprise income tax	44,549,135.47	2,268,270.42
Value-added tax	-102,593,788.21	-33,490,952.99
Business tax	102,637.50	47,024.00
Urban construction tax and extra charges of education funds	4,037,431.83	35,409.08
Stamp tax	115,928.73	
Individual income tax	520,223.15	313,528.08
Flood maintenance fee	39,031.95	
Water conservancy construction funds		940.48
Payable taxes of overseas subsidiaries	33,548,098.26	
Total	-19,681,301.32	-30,825,780.93

22. Interest payable

Item	Interest payment date	Closing balance	Opening balance
Bond interest of "12 ZTE Energy Phase I "	September 25 of each year from 2013 to 2015	1,395,000.00	1,705,000.00
Bond interest of "12 ZTE Energy Phase II "	March 13 of each year from 2014 to 2016	7,362,500.00	
Interest on bank borrowings		7,835,199.35	8,276,280.46
Total		16,592,699.35	9,981,280.46

23. Other payables

(1) Listed in aging

Other payables age	Closing balance		Opening balance	
	Amount	Proportion in the total amount (%)	Amount	Proportion in the total amount (%)
Within one year	46,105,663.30	88.81%	39,376,454.40	97.49%
1 to 2 years	5,633,456.14	10.85%	1,013,493.01	2.51%
2 to 3 years		0.00%		0.00%
Over 3 years	173,534.26	0.33%	514.26	0.00%
Total	51,912,653.70	100.00%	40,390,461.67	100.00%

The payment conditions of the shareholders units or related parties holding 5% (including 5%) or more shares with voting power in Other payables closing balance;

Debt unit	Creditor's rights unit	Relationship with the Company	Amount	Year limit	Proportion in other total payables
Zonergy (Cayman) Company Limited	Zhongxing Development Co., Ltd.	Shareholders	514.26	Over 3 years	0.001%
Total			514.26		0.001%

The top five situation of closing balance of other payables as the following table

Debt unit	Creditor's rights unit	Amount	Year	Proportion in
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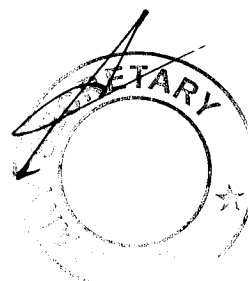
			limit	other total payables
Agrina	Retention payable	4,666,491.19	Within one year	8.99%
Zonergy Company Limited	Hebei Xingchen Energy Co., LTD.	4,600,000.00	Within one year	8.86%
Zonergy (Tianjin) Company Limited	Tianjin Binhai New Area Financial Bureau	1,800,000.00	1 to 2 years	3.47%
Inner Mongolia Hefeng Xingyuan agricultural science and technology co., LTD	Land Rental	1,250,027.25	Within one year	2.41%
Zonergy Company Limited	Beijing Jietong Fire-Fighting Equipment Engineering Co., LTD.	1,000,000.00	Within one year	1.93%
Total		13,316,518.44		25.66%

24. Long-term loans

(1) Classification of long-term borrowing

Borrowing conditions	Closing balance	Opening balance
Guaranteed loan	258,705,452.14	142,452,632.03
Hypothecated loan	153,895,630.46	164,953,519.25
Total	412,601,082.60	307,406,151.28

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(2) Details of large long-term loan are as follows (top ten):

Debt unit	Creditor's rights unit	Starting date:	Termination Date	Closing balance	Guarantee method
				Recording currency	
Zonergy (Tianjin) Company Limited	China Development Bank	2010.11.11	2015.11.10	34,600,395.15	Zhongxing Energy Co., Ltd. guarantees, and pledges with 60% share ownership of its subsidiary PTPT Sinar Citra Cemerlang.
Zonergy (Tianjin) Company Limited	China Development Bank	2012.1.6	2017.1.5	101,016,000.00	Zhongxing Energy Co., Ltd guarantees, and pledges with 100% share ownership of its subsidiary ZTE ENERGY (SINGAPORE) HOLDINGS PTE.LTD.
PTPT Sinar Citra Cemerlang	China Development Bank	2013.12.19	2023.9.27	18,279,235.31	ZTE Energy (Tianjin) Company Limited
Zonergy (Tianjin) Company Limited	Tangshan Commercial Bank	2013.8.22	2018.8.23	120,000,000.00	Zonergy Company Limited
Agrina	BankMandiri	2013/12/20	2019/3/10	39,745,762.64	Refinancing
Agrina	BankMandiri	2009/12/10	2019/3/24	8,652,077.59	Refinancing
Agrina	BankMandiri (KBM)	2012/11/30	2021/12/30	52,969,131.07	Refinancing
Agrina	BankMandiri(KBK)	2012/12/18	2021/3/18	16,219,992.57	Refinancing

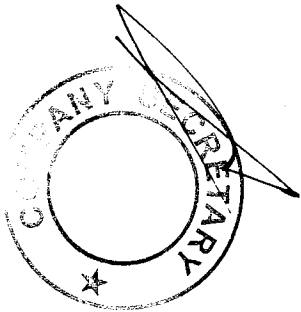
25. Bonds payable

Category	Duration	The coupon rate	The total par value	Premium (discount)	Interest adjustment	Closing balance
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Notes for 2013 Annual Financial Statements of Zonergy Company Limited

2012 (Phase I) SME private debt	From September 25 th , 2012 to September 24 th , 2015.	9.30%	100,000,000.00		-40,857,228.12	59,142,771.88
2012 (Phase II) SME private debt	From March 3, 2013 to March 12 th , 2016.	9.30%	100,000,000.00		-1,093,465.33	98,906,534.67
Total	.		200,000,000.00		-41,950,693.45	158,049,306.55

Note: Debentures issued by the company is pledged with 90% share ownership of to Zhongxing Energy (Inner Mongolia) Co., Ltd. The two issues of debentures are all paid interests once a year.



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26. Long-term payables

Item	Closing balance	Opening balance
Indonesia sub-company should pay financing lease fees	136,647.83	140,487.95
Lease account payable Agrina	30,466,924.03	64,562,184.29
Equipment lease account payable	127,296,428.12	
	157,899,999.98	64,702,672.24

27. Other non-current liabilities

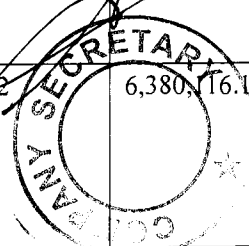
(1) Release according to category

Item	Closing balance	Opening balance
Deferred income	195,077,275.29	100,915,119.37
Collect transmission allowance		10,000,000.00
Total	195,077,275.29	110,915,119.37

(2) Other non-current liabilities list

Item	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance
The suspense allowance for Zhongxing Telecom roof solar energy photovoltaic electric station 1.27MW Item	10,258,233.38		444,399.96	9,813,833.42
The suspense allowance for the Golden Sun Item II in Tianjin	11,128,000.00			11,128,000.00
The suspense allowance for the Golden Sun Item IV in inner Mongolian	8,770,000.00			8,770,000.00
The suspense allowance for the Golden Sun Item II in Tianjin	62,442,369.09	164,693,000.00	186,499,256.16	40,636,112.93
The suspense allowance for Tianjin outsourcing industry 0.498MW Item	6,655,516.90		275,400.42	6,380,116.48

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The suspense allowance for Jingtai Item	1,661,000.00			1,661,000.00
The suspense allowance for people's livelihood Items in Xinjiang		42,237,905.00	42,237,905.00	
Collect allowance for telecommunication transmission network	10,000,000.00		10,000,000.00	
The suspense allowance for people's livelihood Items in Qinghai		93,604,615.00	54,868,750.00	38,735,865.00
The suspense allowance for people's livelihood Items in Sichuan		170,500,000.00	122,500,000.00	48,000,000.00
Others		32,071,867.15	2,119,519.39	29,952,347.76
Total	110,915,119.37	503,107,387.15	418,945,231.23	195,077,275.29

28. Paid-in capital

Investors	Opening balance		This period Add	This period Reduce	Closing balance	
	Investment Amount	Proportion %			Investment Amount	Proportion %
Shenzhen Guo tou Co., LTD.	510,000,000.00	39.53%	-	-	510,000,000.00	39.53%
ZTE Corporation	300,000,000.00	23.26%	-	-	300,000,000.00	23.26%
ZTE Development Co., LTD.	160,000,000.00	12.40%	-	-	160,000,000.00	12.40%
Shenzhen Zhongxing WXT Equipment Co., LTD.	300,000,000.00	23.26%	-	-	300,000,000.00	23.26%
Hou Weigui	20,000,000.00	1.55%	-	-	20,000,000.00	1.55%
Total	1,290,000,000.00	100.00%	-	-	1,290,000,000.00	100.00%

The capital paid-in of our company is checked by Beijing Zhonghui Prudential certified accountants office with (2009) the 119 Capital Verification Report

29. Capital reserve

Item	Opening balance	Increased amount in current period	Decreased amount in current period	Closing amount
Capital premium(capital stock premium)	450,000,000.00			450,000,000.00
Other capital reserves				
Total	450,000,000.00			450,000,000.00

30. Undistributed profit

Item	Current year	Last year
Undistributed profits at the beginning of the year	509,306,710.68	199,666,484.20
Add and subtract Undistributed profit after adjustment at the beginning of the year		
Undistributed profit after adjustment at the beginning of the year	509,306,710.68	199,666,484.20
Add: Net profit of current period	323,539,329.83	309,640,226.48
Subtraction: Allotted statutory surplus reserve		
Subtraction: Withdrawal discretionary surplus reserves		
Subtraction: Common stock dividends payable	40,684,065.71	
Subtraction: change as dividend of capital stock		
Add: the compensate for loss of earned surplus		
Undistributed profits at the end of the year	792,161,974.80	509,306,710.68

31. Operating income and operating costs

(1) Operating revenue/operating costs

Item	Amount incurred in the current period		Amount incurred in prior period	
	Income	Cost	Income	Cost
Main business	1,041,657,522.59	1,092,189,170.82	381,983,322.66	340,539,754.72
Other businesses	-		7,368,126.82	2,540,799.95
Total	1,041,657,522.59	1,092,189,170.82	389,351,449.48	343,080,554.67

The sub-company of our company has taken numerous electric station of "the golden sun Item", wherein , costs of some Items couldn't be made up with marketing, resulting in the operating cost was greater than operating revenue; but national finance has given a certain compensate, the compensate which made the requirements should be recorded in "non-operating revenue".

(2) Main business (Sub-product)

Product name	Amount incurred in the current period		Amount incurred in prior period	
	Revenue from main business	Cost of main business	Revenue from main business	Cost of main business

Notes for 2013 Annual Financial Statements of Zonergy Company Limited

Photovoltaic station Item	636,047,414.92	828,755,271.75	266,686,575.66	241,727,229.23
Agricultural products marketing	228,717,485.38	191,381,180.37	82,234,931.93	80,946,594.00
Consultant Services	68,923,797.05	5,879,326.15	11,365,459.42	1,055,508.46
Service	107,301,687.54	65,772,441.55		
The construction of Golden Agricultural demonstrate center in Congo.			19,121,141.95	14,851,021.32
Mobile phone marketing			2,575,213.70	1,959,401.71
Cloud services	667,137.70	400,951.00		
Total:	1,041,657,522.59	1,092,189,170.82	381,983,322.66	340,539,754.72

31. Business tax and surcharges

Item	Amount incurred in the current period	Amount incurred in prior period
Business tax	4,791,718.88	827,777.11
Urban maintenance and construction tax	29,054.09	68,900.94
Education surcharges	14,539.99	49,207.67
Local education surcharges	6,201.93	
Flood protection fees	1,279.96	
Water conservancy construction funds		1,688.08
Others	739,778.64	
Total	5,582,573.49	951,660.85

32. Financial expense

Item	Amount incurred in the current period	Amount incurred in prior period
Interest expenses	63,205,094.82	29,925,713.96
Subtraction: Interest income	19,796,802.58	26,386,785.86
Add: Exchange gain and loss	9,573,380.29	11,992,245.52
Add: Other Expenditures	5,613,832.58	9,695,317.64

Total	58,595,505.11	25,226,491.28
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33. Profits or losses on the changes in fair value

Item	Amount incurred in the current period	Amount incurred in prior period
Financial assets calculated by the fair value and the change of which is accounted into current profit and loss	126,500,000.00	94,507,724.92
Total	126,500,000.00	94,507,724.92

The share investment business of The Company (including subsidiaries and subsidiary) to PowerU Energy Saving Technology Co., Ltd., Zhongcheng Xinxing Oilfield Engineering and Technical Service Co., Ltd., Hebei Xingchen Energy Co., Ltd., will be conducted management evaluation based on fair value. It will be financially accounted after designated as financial assets which will be counted based on fair value, and alteration of which will be included in current profits and losses. Overall assessment of value of the invested enterprise was conducted at the end period of 2012, Two methods of offering value valuation and p/e valuation were adopted to revalue the year-end fair value of the share, and the gains on the changes in the fair value of share investment of PowerU energy saving technology Co., LTD was confirmed to be RMB 94,507,724.92 according to the principle that the lower one is prior.

The company have conducted an overall assessment of value of the invested enterprise, and revaluated the value of the invested enterprise has carried on the overall assessment the year-end fair value of the share on the share investment value of Hebei Xing Chen energy co., LTD according to method of offering value valuation (no suitable comparable company p/e ratio as a reference), and confirmed the loss and gains on the changes in the fair value was RMB 126,500,000.00.

34. Non-operating proceeds

(1) Listed in categories

Item	Amount incurred in the current period	Amount incurred in prior period
Gains from disposal of non-current assets	21,570.78	195,632.42
Including: Fixed assets disposal gains	21,570.78	195,632.42

Notes for 2013 Annual Financial Statements of Zonergy Company Limited

Government subsidies	718,829,155.29	380,439,639.12
Inventory profit		0.94
Other gains	1,580,680.46	201,774.97
Total	720,431,406.53	380,837,047.45

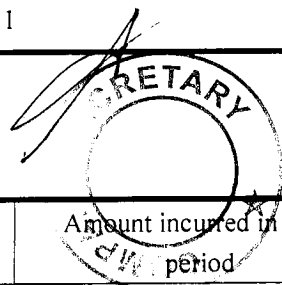
(2) Government grants details

Item	Amount incurred in the current period	Source & basis
The centralized photovoltaic station in Gansu	98,750,000.00	G CJ [2013]No.373 G CJ [2013]No.269
Gansu household integrated system	126,464,760.00	G CJ [2013]No.373 G CJ [2013]No.269
People's livelihood household power generation system	125,602,920.00	Sichuan finance investment<2013> No.275
Xinjiang people's livelihood centralized station	90,125,000.00	Xinjiang finance construction <2013> No.311
Xinjiang IDC Item	65,000,000.00	Hu County letter [2013]No.265
Shenzhen Golden Sun Item	86,586,354.36	Finance construction [2011]No. 380Finance construction [2011]No. 380Shennan development and reform [2012]No. 47Finance construction[2012]No. 177Finance construction [2013]No. 90
Qinghai Golden Sun Item	83,368,050.00	Qing finance construction 〈2013〉 No. 2323Qing finance construction 〈2013〉 No. 85 and No. 1603Qing finance construction 〈2013〉 No.2511

35. Non-operating expenditure

(1) Listed in categories

Item	Amount incurred in the current period	Amount incurred in prior period
Losses from disposal on non-current	31,475,927.52	485,837.64



assets		
Public welfare donation expenditure	923,000.00	3,068,078.37
Expense for violation	67,414,283.26	
Penalty expenditure	2,280.00	39,258.47
Others	965,390.66	163,156.64
Total	100,780,881.44	3,756,331.12

(2) Wholesale expenses are as follows:

Item	Amount incurred in the current period
The penalty of Wuhai City Wang Liyuan Coal Co Washing, LTD.	67,064,283.26
Losses from disposal on non-current assets	31,475,927.52
The donate to the Ala Shan area of inner Mongolia	923,000.00

Note 1: Our Company has signed the Investment Corporation Agreement with Wuhai City Wang Liyuan Coal Washing Co., Ltd on December 22, 2011. The performance condition has changed because of market, both sides can't corporate according to the above agreement and signed the Investment Corporation Agreement Complementation Agreement on October 27, 2012, our company should return the prepayment to Wuhai City Wang Liyuan Coal Washing Co., Ltd and pay the penalty, 67,064,283.26 yuan.

36. Income tax expense

Item	Amount incurred in the current period	Amount incurred in prior period
Current income tax according to tax law and related provisions	46,092,665.67	3,737,153.49
Adjustment deferred income tax	30,613,823.89	4,862,139.79
Including: Deferred income tax assets	-1,727,628.58	-18,923,048.91
Deferred income tax liabilities	32,341,452.47	23,785,188.70
Total	76,706,489.56	8,599,293.28

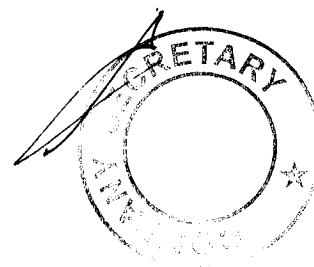
6. Supplementary information of cash flow statement

Item	2013	The year 2015
1. Adjust net profit to cash flows of operating activities:		
Net profit	315,269,454.00	297,308,582.34
Add: Preparation for assets impairment		
The depreciation of fixed assets, the depletion of oil and gas assets, the depreciation of productive biological assets	58,077,367.43	61,851,172.93
Amortization of intangible assets	11,771,665.15	4,897,674.70
Amortization of long-term unamortized expenses	558,624.61	340,018.89
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-"for income)	31,475,927.52	290,205.22
Fixed assets retirement losses ("-"for income)		
Losses from changes in fair value ("-"for income)	126,500,000.00	-94,507,724.92
Financial expenses ("-"for income)	63,363,399.36	53,987,295.99
Investment losses ("-"for income)	7,763.13	-2,005.90
Deferred income tax assets reduction ("-"for increase)	-2,117,685.91	-18,923,048.91

Notes for 2013 Annual Financial Statements of Zonergy Company Limited

Deferred income tax debt increase ("-"for decrease)	32,341,452.47	23,785,188.70
Decrease in inventory ("-"for increase)	-109,133,166.48	5,987,600.89
Decrease in operational receivable items ("-"for increase)	-579,677,316.77	-29,340,901.97
Increase in operational receivable items ("-"for decrease)	310,102,578.96	-208,767,691.17
Others		
Net cash flow from operating activities	5,540,063.47	96,906,366.79
2. Significant investment and financing activities without involving cash receipt and payment:		
Conversion of debt into capital		64,481,780.50
Convertible corporation bonds due within one year		
Fixed assets by finance lease		
3. Net changes condition of cash and cash equivalents:		
The closing balance of cash	1,288,772,673.35	955,094,301.02
Subtraction: The beginning balance of cash	955,094,301.02	1,034,610,135.39
Add: The closing balance of cash equivalents		
Subtraction: The beginning balance of cash equivalents		
Net increase amount of cash and cash equivalents	333,678,372.33	-79,515,834.37

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VI Related parties and related transaction**(I) Related party relationships****1. Situation of the Companies Controlling Shareholders**

Parent Company name	Related relationships	Enterprise Type	Registration place	Business nature	Registered capital	Shareholding percentage of the company	The voting rights proportion on the Company
Shenzhen Zhongxing International Investment Co., LTD.	Parent Company	Co., Ltd	Shenzhen	Investment	501 million	39.53%	39.53%

2. Situation of Subsidiary

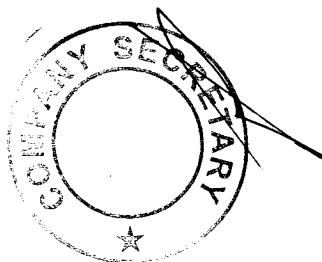
Enterprise name	Type of subsidiaries	Registration place	Legal representative	Business nature	Registered capital	Direct and indirect share proportion	Voting power proportion
Zonergy (Tianjin) Company Limited	Subsidiaries	Tianjin	Hou weigui	Energy industry	1.15 billion Yuan	100.00%	100.00%
Zonergy (Cayman) Company Limited	Subsidiaries	Cayman Islands	No	Investment	USD 4.45 million	100.00%	100.00%
Zonergy (Inner Mongolia) Company Limited	Subsidiaries	Inner Mongolia	Yu yong	Fuel ethanol	100 million Yuan	100.00%	100.00%
Inner Mongolia He Feng Xing agricultural science and technology co., LTD	Subsidiaries	Inner Mongolia	Cui Yaping	Sweet sorghum planting	5 million Yuan	100.00%	100.00%
Zonergy (Congo) Company Limited	Subsidiaries	Congo	Wang Kewen	Agriculture, palm	USD 200,000	100.00%	100.00%
Tianjin Zte capital management co., LTD	Subsidiaries	Tianjin	Hou weigui	Investment management	10 million Yuan	100.00%	100.00%
PT.ZTE Agribusiness Indonesia	Subsidiaries	Indonesia	Zhang Wuhua	Palm	USD 100,000	100.00%	100.00%
Zonergy (Tianjin) Energy Saving Service Company Limited	Subsidiary of the Company	Tianjin	Yu yong	Energy saving service	RMB 20 million Yuan	100.00%	100.00%
Zonergy (Shenzhen) Company Limited	Subsidiary of the Subsidiary	Shenzhen	Yu yong	New energy	100 million Yuan	100.00%	100.00%

	Company						
VISTA EMPIRE HOLDINGS PTE. LTD.	Subsidiary of the Subsidiary Company	Singapore	Zhang Wuhua	Investment	1 Singapore dollar	100.00%	100.00%
ZTE ENERGY(SINGAPORE)HOLDINGS PTE.LTD	Subsidiary of the Subsidiary Company	Singapore	Zhang Wuhua	Palm oil industry investment	USD 34.3 million	100.00%	100.00%
Qinhuangdao Jinguang energy Company Limited	Subsidiary of the Subsidiary Company	Qinhuangdao	Sheng Jianan	New energy	1 million Yuan	100.00%	100.00%
PT. Sinar Citra Cemerlang	Subsidiary of the Subsidiary Company	Indonesia	Chandra Hamsa	Palm cultivation	92.1 billion Indonesian Rupiah	60.00%	60.00%
Zonergy (Xinjiang) Company Limited	Subsidiary of the Subsidiary Company	Urumchi	Yu yong	New energy	20 million Yuan	100.00%	100.00%
Erdos Unicloud Technology Limited Company	Subsidiaries	Erdos	Yu yong	Cloud computing	200 million Yuan	100.00%	100.00%
Zonergy (Hohhot) Company Limited	Subsidiary of the Subsidiary Company	Hohhot	Yu yong	New energy	1 million Yuan	100.00%	100.00%
Zonergy (Shenzhen) Energy Services Company	Subsidiary of the Subsidiary Company	Shenzhen	Yu yong	New energy	RMB 6 million Yuan	100.00%	100.00%
Celestar	Subsidiary of the Subsidiary Company	Jakarta, Indonesia	Zhang Wuhua	Palm	USD 7,686,191	100.00%	100.00%
Zonergy (Tibet) New Energy Co., LTD.	Subsidiary of the Subsidiary Company	Lhasa, Tibet	Yu yong	New energy	10 million Yuan	100.00%	100.00%

Ordos cloud technology co., LTD	Subsidiary of the Subsidiary Company	Erdos City	Yu yong	Mobile terminal	10 million Yuan	100.00%	100.00%
Zte energy and light energy technology co., LTD	Subsidiaries	Tianjin	Zhang Wuhua	Photovoltaic (pv) headquarters	100 million Yuan	100.00%	100.00%
Zonergy (Qinghai) New Energy Co., LTD.	Subsidiary of the Subsidiary Company	Xining, Qinghai	Guo Jun	New energy	5 million Yuan	100.00%	100.00%
Agrina	Subsidiary of the Subsidiary Company	Indonesia		Palm	103 billion Indonesian Rupiah	51.00%	51.00%
Zonergy (Tangshan) Energy Saving Co., LTD.	Subsidiary of the Subsidiary Company	Caofeidian, Tangshan	Zhang Wuhua	New energy	100 million yuan	100.00%	100.00%
Zte energy green valley technology Co., LTD	Subsidiary of the Subsidiary Company	Tianjin	Jia Jian	New energy	2 million Yuan	100.00%	100.00%
Beijing ZTE tongxin investment consultation center (limited partnership)	Subsidiaries of the Subsidiary company	Beijing	Zte capital assigned MoRong	Investment	9.9 million Yuan	100.00%	100.00%
Beijing ZTE tongli investment consultation center (limited partnership)	Subsidiaries of the Subsidiary company	Beijing	Zte capital assigned MoRong	investment	9.9 million Yuan	100.00%	100.00%
Zonergy (Sichuan) Company Limited	Subsidiary of the Subsidiary Company	Chengdu	Guo Jun	New energy	20 million Yuan	100.00%	100.00%
Caofeidian Jinglian Real Estate Co Ltd	Subsidiary of the Subsidiary Company	Caofeidian, Tangshan	Zhang Wuhua	Real estate development	10 million Yuan	100.00%	100.00%

Zonergy (Gansu) Company Limited	Subsidiary of the Subsidiary Company	Lanzhou	Guo Jun	New energy	20 million Yuan	100.00%	100.00%
Jiaxing Helian energy Co., LTD.	Subsidiary of the Company	Jiaxing	Sheng Jianan	Photovoltaic	2.5 million Yuan	100.00%	100.00%
Hebei Cloud TB Information Technology Co., LTD	Subsidiary of the Subsidiary Company	Caofeidian, Tangshan	Mo Rong	IDC	180 Million Yuan	100.00%	100.00%
Xinjiang Yuntai Technology Limited Company	Subsidiary of the Subsidiary Company	Xinjiang	Mo Rong	IDC	100 million Yuan	100.00%	100.00%
Zibo Lingyang Haobo energy technology co., LTD	Subsidiary of the Subsidiary Company	Zibo	Sheng Jianan	New energy	1 million Yuan	100.00%	100.00%

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11/11/2014

(III) Other related parties of the Company

Enterprise name	Related party relationships
ZTE Corporation	Joint-stock shareholders
Zhongxing Development Co., Ltd.	Joint-stock shareholders
Shenzhen Zhongxing WXT Equipment Co., Ltd.	Joint-stock shareholders
Beijing Zhongxing Jinyuan Investment Co., Ltd.	All monitored by one parent company

(II) Transaction of Related Party

1. Purchase commodity/ Fact sheet of accepting labor services

Related party	Content of related transactions	The price-making method and the decision-making procedure of related transaction	Amount incurred in the current period		Amount incurred in prior period	
			Amount	The proportion of the similar transaction amount	Amount	The proportion of the similar transaction amount
ZTE Corporation	Purchase mobile phone	The marketing price			2,292,500.00	100.00%
Shenzhen Zhongxing WXT Equipment Co., Ltd.	Purchase the equipment of machine room	The marketing price	2,245,307.69	1.18%	763,560.00	1.32%

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2. Sale commodity / Fact sheet of providing labor services

Related party	Content of related transactions	The price-making method and the decision-making procedure of related transaction	Amount incurred in the current period		Amount incurred in prior period	
			Amount	The proportion of the similar transaction amount	Amount	The proportion of the similar transaction amount
ZTE Corporation	Generate electricity by photovoltaage	Price discovery	2,373,167.51	1.172%	1,935,188.27	73.70%

3. Guaranty

condition

Guarantor	Voucher	Guarantee amounts	Starting date:	The end date
Zonergy Company Limited	Shenzhen Zhongxing International Investment Co., Ltd.	510,000,000.00	19 November, 2009	19 November, 2017

4. The receivable and payable accounts of the related parties

Name of related unit	Name of related unit	Closing balance	Opening balance
Accounts receivable	ZTE Corporation	165,754.69	87,270.36
Prepayments	ZTE Corporation	85,360.00	85,360.00
Other receivables	ZTE Corporation	42,000.00	4,000.00
Other receivables	Zhong Xing International Investment Co., Ltd.	87,492,100.93	67,639,019.28
Other receivables	Beijing Zhongxing Jinyuan Investment Co., Ltd.	2,266,816.70	-

VI. The notes about the main Items of parent company's financial tables

1. Accounts receivable

(1) Disclosure of accounts receivable by category

Category	Closing balance			
	Closing amount		Provision for bad debts	
	Amount	Proportion	Amount	Proportion
Accounts receivable of single significant amount and individual provision for bad debts.	72,788,091.14	99.70%		
Provision for bad debts on accounts receivable in combination				
Aging combination				
Other combinations				
Combination subtotal	72,788,091.14	99.70%		
Accounts receivable with amounts which are not individually significant but subject to respective assessment for provision for bad debts.	219,500.00	0.30%		
Total	73,007,591.14	100.00%		

(Continued)

Category	Opening balance			
	Amount at the beginning		Provision for bad debts	
	Amount	Proportion	Amount	Proportion
Accounts receivable of single significant amount and individual provision for bad debts.	54,130,398.63	100.00%		
Provision for bad debts on accounts receivable in combination				

Aging combination				
Other combinations				
Combination subtotal	54,130,398.63	100.00%		
Accounts receivable with amounts which are not individually significant but subject to respective assessment for provision for bad debts.				
Total	54,130,398.63	100.00%		

(2) This report period has no previous provision for bad debts in full preparation, or the bad debts provision takes up a large portion, but fully returned or reversed in the current period, or return or reverse accounting receivable which takes up a large portion in the current period.

(3) The accounts receivable at term end shall not include debts from shareholders who hold 5% or more voting right shares.

(4) The top five year end balance of deposit received in advance is listed in the following table:

Name of organization	Relationship with the Company	Closing balance	Year limit	Ratio in total account receivable
Zonergy energy and light energy technology co., LTD	Subsidiaries	16,100,000.00	Within one year	22.05%
Zonergy (Tangshan) Energy Saving Co., LTD.	Subsidiary of the Subsidiary Company	15,088,091.14	Within one year	20.67%
Zonergy (Shenzhen) Company Limited	Subsidiary of the Subsidiary Company	13,000,000.00	0-2 years	17.81%
Zonergy (Gansu) Company Limited	Subsidiary of the Subsidiary Company	8,000,000.00	Within one year	10.96%
Zonergy (Sichuan) Company Limited	Subsidiary of the Subsidiary Company	7,000,000.00	Within one year	9.59%
Total		59,188,091.14		81.08%

2. Other receivables

(1) Disclosure of other accounts receivable by category

Category	Closing balance			
	Closing amount		Provision for bad debts	
	Amount	Proportion	Amount	Proportion
Other receivables of single significant amount and individual provision for bad debt.	208,081,491.34	99.30%		
Other receivables based on provision for bad debts according to the combination				
Aging combination				
Other combinations				
Combination subtotal	208,081,491.34	99.30%		
Other receivables with amounts which are not individually significant but subject to respective assessment for provision for bad debt.	1,458,454.76	0.70%		
Total	209,539,946.10	100.00%		

(Continued)

Category	Opening balance			
	Carrying Amount		Provision for bad debts	
	Amount	Proportion	Amount	Proportion
Other receivables of single significant amount and individual provision for bad debt.	142,783,493.89	98.90%		
Other receivables based on provision for bad debts according to the combination				
Aging combination	1,586,583.52	1.10%		
Other combinations				
Combination subtotal	144,370,077.41	100.00%		
Other receivables with amounts which are not individually significant but subject to respective assessment for provision for bad debt.				
Total	144,370,077.41	100.00%		

- (2) This report period has no previous provision for bad debts in full preparation, or the bad debts provision takes up a large portion, but fully returned or reversed in the current period, or return or reverse accounting receivable which takes up a large portion in the current period.
- (3) There is no account written off of other accounting receivable in this report period.
- (4) Debts of the shareholders holding 5% (including 5%) or more shares with voting power in the other receivable of this reporting period

Name of organization	Relationship with the Company	Closing balance	Ratio accounting for the total amount of other receivables
Shenzhen Zhongxing Guo tou Co., LTD.	Parent Company	76,534,536.73	36.53%
ZTE Corporation	Shareholder	42,000.00	0.02%
Total		76,576,536.73	36.55%

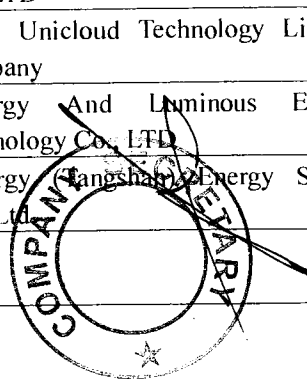
(5) The top five of other accounting receivable are as follows:

Name of organization	Relationship with the Company	Closing balance	Year limit	Ratio accounting for the total amount of other receivables
Shenzhen Zhongxing Guo tou Co., LTD.	Parent Company	76,534,536.73	0-3 years	36.53%
Zonergy (Tianjin) Company Limited	Subsidiaries	39,763,089.23	0-3 years	18.98%
Zonergy (Cayman) Company Limited	Subsidiaries	31,306,008.04	0 - 4 years	14.94%
Zonergy Co., LTD. Indonesia Sub-Company	Subsidiaries	22,121,135.81	0 - 4 years	10.56%
Tianjin zte capital management co., LTD	Subsidiaries	16,598,727.87	0-3 years	7.92%
Total		186,323,497.68		88.95%

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3. Long-term equity investment

Item	Opening balance	Increased amount in current period	Decreased amount in current period	Closing balance	Shareholding ratio	Voting power proportion	Accounting method
The original value of long-term equity investment						100.00%	Cost method
ZTE Energy(Cayman)Co., Limited	30,775,781.89			30,775,781.89		100.00%	Cost method
Zonergy Company Limited (CONGO)	19,468,845.75	623,228.40		20,092,074.15		100.00%	Cost method
Zonergy (Tianjin) Company Limited	1,150,000,000.00			1,150,000,000.00		100.00%	Cost method
Tianjin Zonergy Capital Management Co., LTD	10,000,000.00			10,000,000.00		100.00%	Cost method
Zonergy (Inner Mongolia) Company Limited	90,000,000.00			90,000,000.00		100.00% (Note 1)	Cost method
PT.ZTE Agribusiness Indonesia	683,970.00			683,970.00		100.00%	Cost method
Zonergy (Tianjin) Energy Saving Service Company Limited	2,000,000.00			2,000,000.00		100.00% (Note 2)	Cost method
Zonergy (Shenzhen) Company Limited	10,000,000.00			10,000,000.00		100.00%	Cost method
Inner Mongolia Hefeng Xingyuan Agricultural Science And Technology Co., LTD	5,000,000.00			5,000,000.00		100.00%	Cost method
Erdos Uncloud Technology Limited Company	200,000,000.00			200,000,000.00		100.00%	Cost method
Zonergy And Luminous Energy Technology Co., LTD	90,000,000.00			90,000,000.00		100.00% (Note 1)	Cost method
Zonergy (Shanghai) Energy Saving Co., Ltd	10,000,000.00			10,000,000.00		100.00% (Note 2)	Cost method
Total	1,617,928,597.64	623,228.40		1,618,551,826.04			



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Note 1: Our Company directly and separately holds 90% shares of Zonergy (Inner Mongolia) Co., Ltd., and Zonergy And Luminous Energy Technology Co., Ltd. With 100% holding, the sub-company Zonergy (Tianjin) Co., Ltd. has separately hold 10% shares, therefore, our company has the right to vote with totally 100%.

NOTE2: Our company directly and separately holds 10% shares of Zonergy (Tianjin) Energy Saving Service Co., Ltd., Zonergy (Shenzhen) Company Limited and Zonergy (Tangshan) Energy Saving Co., Ltd. With 100% holding, the sub-company Zonergy (Tianjin) Company Limited has separately hold 90% shares, therefore, our company has the right to vote with totally 100%.

4. Accounts payable

(1) Listed in aging:

Aging	Closing balance		Opening balance	
	Amount	Proportion in the total amount (%)	Amount	Proportion in the total amount (%)
Within one year	15,715,745.45	68.44%	32,152,942.26	100.00%
1 to 2 years	7,246,245.25	31.56%		
Total	22,961,990.70	100.00%	32,152,942.26	100.00%

(2) The payment conditions of the shareholders units or related parties holding 5% (including 5%) or more shares with voting power in other receivables closing balance;

(3) The top five situation of closing balance of payables as the following table.

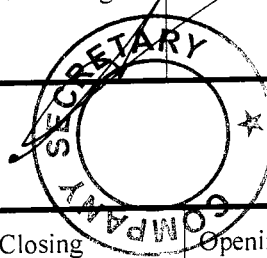
Name of organization	Closing balance
Sun Earth Solar Power Co., Ltd	17,422,573.96
Shenzhen Zonergy Kunteng Co., Ltd.	5,381,479.98
Changing Nuoli Power Resource Co., Ltd.	84,000.00
CSIA (Wuhan) LingJiu Hi-tech Co., Ltd.	37,936.76
The IT Electronics Eleventh Design & Research Institute Scientific And Technological Engineering Corporation Limited, Beijing sub-company	36,000.00

5.

Interest

payable

Item	Interest payment date	Closing	Opening
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		balance	balance
Bond interest of "12 ZTE Energy Phase I"	September 25 of each year from 2013 to 2015	2,325,000.00	2,325,000.00
Bond interest of "12 ZTE Energy Phase II"	March 13 of each year from 2014 to 2016	7,362,500.00	
Total		9,687,500.00	2,325,000.00

6. Other payables

(1) Listed in aging:

Aging	Closing balance		Opening balance	
	Amount	Proportion in the total amount (%)	Amount	Proportion in the total amount (%)
Within one year	770,852,486.25	88.67%	490,309,788.09	91.33%
1 to 2 years	82,876,233.42	9.53%	46,371,814.41	8.64%
2 to 3 years	15,687,069.73	1.80%		
Over 3 years			150,998.00	0.03%
Total	869,415,789.40	100.00%	536,832,600.50	100.00%

The top five situation of closing balance of other payables as the following table:

Name of organization	Closing balance
Zonergy (Tangshan) Energy Saving Co., LTD.	431,308,355.00
Hebei Unicloud Information Technology Co., LTD	179,000,000.00
Zonergy (Inner Mongolia) Company Limited	27,758,858.82
Zonergy (Shenzhen) Company Limited	70,887,150.24
Xinjiang Unicloud Internet Technology Limited Company	68,000,000.00

(2) The payment conditions of the shareholders units or related parties holding 5% (including 5% or more shares without voting power in other payables closing balance;

7. Bonds payable

Category	Duration	The coupon rate	The total par value	Premium (discount)	Interest adjustment	Closing balance
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Notes for 2013 Annual Financial Statements of Zonergy Company Limited

2012 (Phase I) SME private debt	From September 25, 2012 to September 24, 2015	9.3%	100,000,000.00		-882,028.12	99,117,971.88
2012 (Phase II) SME private debt	From March 13, 2013 to March 12, 2016	9.3%	100,000,000.00		-1,093,465.33	98,906,534.67
Total			200,000,000.00		-1,975,493.45	198,024,506.55

Note: The interests of bond of Phase I and Phase II are paid in one-short way, and the debt service is pledged with 90% shares of Zonergy (Inner Mongolia) Company Limited.

8. Paid-in capital

Investors	Opening balance		Increased amount in current period	Decreased amount in current period	Closing balance	
	Investment amount	Proportion %			Investment amount	Proportion %
Shenzhen ZTE Guotou Co., LTD.	510,000,000.00	39.53%	-	-	510,000,000.00	39.53%
ZTE Corporation	300,000,000.00	23.26%	-	-	300,000,000.00	23.26%
ZTE Development Co., LTD.	160,000,000.00	12.40%	-	-	160,000,000.00	12.40%
Shenzhen	300,000,000.00	23.26%	-	-	300,000,000.00	23.26%

Notes for 2013 Annual Financial Statements of Zonergy Company Limited

ZTE WXT Equipment Co., LTD.						
Hou weigui	20,000,000.00	1.55%	-	-	20,000,000.00	1.55%
Total	1,290,000,000.00	100.00%	-	-	1,290,000,000.00	100.00%

9. Operating income and operating costs

(1) Operating

Item	Amount incurred in the current period		Amount incurred in prior period	
	Income	Cost	Income	Cost
1. Primary business	92,381,059.91	23,074,172.89	67,115,999.50	44,481,600.87
Other businesses				
Total	92,381,059.91	23,074,172.89	67,115,999.50	44,481,600.87

(2) Main business (Sub-product):

Type of income	Amount incurred in the current period		Amount incurred in prior period	
	Income	Cost	Income	Cost
Income from management and consultation	66,156,696.72	-	18,396,226.24	
Technical service income	9,433,962.26	6,603,773.58		
Income from photovoltaic system	16,790,400.93	16,470,399.31	48,719,773.26	44,481,600.87
Total	92,381,059.91	23,074,172.89	67,115,999.50	44,481,600.87

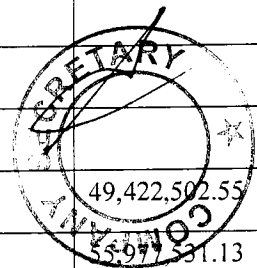
10. Supplementary information of cash flow statement

Item	Amount incurred in the current period	Amount incurred in prior period
1. Adjust net profit to cash flows from operating activities:		
Net profit	-85,381,128.87	5,335,904.68
Add: Preparation for assets impairment	-	-

Notes for 2013 Annual Financial Statements of Zonergy Company Limited

The depreciation of fixed assets, the depletion of oil and gas assets, the depreciation of productive biological assets	2,173,904.80	1,893,025.19
Amortization of intangible assets	19,328.88	18,011.73
Amortization of long-term unamortized expenses	-169,118.93	-
Disposal of losses from fixed assets, intangible assets and other long-term assets (Income filled in column with "-")	-	25,088.04
Fixed assets retirement losses (Income filled in column with "-")	-	-
Losses from changes in fair value (Income filled in column with "-")	-	-75,606,180.00
Financial expenses (Income filled in column with "-")	17,457,574.97	2,943,765.70
Investment losses (Income filled in column with "-")	-	-
Decrease in deferred income tax assets (Increase filled in column with "-")	-1,674,010.91	-16,362,433.33
Increase in deferred income tax debt (Decrease filled in column with "-")	-	18,901,545.00
Decrease in inventory (Increase filled in column with "-")	-3,568.80	-
Decrease in operational receivable items (Increase filled in column with "-")	-116,127,576.34	-148,448,686.79
Increase in operational receivable items (Decrease filled in column with "-")	80,013,590.28	574,330,171.77
Others	-	-
Net cash flow from operating activities	-103,691,004.92	385,031,211.99
2. Significant investment and financing activities without involving cash receipt and payment:		
Conversion of debt into capital		
Convertible corporation bonds due within one year		
Fixed assets by finance lease		
3. Net changes condition of cash and cash equivalents:		
The closing balance of cash	6,644,930.09	49,422,502.55
Minus: The beginning balance of cash	49,422,502.5	55,977,531.13

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Add: The closing balance of cash equivalents	-	-
Minus: The beginning balance of cash equivalents	-	-
Net increase amount of cash and cash equivalents	-42,777,572.46	-6,555,028.58

VII. Contingencies

1. Litigation matters

There was an EPC construction dispute between Zonergy Company Limited and Shandong Hezhe Luminous Energy Investment Corp. about the Heze yellow shop one thousand mu of grass garden 20MW fully-open photovoltaic shed Item. Zonergy Company Limited has brought a suit to Shandong Heze court, claimed that Shandong Hezhe Luminous Energy Investment Corp. should perform the Contract and pay 111,000,000 overdue penalty due to breach of contract and 74,000 liquidated damages. This case has not closed until February 24, 2014, so the result can't be predicted.

(2) Guarantees

In 2009, Zonergy Company Limited provided Tianjin Affiance Co., Ltd of Shenzhen ZTE International Investment Co., Ltd with 510 million several and joint liabilities guarantee, the duration of guarantee period is from November 19, 2009 to November 18, 2017.

VIII. Commitment matters

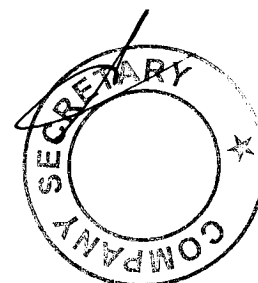
Until the audit report day, the company has no need to release the undertaken items.

IX. Events after balance sheet date

Until the audit report day, there haven't been any major issues affecting the *Certified True Copy* read and comprehension of financial statement.

Legal representative: Person in charge of accounting work: Person in charge of the accounting department:

Date: Date: Date:



Business License

(Copy) (Copy 2)

Registration No.: 440301104402367

Name: Shenzhen Branch Office, ZhongXi Certified Public Accountants Co., Ltd.

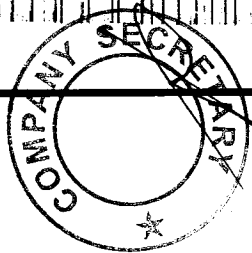
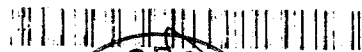
Place of business: No 12th Floor, Securities Building, No. 5020 Binhe Futian District, Shenzhen

Name of legal representative: Liu Luo

Operating scope: review of enterprise accounting statements and issuance of auditing report; verification of enterprise capital and issuance of capital verification report; handling of auditing business in the matters of consolidation, discrete and liquidation of the enterprise, and issuance of relevant reports; other auditing business specified in laws and administrative regulations; general operation items; and accounting consultation and accounting service.

Term of operation: From December 8, 2009 to December 8, 2018

Date of establishment : December 8 , 2009



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Notice

1. *Enterprise Legal Person Business License* is the voucher that the enterprise gets qualifications of legal person and lawful operation.
2. *Enterprise Legal Person Business License* has the original and the duplicate, and they have equal legal effect.
3. The original of *Enterprise Legal Person Business License* shall be placed at the conspicuous position where legal person dwells.
4. *Enterprise Legal Person Business License* must not be counterfeited, altered, leased, lent and transferred.
5. When the registered matters are changed, the enterprise legal person shall apply the company registration authority for change of registration and renewal *Enterprise Legal Person Business License*.
6. The enterprise shall participate in annual inspection from March 1 to June 30 each year.
7. The enterprise legal person shall not carry out operating related with liquidation after the *Enterprise Legal Person Business License* is written off.
8. The original and the copy for the *Enterprise Legal Person Business License* shall be given back when the enterprise handles with cancellation of the registration.
9. If the *Enterprise Legal Person Business License* is lost or destroyed, the enterprise shall declare to cancel the license in the newspaper authorized by the registration authority, and apply for replacement.

Annual Inspection Condition

Shenzhen Market Supervisory Authority (Sealed)

June 12, 2012

2012 annual inspection has been conducted

Accounting Firm
Certificate of practice

Name: Shenzhen Branch Office, ZhongXi Certified Public Accountants Co., Ltd.

Chief Accountant: Zhang Zenggang

Work place: Address: No 1212 Floor, Securities Building, No. 5020 Binhe Futian District, Shenzhen

Accounting Firm No.: 110001684701

Approved document No.: CXK [1999] No. 109

Establishment date approved: November 23, 2009

Certificate No.: NO. 504011

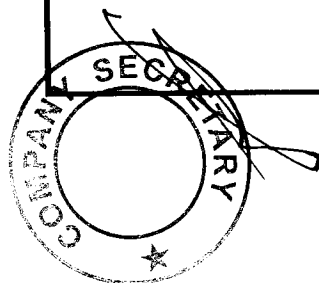
Description

1. Practicing Certificate of Public Accounting Firm is a proof proving the bearer is granted to execute statutory business of certified public accountants after approved by the department of finance by laws.
2. In case of any changes in the items specified in the Practicing Certificate of Public Accounting Firm, you should apply to the department of finance for replacement.
3. The Practicing Certificate of Public Accounting Firm shall not be falsified, altered, leased, lent or transferred.
4. If the accounting firm is terminated, the Practicing Certificate of Public Accounting Firm shall be returned to the department of finance.

Issued by: Financial committee of Shenzhen

May 24, 2013

Ministry of Finance of the People's Republic of China



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Full name

SHI YUBAO



Sex

Male

Date of birth

Aug. 2, 1972

Working unit

Shenzhen Branch Office, Xinyi Certified Public Accountants Co., Ltd.

IDENTITY card No

370102197208023710

No. of Certificate: 474700680004

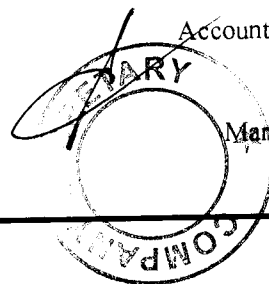
Authorized Institute of CPAs: SHENZHEN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

Date of Issuance January 31, 2007

Certified True Copy
Annual Renewal Registration

This certificate is valid for another year after this renewal

Shenzhen Branch Office, ZhongXi Certified Public
Accountants Co., Ltd.



March 15, 2013



Full name

Li Jianhai

Sex

Male

Date of birth

Oct. 30, 1969

Working unit

Shenzhen Branch Office, Zhongxi Certified Public Accountants Co., Ltd.

IDENTITY card No

220001198910300031

Annual 'Renewal Registration

This certificate is valid for another year after this renewal

Certified True Copy

No. of Certificate: 110001680163

Authorized Institute of CPAs: SHENZHEN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

Date of Issuance July 4, 2012

Shenzhen Branch Office, ZhongXi Certified Public
Accountants Co., Ltd.

March 15, 2013



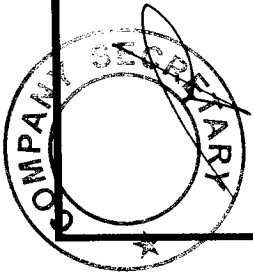


Certificate No.:000029

Permit of accounting firm securities and futures related business

Hereby approve Zhongxi Accounting Firm Co., Ltd to execute securities and futures related businesses after reviewed by China Securities Regulatory Commission.

Certificate No.:04 Issued Date:



Certified True Copy



Accounting Firm Certificate of practice

Name: Shenzhen Branch Office, ZhongXi Certified Public Accountants Co., Ltd.

Chief Accountant: Zhang Zenggang

Work place: No 11th Floor, No.1105 Chongwen Menwai street,
Chongwen District, Beijing
Beijing Ministry of Finance

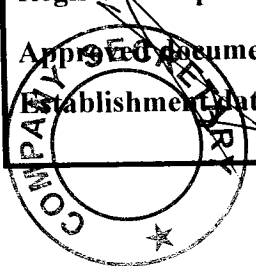
Organizational form: limited liability

Accounting Firm No.: 11000168

Registered capital (amount of contribution): 2 million Yuan

Approved document No.: CX Zi [1999] No. 109

Establishment date approved: July 21, 1999



Certified True Copy

Certificate No.: NO. 006639

Description

1. Practicing Certificate of Public Accounting Firm is a proof proving the bearer is granted to execute statutory business of certified public accountants after approved by the department of finance by laws.
2. In case of any changes in the items specified in the Practicing Certificate of Public Accounting Firm, you should apply to the department of finance for replacement.
3. The Practicing Certificate of Public Accounting Firm shall not be falsified, altered, leased, lent or transferred.
4. If the accounting firm is terminated, the Practicing Certificate of Public Accounting Firm shall be returned to the department of finance.

Issued by: Ministry of Finance

June 11, 2010

Ministry of Finance of the People's Republic of China

Enterprise Legal Person Business License

(Copy) (2-1)

Registration No.: 110000006125435

Name: Shenzhen Branch Office, ZhongXi Certified Public Accountants Co., Ltd.

Address: No 11th Floor, No.1105 Chongwen Menwai street, Chongwen District, Beijing

Beijing Ministry of Finance

Name of legal representative: Zhang Zenggang

Registered capital: RMB 2000 thousand Yuan

Paid-in capital: RMB 2000 thousand Yuan

Types of company: Limited Liability company (invested or held by natural persons)

Operating scope: Operation items permitted: review of enterprise accounting statements and issuance of auditing report; verification of enterprise capital and issuance of capital verification report; handling of auditing business in the matters of consolidation, discrete and liquidation of the enterprise, and issuance of relevant reports; other auditing business specified in laws and administrative regulations; general operation items; and accounting consultation and accounting service.

Date of establishment : September 22 , 1999

Term of operation: From September 22 , September 22 2019

Send annual inspection materials to the registration authority from March 1 to June 30 each year

Notice

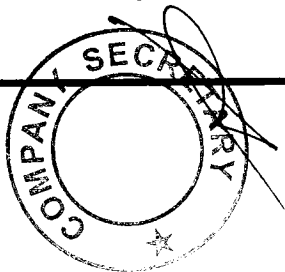
1. *Enterprise Legal Person Business License* is the voucher that the enterprise gets qualifications of legal person and lawful operation.
2. *Enterprise Legal Person Business License* has the original and the duplicate, and they have equal legal effect.
3. The original of *Enterprise Legal Person Business License* shall be placed at the conspicuous position where legal person dwells.
4. *Enterprise Legal Person Business License* must not be counterfeited, altered, leased, lent and transferred.
5. When the registered matters are changed, the enterprise legal person shall apply the company registration authority for change of registration and renewal *Enterprise Legal Person Business License*.
6. The enterprise shall participate in annual inspection from March 1 to June 30 each year.
7. The enterprise legal person shall not carry out operating related with liquidation after the *Enterprise Legal Person Business License* is written off.
8. The original and the copy for the *Enterprise Legal Person Business License* shall be given back when the enterprise handles with cancellation of the registration.
9. If the *Enterprise Legal Person Business License* is lost or destroyed, the enterprise shall declare to cancel the license in the newspaper authorized by the registration authority, and apply for replacement.

Annual Inspection Condition

Dongcheng Subbureau of Beijing Administration for Industry and Commerce (Sealed)

December 21, 2011

Supervised by State Administration for Industry and Commerce of the People's Republic of China



Certified True Copy



中国进出口银行北京分行

The Export-Import Bank of China, Beijing Branch

Letter of Intent

Ref. Number: 2014(002)

To: Beijing Luxing Energy Technology Company Limited

Sub: 900 MW Solar PV Power Project in Quid-e-Azam Solar Park Cholistan Punjab, Pakistan (as the "Captioned Project")

To whom it may concern:

After reviewing the project information in your loan application with amount of no more than CNY 7,453,360,000 or the equivalent amount denominated in USD, we are pleased to provide you with this Letter of Intent for the Captioned Project.

This Letter of Intent is subject to the fact that the project satisfies all of China Eximbank Policies and credit conditions, and that no adverse condition occurs after the issuance date of this letter until the signature date of the loan agreement.

This Letter of Intent is not, however, a legally binding financing commitment, and it is only provided as a reference for your negotiation on the captioned project. China Eximbank shall have the right to revoke this Letter of Intent taking into account of the law, policy, the financial and business conditions of loan applicant and the project.

This Letter of Intent is valid until April 10, 2015, upon which it shall automatically expire unless otherwise extended with our written consent. The validity period will not limit our right to revoke this Letter of Intent. Meanwhile, China Eximbank reserves the right to revise credit terms unilaterally according to market changes. The use of this credit should pass the project review process of China Eximbank, and China Eximbank has the ultimate right of credit approval and credit conditions confirmation according to the result of project review, readiness of the project construction conditions, etc.

Detailed indicative credit conditions are as follows:

Borrower: Beijing Luxing Energy Technology Company Limited

Currency: CNY or equivalent amount of USD

Amount: no more than CNY 7,453,360,000 or equivalent amount of USD



October 10, 2014

Certified that this is true translation of the original letter



中国北京市东城区北河沿大街77号

No. 77, Beibeyan Street, Dongcheng District, Beijing, China

Tel: (010) 64060636



中国进出口银行北京分行

ORIGINAL

The Export-Import Bank of China, Beijing Branch

意向书

编号: 2014(002)

致: 北京绿兴能源科技有限公司

主题词: 巴基斯坦旁遮普省 Quaid-E-Azam 光伏园 900MW 光伏电站项目

敬启者:

对于贵公司请求为题述项目出具不超过 745,336 万人民币或等值美元贷款意向书的申请, 中国进出口银行进行了审查, 愿意为该项目按照下述贷款条件提供意向书。

中国进出口银行出具本意向书是基于该项目必须符合中国进出口银行政策及贷款条件, 并且从本意向书出具日到贷款协议签署日期内在资本及资金市场上没有影响本意向书的不利情势发生。

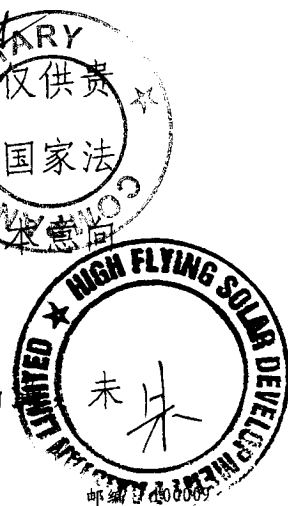
本意向书对中国进出口银行不具有法律约束力, 仅供贵公司投标及核算成本之用。中国进出口银行有权根据国家法律法规、政策、客户财务和经营情况及项目情况撤销本意向书。

本意向书有效期至 2015 年 4 月 10 日。有效期届

中国北京市东城区北河沿大街77号

No.77, Beiheyuan Street, Dongcheng District, Beijing, China

Tel: (010) 64060636





中国进出口银行北京分行

ORIGINAL

The Export-Import Bank of China, Beijing Branch

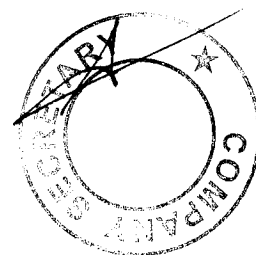
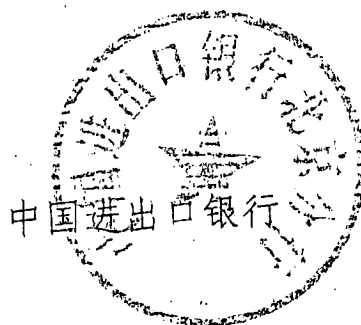
经中国进出口银行书面同意予以延期的，本意向书自动失效。前述有效期规定不构成中国进出口银行对本意向书撤销权利的实质性限制。同时，中国进出口银行保留根据市场变化情况，单方面更改贷款条件的权利。该笔贷款的使用须通过中国进出口银行项目评审程序，中国进出口银行视评审结果、项目建设条件落实等情况，有最终决定是否提供贷款以及确定贷款条件的权利。具体意向性贷款条件如下：

借款人：北京绿兴能源科技有限公司

贷款币种：人民币或等值美元

金额：不超过 745,336 万元人民币或等值美元

Certified True Copy



有权签字人：[Signature]

2014 年 10 月 10 日



中国北京市东城区北河沿大街77号

No. 77, Beiheyang Street, Dongcheng District, Beijing, China

Tel: (010) 64060636

邮编：100009

CV of Professional Staff

Dr. GuangQi Xu. Technologist High Flying Solar development Pakistan Limited

PhD, School of Photovoltaic and Renewable energy engineering (SPREE), University of New South Wales (UNSW), Australia

Famous Thesis: Overcoming performance limit of industrial Silicon wafer-based solar cell

Research area: Process optimization of standard Laser Doped Selective Emitter (LDSE) solar cell on P-type CZ Si/multi-C material Surface passivation for high efficiency Si solar cell Laser doped PERC/PERL solar cell Advanced Hydrogenation in silicon solar cell PV module PID test methods

Work as Deputy Director in High efficiency solar cell R&D department, Technology Center, Yingli Solar Ltd. Job description: high efficiency silicon solar cell R&D, technology cooperation with overseas suppliers

Publication: Patent S. Wenham, B. Hallam, A. Wenham, C. Chan, G. Xu, P. Lu, M. Edwards and CM. Chong, "Advanced Hydrogenation process for silicon solar cell", PCT (international) patent, No. 2912902090, PCT/AU2013/00528

Journal articles: 1. Z. Hameiri, K. McIntosh, G. Xu, Evaluation of recombination processes using local ideality factor of carrier lifetime measurements, Solar Energy Materials and Solar Cells, Volume 117, October 2013, Pages 251-258, ISSN 0927-0248. 2. B. Hallam, P. Hamer, M. Abbott, C. Chan, A. Wenham, A. Sugianto, R. Einhaus, G. Xu, S. Wenham, Advanced Bulk Defect Passivation for Silicon Solar Cells, (accepted by IEEE journal of Photovoltaics)

Conference Paper: 1. G. Xu, B. Hallam, Z. Hameiri, CM. Chong, S. Wenham, Progress in Laser Doped PERL Solar Cell on p-Type CZ Silicon Wafer, 27th European Photovoltaic Solar Energy Conference and Exhibition, 2012. 2. G. Xu, B. HALLAM, Z. HAMEIRI, C. CHAN, Y. YAO, CM. CHONG, S. WENHAM, Over 700 mV implied Voc on P-type CZ silicon solar cells structure with double-sided laser doping, Energy Procedia, volume 33, 2013, PV Asia Pacific Conference, Singapore, 2011 (oral presentation)

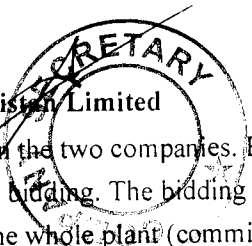
3. Xu, Y. Yao, CM. Chong, B. Hallam, Z. Hameiri, C. Yang, S. Wenham, Process Optimization and Device Characterization of Laser-Doped Selective Emitter Solar Cell on p-Type Czochralski Silicon Wafer, 26th European Photovoltaic Solar Energy Conference and Exhibition, 2011. 4. Hallam, S. Wenham, P. Hamer, MD. Abbott, A. Sugianto, C. Chan, A. Wenham, M. Eadie, G. Xu, Hydrogen passivation of B-O defects in Czochralski silicon, SiliconPV: March 25-27, Hamelin, Germany, 2013

5. C. Yang, G. Xu, Y. Yao, CM. Chong, B. Hallam and S. Wenham, Laser-doping on multi-crystalline silicon solar cell, the 21st International Photovoltaic Science and Engineering Conference, November 28th-December 2nd, Fukuoka, Japan, 2011. 6. Sugianto, A.; Bovatsek, J.; Wenham, S.; Tjahjono, B.; Guangqi Xu; Yu Yao; Hallam, B.; Xue Bai; Kuepper, N.; Chong, Chee Mun; Patel, R., "18.5% laser-doped solar cell on CZ p-type silicon," Photovoltaic Specialists Conference (PVSC), 2010 35th IEEE, vol., no., pp. 000689, 000694, 20-25 June 2010

Mr. Fa Junyi Engineering Project Manager High Flying Solar development Pakistan Limited

Mr. Fa Junyi has over 15 years of working experience in PV industry and he served in the two companies. He was in charge of the 135MW thermal power generation unit in DCS, thermal and equipment bidding. The bidding process, equipment approval process, project budget process, debugging process in the whole plant (commissioning of electrical and thermal debugging) attend DCS configuration. He was responsible for the construction of photovoltaic project 100MW many times, the overall operation of photovoltaic

Power project, including engineering design, construction, equipment installation and commissioning, operation technical maintenance support. As a project manager he has participated in the construction of large-scale photovoltaic grid connected photovoltaic plant location, from the project argument he has deeply



involved,

(Acceptance of construction, responsible for plant drawings, and electric power company coordination, debugging, power station). Since then, doing operation supervisor power plant transformation. Operation and maintenance experience. The photovoltaic power generation system from prophase to construction to operation, very familiar with, on the photovoltaic form, inverter, reflux in two cases he has a deep understanding of years in construction. Doing power plant operation, write the rules and regulations the participation of power station and build related system.

Mr Wu Fenghua Technonical Researcher High Flying Solar development Pakistan Limited

Mr. Wu feng hua has PHD in automation, twenty years working experience. Experience in HVAC, power, and automatic control of industry. As a project manager to lead the team for the completion of a large Chinese dressing plant furnace control, fan coil unit performance testing equipment research and development, GPL30 high precision frequency industrial cold water machine R & D And other large projects. At the same time he is engaged in automation, electrical, construction. English beneficiation of academic research and academic paper writing and translation, served as a translator Part-time translation companies, including large project bidding documents. Translation of international journal and conference papers, all kinds of engineering and business documents over five million words. At present has published 11 articles in influential academic papers, including 3 papers in international journals.

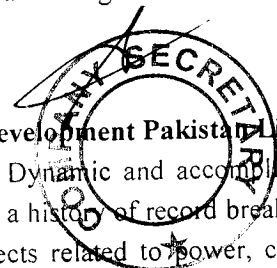
Mr. Wei An Engineering and Technonical researcher High Flying Solar development Pakistan Limited

Mr. Wei an has done Masters in Electric power special field, PHD in automation major, Fifteen years of new energy industry experience. Successively in the Chinese Academy of Sciences Institute, Siemens, New Austrian, Beijing Queensland new energy and other large well-known companies.

Responsible for various types of PV power station, design of system of photovoltaic roof projects, including support for on-site monitoring platform technology, and he is responsible for monitoring the photovoltaic power station. Software R & D, photovoltaic inverter embedded system software development, including the panel, communication part and test software. Responsible for new energy / Over all energy planning and design solutions, also including a photovoltaic, CCHP, heat pump, energy storage.

Mr. Muhammad Farhan Majeed Electrical Engineer High Flying Solar development Pakistan Limited

Ten years electrical indystry experiences and familiar with solar industry. Dynamic and accomplished professional with an exceptional, multi-faceted background as an Electrical Engineer with a history of record breaking technical and professional experience. A proven track record of implementation of projects related to power, construction and unparalleled management skills. A reputation for delivering and providing tactical business solutions. An impressive record of achievement regarding operation & maintenance work with a series of progressively responsible positions in managing troubleshoots and different problems involved at site and system side. Expert at Planning and launching powerful plans to drive a company to the position of leadership within its respective industry simultaneously achieve corporate goals. A talent for recognizing and analyzing client issues, rapidly trouble shooting and finding



innovative and creative solutions. Focus on Team Building & Empowerment Product Development & Promotion. Service & Productivity Improvement Strategic Technical Planning regarding Operations & Maintenance. Customers Value Development & Management .Market Expansion/Promotion

Mr. Imran Makhdoom Civil Engineer High Flying Solar development Pakistan Limited

A qualified Civil Engineer with over eight years of diversified practical experience in civil engineering consultancy and construction projects, including independently site supervision and monitoring of all construction activities, major part of expertise includes on - site project and construction management of oil & gas construction and development projects on various positions, which also includes drawings & design verification, document writing (e.g. preparation of contract documents, BOQs, construction schedules and plans, etc.), quantity surveying & estimation, knowledge of standard HSE (Health, Safety, and Environment) systems and protocols, execution of building HVAC & electrification works, and working on design drawings using AutoCAD.

Working as a Senior Civil Engineer / Civil Supervisor with BHP Billiton Petroleum Pakistan's core Engineering Team, leading a team of six members and responsible for complete execution and management of various projects including construction for drilling/wellhead locations, construction of evaporation ponds, etc. from Sept'2011 to date.

Worked as a Senior Civil Engineer with BHP Billiton Petroleum's Development Team on Zamzama Front End Compression Project at their Zamzama Gas Plant in Pakistan, from Dec'2009 to Aug'2011.

Worked as a Project/Consulting Engineer (Part - time / Self Employed) with a Senior Consulting Engineer at Karachi - Pakistan, from Aug' 2009 to Nov' 2009.

Worked as Senior Site Engineer/3rd Party Inspector for Pakistan Petroleum Limited's Adam X1 Hala Early Production Facility Project with Associated Consulting Engineers Pvt. Ltd. at Tando Adam - Pakistan, from May'2009 to Jul'2009.

Worked as Civil Engineer (Construction/QAQC) for Pakistan Petroleum Limited's Kandhkot Field Gas Compression Station Project with China Petroleum Engineering & Construction Corporation at Kandhkot Gas Field Pakistan, from Mar'2008 to Apr'2009.

Worked as Supervising Civil Engineer with BHP Billiton Petroleum's Development Team on Zamzama Development Phase - 2 Project at their Zamzama Gas Plant in Pakistan, from Jun' 2006 to Dec' 2007.

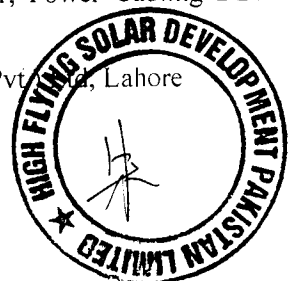
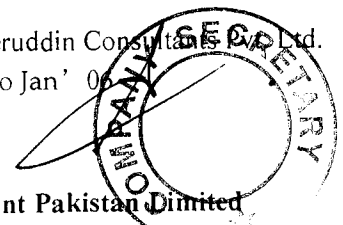
Worked as a Project Engineer for various projects with Exponent Engineers Pvt. Ltd. (Civil/Structural Consulting Engineers) at Karachi - Pakistan, from Jan' 2006 to Jun' 2006.

Worked as a Junior Civil Engineer/Civil Engineer for various projects with Zaheeruddin Consultants Ltd. (Civil/Structural Consulting Engineers) at Karachi - Pakistan, from Jun' 03 to Jan' 06.

Mr. Muhammad Naeem Electrical engineer High Flying Solar development Pakistan Limited

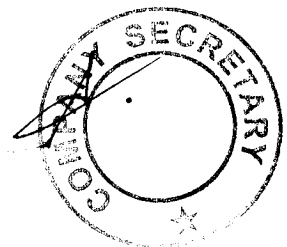
More than 10 years electrical experiences and be familiar with solar industry. Since 01 July. 2008 Working as an Electrical Supervisor. Solar Lab Technician for the courses of Solar Technology in TUSDEC Lahore Solar System Specialist, Use of inverters, Software, Familiar use of all kind of solar accessories. LT Panels, Generators, CCTV Camera, Sound System, Telephone exchange system, Automation System, Laboratory Equipment and Machines maintenance. Projects Achievements: Electrification NIDA Building U.P.S. Generator, Power Cabling DB. Telephone Exchange. 60 KVA generator installations. Erection windmill

Since July 2005 to Feb 2008, worked as electrical technician in Microtech Industries (Pvt) Ltd, Lahore



Repair and maintenance of machines and electrical equipment, Installation of electrical equipment U.P.S, CCTV, LT Panels, Networking. Projects Achievements: Erection of SMD Plant, (Transformation, LT Panel, PCB Paste Printer, HLX and Soldering Oven, 3-Phase UPS Compressor and Generator Changeover) Erection of Mechanical Department, Erection new production Unit for Energy meter production.
Dec 2003 to July 2005. Worked as electrical technician in Rustam Towel (Pvt.) Ltd, Lahore. Repair and maintenance of Textile Machinery and equipment, Installation of electrical equipments U.P.S, CCTV, LT Panels, Generator Problem diagnosis and troubleshooting Boilers, Dying Machines, Air Compressors, Warping Machines, Looms, Tufting Plant, etc. Projects Achievements: of Vamatex Looms Department, including LT panels, Sealing and underground Air cooled system in the building. Erection of Tufting Plant (carpet Making). Erection of Looms Plant and water spray system. Erection of new department for invertors for whole Dying Mach

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Profile of EPC Contractor and Experience EPC Contractor

Company Name: Sichuan Electric Power Design & Consulting Co., Ltd.
(hereinafter referred to as "SEDC"),

It is formerly Sichuan Electric Power Industrial Survey & Design Institute, was established on August 28, 2001 and put into official operation on September 1, 2001.

According to the arrangement of China State Grid Corporation, it was reformed as a

wholly state-owned company on January 1, 2010. SEDC is now a wholly-owned subsidiary of PowerChina.

Company Credentials

I. Credential List

Company name: Sichuan Electric Power Design & Consulting Co., Ltd.

1. General information

1.1 Registration No. of Corporate Business License: 510000000003913

1.2 Registered address/postal code: Room 1, 2 & 4, Floor 7, Building 2, 27 Jiangxi

Street, Wuhou District, Chengdu

1.3 Legal representative: Houlei

1.4 Tel/Fax: 0086-28-68123516

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2. Credentials

Certificate	Certificate No.	Scope & Grade	Issuing Authority
Qualification for Engineering Consultation	GongZi Jia 22720070006	Grade A for electric power industry	NDRC(National Development and Reform Commission)
Qualification for Engineering Design	AI51007261	Grade A for electric power industry (including general contracting of electric power engineering)	Ministry of Housing and Urban-Rural Development
Qualification for Engineering Survey	220029-kj	Grade A for comprehensive engineering survey	Ministry of Construction
Qualification for Engineering Supervision	E151004677	Grade A for electric power engineering	Ministry of Housing and Urban-Rural Development



3. Certifications & Awards

3.1 Engineering consultation certification

ENGINEERING CONSULTATION CERTIFICATE

Company name:	Sichuan Electric Power Design & Consulting Co, Ltd.	Qualification grade: Grade A
Speciality	Service scope	
Thermal power generation	Planning consultation, preparing project proposal, preparing project feasibility study report, project application report, fund application report, engineering design, bid invitation agency*, engineering project management	
Hydrogeology, Engineering measurement, Geotechnical engineering		
Architecture	Preparing project proposal, preparing project feasibility study report, project application report, fund application report, engineering design, bid invitation agency*	

Communication information

The specialities above include content of energy saving, emission reduction and environment management; company qualified for preparing project feasibility study report, project application report, has the ability to prepare fixed assets investment project energy saving assessment documents; company qualified for assessment and consulting has the ability to prepare fixed assets investment project energy saving assessment

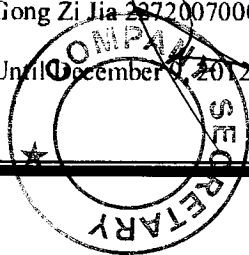
Certificate No.: Gong Zi Jia 28720070006

Validity: Until December 9, 2012

Issued by:

1DWLRQDO 'HYHORS PHQW DQG 5HIR
Republic of China(sealed)

August 22, 2012



certified True Copy

3.2 National Silver-key Prize for General Contracting of Engineering Construction

Certificate of Honor

It is hereby certified that, in the first session of appraising excellent engineering project management and excellent general engineering contracting enterprise,

Sichuan Electric Design & Consulting Company Limited
is awarded

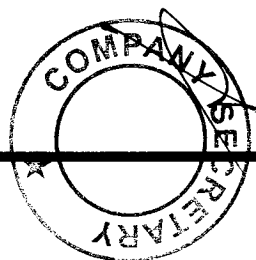
Silver-key Prize of General Engineering Contracting
for its construction of

Sichuan Futang Power Station Power transmission Project

China Exploration & Design Association(sealed)

China Engineering Consultation Association(sealed)

April 27, 2005



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3.3 National Gold-key Prize for General Contracting of Engineering Project

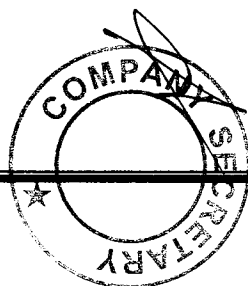
Gold-Prize for Engineering General Contracting

Company Awarded Sichuan Electric Power Design & Consulting Co.Ltd.

Project India WPCPL 4X135MW Power Generation Engineering
General Contracting Project

China Exploration & Design
Association

Jan. 24, 2013



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4. List of honors and awards for power transmission and transformation engineering (partial)

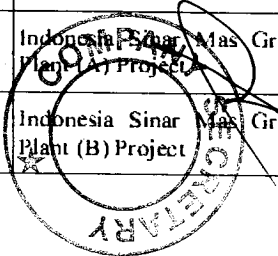
S/N	Description of award	Honors and awards	Certificate time
1	Jiulong 500kV Power Transmission and Transformation Project	Fifth Bronze Prize for Excellent Project Management	2011.3
2	Typical Design of SGCC Power Transmission and Transformation Project	Gold Medal of National Excellent Engineering Survey and Design Prize 2008	2009.11
3	Xiangjiaba-Shanghai ± 800 kV UHV DC Power Transmission Demonstration Project (Design)	Gold Medal of National Excellent Engineering Survey and Design Prize 2011	2011.11
4	Xiangjiaba-Shanghai ± 800 kV UHV DC Power Transmission Demonstration Project (Design)	China Electric Power Quality Engineering Prize 2011	2011.5
5	Xiangjiaba-Shanghai ± 800 kV UHV DC Power Transmission Demonstration Line Project	First-class Prize for "Four-excellence" design in Electric Power Industry 2010	2011.5
6	Xiangjiaba-Shanghai ± 800 kV UHV DC Power Transmission Line Project (Survey)	First-class Prize for "Four-excellence" Design in Electric Power Industry 2010	2011.5
7	Deyang-Baoji ± 500 kV DC Power Transmission Line Project	Second-class Prize for "Four-excellence" Design in Electric Power Industry 2010	2011.5
8	500kV Deyang Converter Station Project of ± 500 kV Northwest-Central China (Sichuan) DC Interconnection Project	Third-class Prize for "Four-excellence" Design in Electric Power Industry 2010	2011.5
9	One-tower Double-circuit "VIV" String Tangent Tower Corridor Width Compression Technology	Electric Power Engineering Design Proprietary Technology 2010	2011.5
10	Northwest-Central China (Sichuan) DC Interconnection Line Project (Sichuan Section)	SGCC Power Transmission and Transformation Quality Engineering 2010	2011.3
11	Northwest-Central China (Sichuan) DC Interconnection Line Project (Sichuan Deyang ± 500 kV Converter Station Project)	SGCC Power Transmission and Transformation Quality Engineering 2010	2011.1
12	Deyang-Baoji ± 500 kV DC Power Transmission and Transformation Project	Power Transmission and Transformation Outstanding Design Project 2010	2010.11
13	Seismic Design Research of Deyang-Baoji ± 500 kV DC Fujiang River Large Span Steel Pipe Tower	Third Prize of Science and Technology Advancement Prize of Sichuan Electric Power Corporation 2010	2010.11

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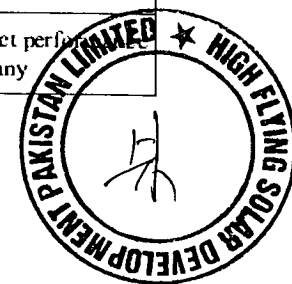


5. References of Foreign Engineering Design (partial)

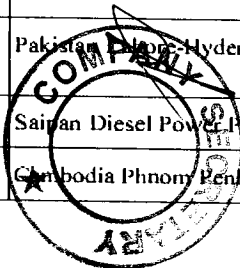
S/N	Project name	Construction place	Project Capacity	Boiler type	Date of putting into operation	Remarks
1	Bangladesh Katakali Diesel Power Plant	Bangladesh	2 X 50MW	Diesel Engine	2012	Unit operation normally
2	Bangladesh Shantahar Diesel Power Plant	Bangladesh	2 X 50MW	Diesel Engine	2012	Unit operation normally
3	Indonesia Sumatra Pithead Coal-fired Power Station	Indonesia	2X150 MW	circulating fluidized bed combustion	2012 as designed	Sound contract performance by our company
4	India WPCPL4X135MW Power Generation Project	India	4X135MW	Pulverized coal boiler	2010 %2011	Units operate normally. The company performs well of the EPC contract.
5	Tanzania Integrated Power Plant Project for Comprehensive Utilization of Coal Resources	Tanzania	4X150MW	circulating fluidized bed combustion	2010 %2011	Sound contract performance by our company
6	Indonesia Lippo Group Gas Turbine Power Station (Combined Cycle)	Indonesia	2 X125MW	gas turbine	2008	Sound contract performance by our company
7	India Jharsuguda 9X135MW Thermal Power Project	India	9X135MW	Pulverized coal boiler	2008	Unit operation normally
8	India MPPL1 X 135MW Thermal Power Project	India	1X135MW	circulating fluidized bed combustion	2008	Unit operation normally
9	220kV Power Transmission Line Project of WPCPL4X135MW Power Plant	India	220kV/double circuit		2008	50 km
10	Indonesia Sinar Mas Group CHP Self-supply Power Plant (A) Project	Indonesia	1X150MW	circulating fluidized bed combustion	2008 as designed	Sound contract performance by our company
11	Indonesia Sinar Mas Group CHP Self-supply Power Plant (B) Project	Indonesia	1X150MW	circulating fluidized bed combustion	2008 as designed	Sound contract performance by our company



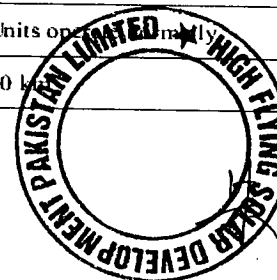
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S/N	Project name	Construction place	Project Capacity	Boiler type	Date of putting into operation	Remarks
12	Indonesia Sinar Mas Group CHP Self-supply Power Plant (C) Project	Indonesia	1 X 300MW	circulating fluidized bed combustion	2008 as designed	Sound contract performance by our company
13	Indonesia Sinar Mas Group CHP Self-supply Power Plant (D) Project	Indonesia	1 X 300MW	circulating fluidized bed combustion	2008 as designed	Sound contract performance by our company
14	BANJARSARI MINEMOUTH COAL FIRED STEAM POWER PLANT	Indonesia	2 X100MW	circulating fluidized bed combustion	2008 as designed	Sound contract performance by our company
15	Guinea Alumina CHP Project	Guinea	3 X150MW	circulating fluidized bed combustion	2008 as designed	Good performance of our company
16	Bolivia Potosi Electrification Project	Bolivia	24. 9kV/single circuit		Design consultation in 2007	33km line design and
17	Pakistan Lahore 500kV Substation Bay Expansion Project	Pakistan	500kVbay expansion		2006 as designed	Bay design including civil works, electric system, system communication and automation
18	Pakistan REWAT 500kV Substation Bay Expansion Project	Pakistan	500kVbay expansion		2006 as designed	Bay design including civil works, electric system, system communication and automation
19	Power Transmission Project of Georgia Khadori Hydropower Station		110kV/single circuit		2002	35km
20	New Construction of Vietnam Ho Chi Minh 115kV Substation	Vietnam	115kV/50MkV A		Design in 1998	
21	Pakistan Dera Ghaat Hydrabad 220kV Line Project	Pakistan	220kV/double circuit		Design in 1998	400km design
22	Saipan Diesel Power Plant	Saipan	5X6MW	Diesel Engine	1996	Units on
23	Cambodia Phnom Penh 115kV Loop Network Project	Cambodia	115kV/double		Design in 1996	40 km



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Zonergy Project Experience in solar Power Sector

Zonergy Company Limited, as the Sponsor of 9*100 MW Solar Power Plant in Quaid-e-Azam Solar Park, Bhawalpur in Punjab, provide the required information regarding the Experience of Power Projects as below which Zonergy had provided to Punjab Power Development board (PPDB). The information provided herein will be used by whom may it concern to assess the Sponsor(s) qualifications "Experience of Power Projects" include experience of acting as all or one of the following:

- Lead Project Developer
- Lead Construction Contractor
- Majority Share holder
- Lead Operations Manager

The project experience in detail is described in Table-C.

Statement:

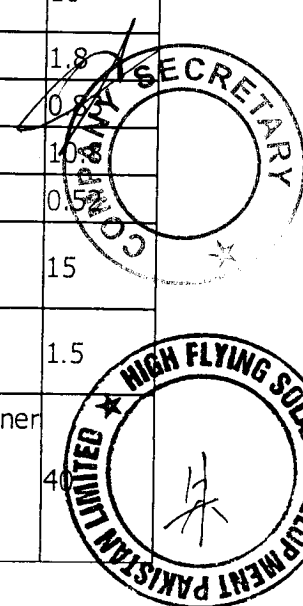
All the subsidiaries, including Zonergy Solar Technology Co., Ltd., Zonergy (Tianjing) Co., Ltd., Zonergy (Shenzhen) Co., Ltd., Xinjiang Zonergy Company Limited, mentioned in the list of solar power plant project are owned 100% by Zonergy Company Limited.



List of Solar Power Plant Project

No.	Project Name	Location	Capacity (MW)
C-1	Datang Inner Mongolia Alxa 30MW Ground Power Plant Project	Inner Mongolia	30
C-2	Guodian Inner Mongolia Alxa Left Banner 30MW Ground Power Plant Project	Inner Mongolia	30
C-3	Guodian Inner Mongolia Siziwangt Banner 40MW Ground Power Plant Project	Inner Mongolia	40
C-4	Tianjin CSG 50MW Multi-type PV Power Plant Integrated Development Project	Tianjin	50
C-5	Qingdao Zhongke Shengchuang 30MW Rooftop Power Plant Project	Qiangdao	30
C-6	Langfang CSG 10MW Rooftop PV Power Plant Project	Langfang	10
C-7	Kunshan 50MW PV Power Generation Project	Kunshan	50
C-8	Jingdezhen 5MW PV Power Generation Project	Jingdezhen	5
C-9	Jiaxing 20MW Rooftop PV Project	Jiaxing	20
C-10	Zibo Distributed 50MW Power Plant Project	Zibo	50
C-11	2.08MW Roof Power Station Project of Xili Industrial Park of ZTE	ShenZhen	2.08
C-12	0.903MW Roof Power Station Project of Murata Technology	ShenZhen	0.903
C-13	5.8MW Roof Power Station Project of CSG	Guangzhou	5.8
C-14	10MW Roof Power Station Project for Xinyi Automobile Glass	Shenzhen	10
C-15	1.8MW Roof Power Station Project of Sun Hing Knitting	Shenzhen	1.8
C-16	0.83MW Roof Power Station Project in Rapoo	Shenzhen	0.83
C-17	BYD 10.8MW Roof Power Station Project	Shenzhen	10.8
C-18	0.52MW Roof Power Station Project of Beauty Star	Shenzhen	0.52
C-19	15MW Roof Power Station Project of Dongfang Jianfu Industrial Park	Shenzhen	15
C-20	1.5MW Roof Power Station Project of Greatwall Industrial Park	Shenzhen	1.5
C-21	State Gold Sun Demonstration Engineering and PV Independent Electricity Supply Engineering Project in Region without Electricity	Gansu, Inner Mongolia, Qinghai, Sichuan,	40

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		Xinjiang Province	
C-22	Xinjiang Hami 40MW Power Station Project	Hami, Xinjiang	40
C-23	Xinjiang Shaya 20MW Power Station Project	Shaya, Xinjiang	20
C-24	Nanjing Sumec 40MW Power Station Project	Nanjing	40
	Total capacity		503

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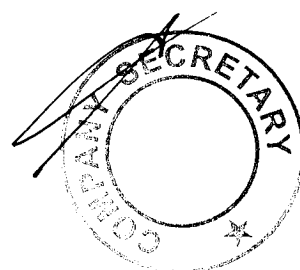


Table C-1: Experience of Power Projects

Name of Sponsor (Zonergy Solar Technology Co., Ltd.)

(Datang Inner Mongolia 30MW Ground Power Plant Project)

No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Datang Inner Mongolia 30MW Ground Power Plant Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Inner Mongolia
6	Name of owner (including contact person, his address and telephone, fax No.'s/ email address)	Datang Clean Energy Development Co., Ltd. Mr. Chen: 18007302022
7	Name of power purchaser	State Grid
8	Capacity of plant	30MW
9	Type of plant	Ground Power Plant
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	120,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful operation	Total number of years <u>0.5</u> from <u>2013.12</u> to present
14	Principal manufacturers of major equipment	Yingli, XJ Group
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	2013/9
17	Duration of construction period	3 months
18	Commercial operations date of each unit	Operation upon completion
19	Total capital cost of project	308 million Yuan
20	Companies and institutions who financed the project	China Datang Corporation
21	Value of contract	308 million Yuan
22	Any other details	

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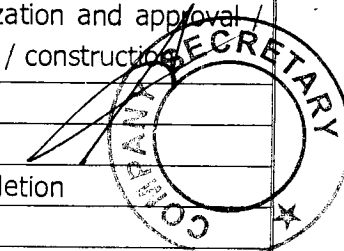


Table C-2: Experience of Power Projects		
Name of Sponsor (Zonergy Solar Technology Co., Ltd.)		
(Guodian Inner Mongolia 30MW Ground Power Plant Project)		
No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Guodian Inner Mongolia Alxa Left Banner 30MW Ground Power Plant Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Inner Mongolia
6	Name of owner (including contact person, his address and telephone, fax No.'s/ email address)	GD Solar Co., Ltd. Ren Jia: 18007302022
7	Name of power purchaser	State Grid
8	Capacity of plant	30MW(2 phase)
9	Type of plant	Ground Power Plant
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	125,000 pcs , 240Wp
12	Status of plant	commercial operation
13.	Number of Years of successful operation	Total number of years <u>2.5</u> from <u>2012.1</u> to present
14	Principal manufacturers of major	JinTech Modules
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	2013/9
17	Duration of construction period	3 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	560 million Yuan
20	Companies and institutions who financed the project	GD Solar Co., Ltd.
21	Value of contract	560 million Yuan
22	Any other details	

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Table C-3: Experience of Power Projects

Name of Sponsor (Zonergy Solar Technology Co., Ltd.)

(Guodian Inner Mongolia Siziwangt Banner 40MW Ground Power Plant Project)

No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Guodian Inner Mongolia Siziwangt Banner 40MW Ground Power Plant Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Siziwangt Banner ,Inner Mongolia
6	Name of owner (including contact person, his address and telephone, fax No.'s/ email address)	GD Solar Co., Ltd. Ren Jia: 18007302022
7	Name of power purchaser	State Grid
8	Capacity of plant	40MW
9	Type of plant	Ground Power Plant
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	170,000 pcs , 235Wp
12	Status of plant	commercial operation
13.	Number of Years of successful operation	Total number of years <u>2.5</u> from <u>2012.1</u> to present
14	Principal manufacturers of major	JinTech Modules
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	2011/9
17	Duration of construction period	5 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	750 million Yuan
20	Companies and institutions who financed the project	GD Solar Co., Ltd.
21	Value of contract	750 million Yuan
22	Any other details	

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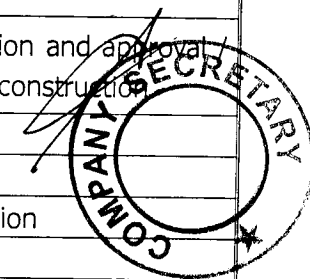


Table C-4: Experience of Power Projects

Name of Sponsor (Zonergy Solar Technology Co., Ltd.)

(Tianjin CSG 50MW Multi-type PV Power Plant Integrated Development Project)

No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Tianjin CSG 50MW Multi-type PV Power Plant Integrated Development Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Tianjin
6	Name of owner (including contact person, his address and telephone, fax No.'s/ email address)	Hebei CSG Glass Co., Ltd. Tang Ye: 18611201820
7	Name of power purchaser	State Grid
8	Capacity of plant	50MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	200,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful operation	Total number of years <u>1</u> from <u>2013.6</u> to <u>present</u>
14	Principal manufacturers of major equipment	CSG, XJ Group
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	2013/2
17	Duration of construction period	4 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	450 million RMB
20	Companies and institutions who financed the project	CSG Group
21	Value of contract	450 million RMB
22	Any other details	

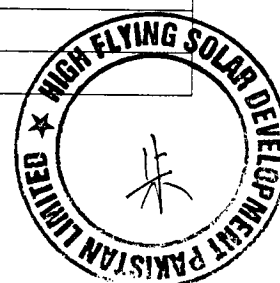


Table C-5: Experience of Power Projects		
Name of Sponsor (Zonergy (Tianjin) Co., Ltd.)		
(Qingdao Zhongke Shengchuang 30MW Rooftop Power Plant Project)		
No.	Item	Information
1	Name of the Sponsor	Zonergy (Tianjin) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Project Developer Majority Share holder
3	Name of Project	Qingdao Zhongke Shengchuang 30MW
4	Sponsor(s) share in the equity of the completed project (if applicable)	100%
5	Location of plant	Qingdao, Shandong Province
6	Name of owner (including contact person, his address and	Zonergy (Tianjin) Co., Ltd. Zhang Juan: 15901383184
7	Name of power purchaser	State Grid
8	Capacity of plant	30MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	125,000 pcs , <i>Certified True Copy</i>
12	Status of plant	commercial operation
13.	Number of Years of successful operation	Total number of years <u>1.5</u> from <u>2012.12</u>
14	Principal manufacturers of major equipment	Yingli, XJ Group
15	List of specific major tasks/services performed by Sponsor(s)	Develop/Site survey / design / procurement / construction
16	Date of award of project	2012/6
17	Duration of construction period	6 months
18	Commercial operations date of each unit	Operation upon completion
19	Total capital cost of project	321 million RMB
20	Companies and institutions who financed the project	Zonergy (Tianjin) Co., Ltd.
21	Value of contract	321 million RMB
22	Any other details	

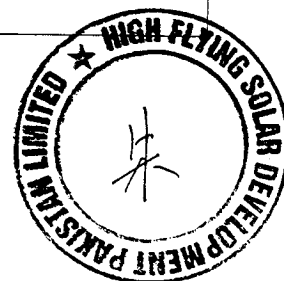


Table C-6: Experience of Power Projects		
Name of Sponsor (Zonergy Solar Technology Co., Ltd.)		
(Langfang CSG 10MW Rooftop PV Power Plant Project)		
No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project	Lead Project Developer, Majority Share
3	Name of Project	Langfang CSG 10MW Rooftop PV Power Plant Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	50%
5	Location of plant	Langfang, Hebei
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Hebei CSG Glass Co., Ltd. Zonergy Solar Technology Co., Ltd. Yongqing Industrial Area, Langfang, Hebei
7	Name of power purchaser	State Grid
8	Capacity of plant	10MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	40,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 1 from 2013.6 to
14	Principal manufacturers of major	Yingli, XJ Group
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / design / procurement / construction
16	Date of award of project	2013/4
17	Duration of construction period	2 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	90 million RMB
20	Companies and institutions who financed the project	Hebei CSG Glass Co., Ltd. Zonergy Solar Technology Co., Ltd.
21	Value of contract	90 million RMB
22	Any other details	

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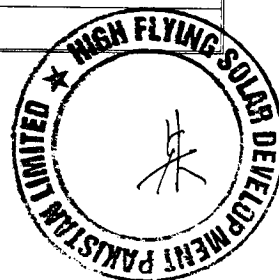


Table C-7: Experience of Power Projects

Name of Sponsor (Zonergy Solar Technology Co., Ltd.)		
(Kunshan 50MW PV Power Generation Project)		
No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Kunshan 50MW PV Power Generation
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Kunshan, Jiangsu
6	Name of owner (including contact person, his address and telephone, fax No.'s/ email address)	Kunshan Chuanglian Energy Development Co., Ltd. Kunshan, Jiangsu Wu Fang: 13999962003
7	Name of power purchaser	State Grid
8	Capacity of plant	50MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	204,082 pcs , 245Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years <u>0.5</u> from <u>2014.1</u> to
14	Principal manufacturers of major	Sopray, XJ Group
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	2013/6
17	Duration of construction period	6 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	450 million yuan
20	Companies and institutions who financed the project	Kunshan Chuanglian Energy Development Co., Ltd.
21	Value of contract	450 million yuan
22	Any other details	

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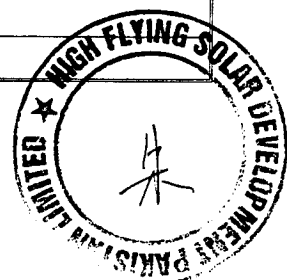
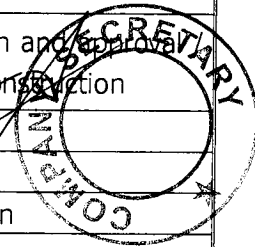


Table C-8: Experience of Power Projects		
Name of Sponsor (Zonergy Solar Technology Co., Ltd.)		
(Jingdezhen 5MW PV Power Generation Project)		
No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Jingdezhen 5MW PV Power Generation
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Jingdezhen, Jiangsu Province
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Guoxin China Electric Jin Fei: 13579238662
7	Name of power purchaser	State Grid
8	Capacity of plant	5MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	20,408 pcs , 245Wp
12	Status of plant	commercial operation
13	Number of Years of successful	Total number of years 1 from 2013.8 to
14	Principal manufacturers of major	China Electric
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / design / procurement / construction
16	Date of award of project	2013/5
17	Duration of construction period	3 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	45 million Yuan
20	Companies and institutions who financed the project	Guoxin China Electric
21	Value of contract	45 million Yuan
22	Any other details	

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Table C-9: Experience of Power Projects

Name of Sponsor (Zonergy Solar Technology Co., Ltd.)

(Jiaxing 20MW Rooftop PV Project)

No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor, Majority Share holder
3	Name of Project	Jiaxing 20MW Rooftop PV Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	50%
5	Location of plant	Jiaxing City, Zhejiang Province
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Jiaxing Helian Energy Co., Ltd. Zonergy Solar Technology Co., Ltd. Tang Ye: 18611201820
7	Name of power purchaser	State Grid
8	Capacity of plant	20MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	80,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful operation	Total number of months <u>2</u> from <u>2014.5</u> to <u>present</u>
14	Principal manufacturers of major	Yingli, Jingfuyuan
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction /
16	Date of award of project	2014/1
17	Duration of construction period	4 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	156 million Yuan
20	Companies and institutions who financed the project	Jiaxing Helian Energy Co., Ltd. Zonergy Solar Technology Co., Ltd.
21	Value of contract	156 million Yuan
22	Any other details	



Table C-10: Experience of Power Projects

Name of Sponsor (Zonergy Company Limited)

(Zibo Distributed 50MW Power Plant Project)

No.	Item	Information
1	Name of the Sponsor	Zonergy Company Limited
2	Sponsor(s) role in the project completed	Lead Project Developer
3	Name of Project	Zibo Distributed 50MW Power Plant
4	Sponsor(s) share in the equity of the completed project (if applicable)	100%
5	Location of plant	Zibo, Shandong
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Zonergy Company Limited Shi Lei: 13659983735
7	Name of power purchaser	State Grid
8	Capacity of plant	50MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	200,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years <u>0.2</u> , from 2014/6 to
14	Principal manufacturers of major	Yingli
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction /
16	Date of award of project	Aug.2013
17	Duration of construction period	8 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	400 million Yuan
20	Companies and institutions who financed the project	Zonergy Company Limited
21	Value of contract	400 million Yuan
22	Any other details	



Table C-11: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(2.08MW Roof Power Station Project of Xili Industrial Park of ZTE)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Project Developer Lead Construction Contractor
3	Name of Project	2.08MW Roof Power Station Project of Xili Industrial Park of ZTE
4	Sponsor(s) share in the equity of the completed project (if applicable)	100%
5	Location of plant	ZTE Industrial Park, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No./s/ email address)	Zonergy (Shenzhen) Co., Ltd. Shenzhen, Guangdong Province Mr. Sai ,Cell phone: 18686041956
7	Name of power purchaser	State Grid
8	Capacity of plant	2.08MW
9	Type of plant	Rooftop Power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	8,852pcs , 235Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 2.5 from 2012.4 to
14	Principal manufacturers of major	CSG Components and Danfoss Solar
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	Jan.2012
17	Duration of construction period	4 months
18	Commercial operations date of each	Start running immediately after
19	Total capital cost of project	RMB25 Million
20	Companies and institutions who financed the project	Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB25 Million
22	Any other details	

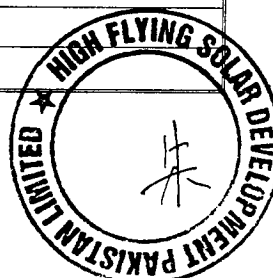


Table C-12: Experience of Power Projects		
Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)		
(0.903MW Roof Power Station Project of Murata Technology)		
No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Project Developer Lead Construction Contractor
3	Name of Project	0.903MW Roof Power Station Project of Murata Technology
4	Sponsor(s) share in the equity of the completed project (if applicable)	100%
5	Location of plant	Pingshan New District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/ email address)	Shenzhen Shenglin Electromechanical Equipment Co., Ltd Zonergy (Shenzhen) Co., Ltd. Nanshan District, Shenzhen Mr. Gao, Cell phone: 18686041056
7	Name of power purchaser	State Grid
8	Capacity of plant	0.903MW
9	Type of plant	Roof top Power Station
10	Fuel of plant	Solar Energy
11	Number and rated capacity of units	3,842 pcs , 235Wp
12	Status of plant	commercial operation
13	Number of Years of successful	Total number of years 3 from 2012.6 to
14	Principal manufacturers of major	YGE Modules and Inverter of Hefei Sungrow
15	List of specific major tasks/services performed by Sponsor(s)	Investment, construction and operation
16	Date of award of project	Mar. 2012
17	Duration of construction period	3 months
18	Commercial operations date of each	Start operation immediately after
19	Total capital cost of project	RMB10 Million
20	Companies and institutions who financed the project	Shenzhen Shenglin Electromechanical Equipment Co., Ltd Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB10 Million
22	Any other details	

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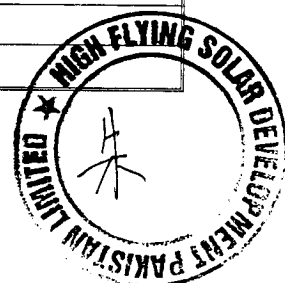


Table C-13: Experience of Power Projects

Name of Sponsor (Zonergy (Tianjin) Co., Ltd.)

(5.8MW Roof Power Station Project of CSG)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Tianjin) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	5.8MW Roof Power Station Project of CSG
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Dongguan City, Guangzhou Province
6	Name of owner (including contact person, his address and telephone, fax No.'s/	CSG Holding Co., Ltd. Nie feng 15810463035
7	Name of power purchaser	State Grid
8	Capacity of plant	5.8MW
9	Type of plant	Rooftop Power Station
10	Fuel of plant	Solar Energy
11	Number and rated capacity of units	24,166 pcs , 240Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years <u>2.5</u> from 2012.4 to
14	Principal manufacturers of major	CSG Components and Inverter of Hefei
15	List of specific major tasks/services performed by Sponsor(s)	Investment and construction
16	Date of award of project	Feb. 2012
17	Duration of construction period	3 months
18	Commercial operations date of each	Start operation immediately after
19	Total capital cost of project	RMB129.6 Million
20	Companies and institutions who financed the project	CSG Holding Co., Ltd
21	Value of contract	RMB129.6 Million
22	Any other details	

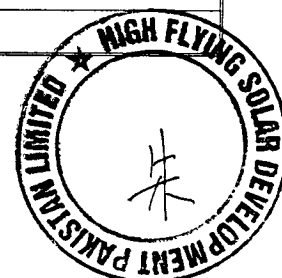
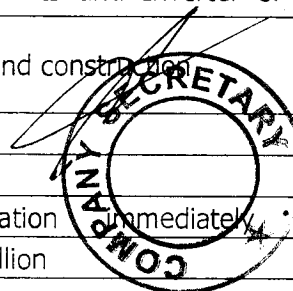


Table C-14: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(10MW Roof Power Station Project of Xinyi Automobile Glass

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	10MW Roof Power Station Project of Xinyi Automobile Glass
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Longgang District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Xinyi Automobile Glass (Shenzhen) Co., Ltd. Yi Xiaoxi 15210861814
7	Name of power purchaser	State Grid
8	Capacity of plant	10MW
9	Type of plant	Roof top Power Station
10	Fuel of plant	Solar Energy
11	Number and rated capacity of units	40,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 0.5 from 2013.12 to
14	Principal manufacturers of major	Renesola Modules and inverter of Hefei
15	List of specific major tasks/services performed by Sponsor(s)	Investment and construction
16	Date of award of project	Jun. 2013
17	Duration of construction period	6 months
18	Commercial operations date of each	Start operation immediately after
19	Total capital cost of project	RMB100 Million
20	Companies and institutions who financed the project	Xinyi Automobile Glass (Shenzhen) Co., Ltd.
21	Value of contract	RMB100 Million
22	Any other details	

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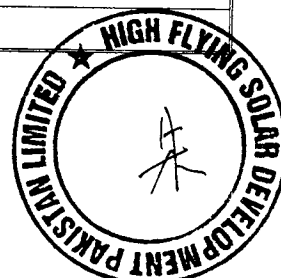
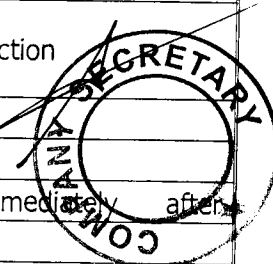


Table C-15: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(1.8MW Roof Power Station Project of Sun Hing Knitting)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor Majority Share holder
3	Name of Project	1.8MW Roof Power Station Project of Sun Hing Knitting
4	Sponsor(s) share in the equity of the completed project (if applicable)	50%
5	Location of plant	Guangming New District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Sun Hing Knitting Zonergy (Shenzhen) Co., Ltd. Sui jianguo 18629653199
7	Name of power purchaser	State Grid
8	Capacity of plant	1.8MW
9	Type of plant	Roof top Power Station
10	Fuel of plant	Solar Energy
11	Number and rated capacity of units	7,200 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 0.5 from 2013.12
14	Principal manufacturers of major	YGE Components and Inverter of Hefei
15	List of specific major tasks/services performed by Sponsor(s)	Investment and construction
16	Date of award of project	Oct., 2013
17	Duration of construction period	2 months
18	Commercial operations date of each	Start operation immediately after
19	Total capital cost of project	RMB19.8 Million
20	Companies and institutions who financed the project	Sun Hing Knitting Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB19.8 Million
22	Any other details	

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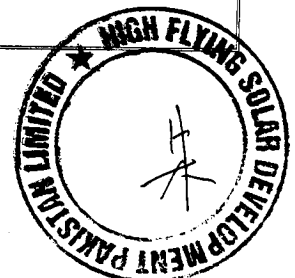
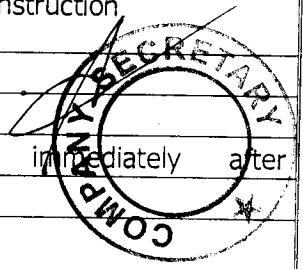


Table C-16: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(0.83MW Roof Power Station Project of Rapoo)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor Majority Share holder
3	Name of Project	0.83MW Roof Power Station Project of
4	Sponsor(s) share in the equity of the completed project (if applicable)	50%
5	Location of plant	Rapoo, Pingshan District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/	HAN'S LASER TECHNOLOGY CO.,LTD. Zonergy (Shenzhen) Co., Ltd. Zhang Jiang 15901383184
7	Name of power purchaser	State Grid
8	Capacity of plant	0.83MW
9	Type of plant	Rooftop Power Station
10	Fuel of plant	Solar Energy
11	Number and rated capacity of units	3,320 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 1 from 2013.6to
14	Principal manufacturers of major equipment	Components of Lianyungang Shenzhou Energy and Inverter of Han's Laser
15	List of specific major tasks/services performed by Sponsor(s)	Investment and Construction
16	Date of award of project	Apr., 2013
17	Duration of construction period	1 month
18	Commercial operations date of each	Start operation immediately after
19	Total capital cost of project	RMB8.3 Million
20	Companies and institutions who financed the project	HAN'S LASER TECHNOLOGY CO., LTD. Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB8.3 Million
22	Any other details	

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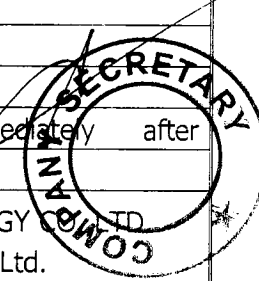


Table C-17: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(BYD 10.8MW Roof Power Station Project)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Project Developer Lead Construction Contractor
3	Name of Project	BYD 10.8MW Roof Power Station Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	100%
5	Location of plant	Longgang District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Zonergy Company Limited Shenzhen Branch Wang Guozeng 18622423668
7	Name of power purchaser	State Grid
8	Capacity of plant	10.8MW
9	Type of plant	Roof top Power Station
10	Fuel of plant	Solar Energy
11	Number and rated capacity of units	45,000 pcs , 240Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 2 from 2012.6 to
14	Principal manufacturers of major	Components and inverter of BYD
15	List of specific major tasks/services performed by Sponsor(s)	Investment and Construction
16	Date of award of project	Jan., 2012
17	Duration of construction period	6 months
18	Commercial operations date of each	Start operation immediately after
19	Total capital cost of project	RMB120 Million
20	Companies and institutions who financed the project	Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB120 Million
22	Any other details	

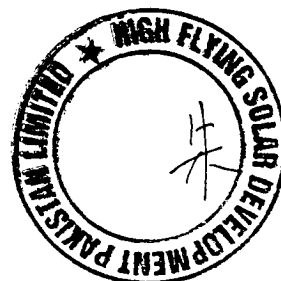
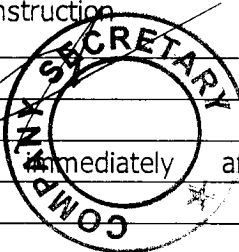


Table C-18: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(0.52MW Roof Power Station Project of Beauty Star)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor Majority Share holder
3	Name of Project	0.52MW Roof Power Station Project of
4	Sponsor(s) share in the equity of the completed project (if applicable)	50%
5	Location of plant	Longgang District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Shenzhen Beauty Star Co., Ltd. Zonergy (Shenzhen) Co., Ltd. Yao Penggang 18710613533
7	Name of power purchaser	State Grid
8	Capacity of plant	0.52MW <i>Certified True Copy</i>
9	Type of plant	Roof top Power Station
10	Fuel of plant	Solar Energy
11	Number and rated capacity of units	2,080 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 1 from 2013.6 to
14	Principal manufacturers of major equipment	Modules of Lianyungang Shenzhou Energy and Inverter of Han's Laser
15	List of specific major tasks/services performed by Sponsor(s)	Investment and construction
16	Date of award of project	Apr., 2013
17	Duration of construction period	35days
18	Commercial operations date of each	Start operation immediately after
19	Total capital cost of project	RMB6.1 Million
20	Companies and institutions who financed the project	Shenzhen Beauty Star Co., Ltd. Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB6.1 Million
22	Any other details	

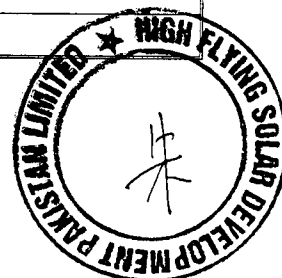


Table C-19: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(15MW Roof Power Station Project of Dongfang Jianfu Industrial Park)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor Majority Share holder
3	Name of Project	15MW Roof Power Station Project of Dongfang Jianfu Industrial Park
4	Sponsor(s) share in the equity of the completed project (if applicable)	50%
5	Location of plant	Dongfang Jianfu Industrial Park, Bao'an District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Shenzhen Energy Union Electronics CO., Ltd. Zonergy (Shenzhen) Co., Ltd.
7	Name of power purchaser	State Grid
8	Capacity of plant	15MW
9	Type of plant	Rooftop Power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	60,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years <u>1</u> from 2013.6 to
14	Principal manufacturers of major equipment	Modules of Lianyungang Shenzhou Energy
15	List of specific major tasks/services performed by Sponsor(s)	Investment and construction
16	Date of award of project	Mar., 2013
17	Duration of construction period	90days
18	Commercial operations date of each	Start running immediately after
19	Total capital cost of project	RMB 120 Million
20	Companies and institutions who financed the project	Shenzhen Energy Union Electronics CO., Ltd. Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB 120 Million
22	Any other details	

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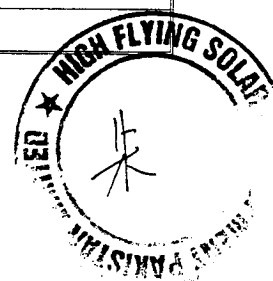


Table C-20: Experience of Power Projects

Name of Sponsor (Zonergy (Shenzhen) Co., Ltd.)

(1.5MW Roof Power Station Project of Greatwall Industrial Park)

No.	Item	Information
1	Name of the Sponsor	Zonergy (Shenzhen) Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor Majority Share holder
3	Name of Project	1.5MW Roof Power Station Project of Greatwall Industrial Park
4	Sponsor(s) share in the equity of the completed project (if applicable)	50%
5	Location of plant	Nanshan District, Shenzhen
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Greatwall Energy Zonergy (Shenzhen) Co., Ltd. Guo Qingyang 13909795066
7	Name of power purchaser	State Grid
8	Capacity of plant	1.5MW
9	Type of plant	Rooftop power station
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	6,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years <u>0.5</u> from 2013.12
14	Principal manufacturers of major equipment	Modules of Zhongcheng Group and Inverter of Greatwall Energy
15	List of specific major tasks/services performed by Sponsor(s)	Investment and construction
16	Date of award of project	Oct., 2013
17	Duration of construction period	2 months
18	Commercial operations date of each	Start running immediately after
19	Total capital cost of project	RMB17.25 million
20	Companies and institutions who financed the project	Greatwall Energy Zonergy (Shenzhen) Co., Ltd.
21	Value of contract	RMB17.25 million
22	Any other details	

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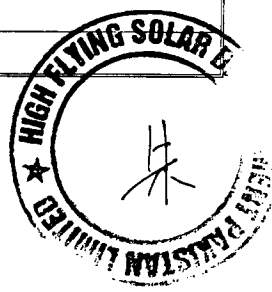
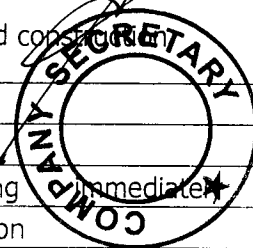


Table C-21: Experience of Power Projects

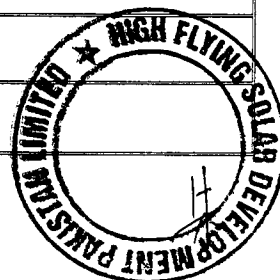
Name of Sponsor (Zonergy Company Limited)

(State Gold Sun Demonstration Engineering and PV Independent Electricity Supply Engineering Project in Region without Electricity)

No.	Item	Information
1	Name of the Sponsor	Zonergy Company Limited
2	Sponsor(s) role in the project completed	Lead Construction Contractor Majority Share holder
3	Name of Project	State Gold Sun Demonstration Engineering and PV Independent
4	Sponsor(s) share in the equity of the completed project (if applicable)	30%
5	Location of plant	Gansu, Inner Mongolia, Qinghai, Sichuan, Xinjiang Province
6	Name of owner (including contact person, his address and telephone, fax No.'s/	China Government Zonergy Company Limited
7	Name of power purchaser	China Government
8	Capacity of plant	40MW
9	Type of plant	Solar system
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	160,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years 2 from 2012.6 to
14	Principal manufacturers of major equipment	Components of Sun Earth and Inverter of Zonergy
15	List of specific major tasks/services performed by Sponsor(s)	Investment and construction
16	Date of award of project	Year 2012,2013,2014
17	Duration of construction period	10 months for each province
18	Commercial operations date of each	Start running immediately after
19	Total capital cost of project	1.215 billion Yuan
20	Companies and institutions who financed the project	70% by China Government, and 30% by Zonergy Company Limited
21	Value of contract	1.215 billion Yuan
22	Any other details	

Table C-22: Experience of Power Projects

Name of Sponsor (Xinjiang Zonergy Company Limited)



(Xinjiang Hami 40MW Power Station Project)		
No.	Item	Information
1	Name of the Sponsor	Xinjiang Zonergy Company Limited
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Xinjiang Hami 40MW Power Station Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Xinjiang Hami
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Shandong Xiantong Co., Ltd He Qiang: 18629653199
7	Name of power purchaser	State Grid
8	Capacity of plant	40MW
9	Type of plant	Ground Power Plant
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	160,000 pcs , 250Wp
12	Status of plant	commercial operation
13	Number of Years of successful	Total number of years <u>2.5</u> from <u>2012.12</u> to
14	Principal manufacturers of major	Yingli, , XJ
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	Jul.2012
17	Duration of construction period	5 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	375million Yuan
20	Companies and institutions who financed the project	Shandong Xiantong Co., Ltd
21	Value of contract	375 million Yuan
22	Any other details	

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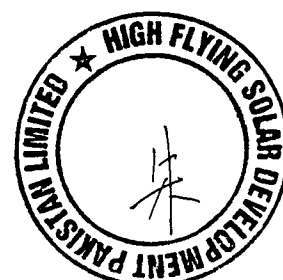


Table C-23: Experience of Power Projects

Name of Sponsor (Xinjiang Zonergy Company Limited)

(Xinjiang Shaya 20MW Power Station Project)

No.	Item	Information
1	Name of the Sponsor	Xinjiang Zonergy Company Limited
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Xinjiang Shaya 20MW Power Station Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Xinjiang Shaya
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Shandong Xiantong Co., Ltd. He Qiang: 18629653199
7	Name of power purchaser	State Grid
8	Capacity of plant	20MW
9	Type of plant	Ground Power Plant
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	80,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years <u>2</u> from <u>2013.9</u> to
14	Principal manufacturers of major	Jinco
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	Jun.2013
17	Duration of construction period	3 months
18	Commercial operations date of each	Operation upon completion
19.	Total capital cost of project	190million Yuan
20	Companies and institutions who financed the project	Shandong Xiantong Co., Ltd
21	Value of contract	190 million Yuan
22	Any other details	

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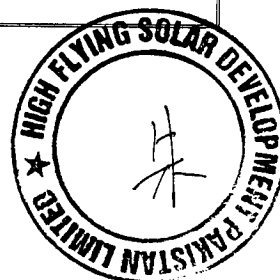
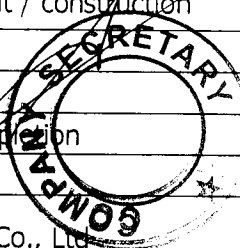


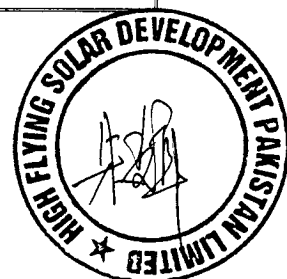
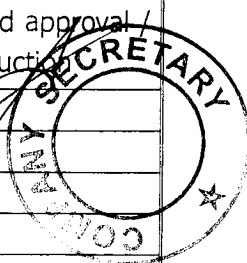
Table C-24: Experience of Power Projects

Name of Sponsor (Zonergy Solar Technology Co., Ltd.)

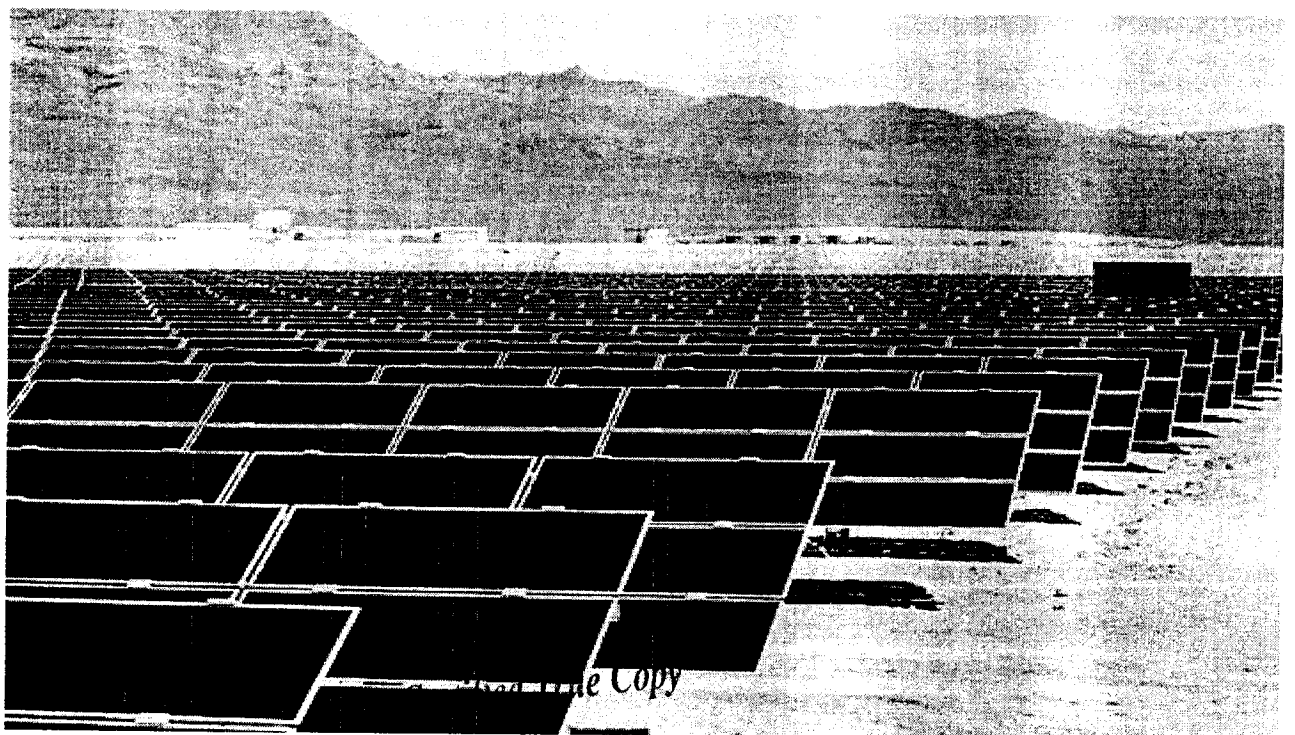
(Nanjing Sumec 40MW Power Station Project)

No.	Item	Information
1	Name of the Sponsor	Zonergy Solar Technology Co., Ltd.
2	Sponsor(s) role in the project completed	Lead Construction Contractor
3	Name of Project	Nanjing Sumec 40MW Power Station Project
4	Sponsor(s) share in the equity of the completed project (if applicable)	0%
5	Location of plant	Nanjing
6	Name of owner (including contact person, his address and telephone, fax No.'s/	Shandong Xiantong Co., Ltd He Qiang: 18629653199
7	Name of power purchaser	State Grid
8	Capacity of plant	40MW
9	Type of plant	Ground Power Plant
10	Fuel of plant	Solar energy
11	Number and rated capacity of units	160,000 pcs , 250Wp
12	Status of plant	commercial operation
13.	Number of Years of successful	Total number of years <u>1.5</u> from <u>2013.11</u> to
14	Principal manufacturers of major	Jinco
15	List of specific major tasks/services performed by Sponsor(s)	Site survey / authorization and approval / design / procurement / construction
16	Date of award of project	Jun.2013
17	Duration of construction period	5 months
18	Commercial operations date of each	Operation upon completion
19	Total capital cost of project	380million Yuan
20	Companies and institutions who financed the project	Shandong Xiantong Co., Ltd
21	Value of contract	380million Yuan
22	Any other details	

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Prospectus
100 MW Solar PV Power Plant
Quaid-e-Azam Solar Park, Lal
Sohanra, Bahawalpur, Punjab,
Pakistan



March 24, 2015



The Project & Sponsors

High Flying Solar development Pakistan Limited, established in 2015, is an ultimate subsidiary of Zonergy Company Limited, China. Established in 2007, Zonergy Company Limited (ZONERGY) is a national high-tech enterprise with a registered capital of RMB 1.29 billion. ZONERGY focuses on providing resource integration services for customers in new energy and energy-saving, environmental protection industries. The main business scope covers the whole cloud-computing industry chain, R&D of Solar PV technology and project contracting, R&D of bio-energy, R&D of energy saving and system services, palm cultivation and oil processing trade as well as other related fields. As the most important shareholder of ZONERGY, ZTE Corporation (ZTE) is a leading global provider of telecommunications equipment and network solutions. Founded in 1985, ZTE is listed on both the Hong Kong and Shenzhen Stock Exchanges and is China's largest listed telecoms equipment company.

Since founded, Zonergy has successfully delivered a series of PV power projects including grid connected systems and off grid systems. Up to date, Zonergy has completed installed capacity of 503 MW and has the other 644 MW in construction.

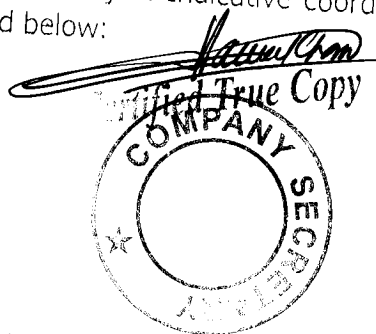
High Flying Solar development Pakistan Limited has put together a highly competent team of local and international development advisors who will assist the company in seeing the Project to its logical conclusion.

The Project Site

The Project will be located in Quaid-e-Azam Solar Park, Lal Sohanra, Bahawalpur, Punjab, Pakistan and is expected to occupy approximately 500 acres of land, which will be allocated by Department of Energy, Government of Punjab. Indicative coordinates of the land parcel, for insolation assumptions, are attached below:

Latitude: 29.298 N

Longitude: 71.798 E

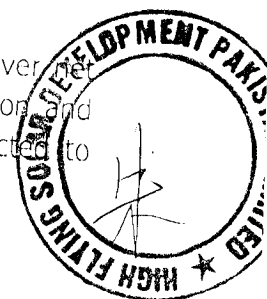


Interconnection Study

An interconnection study for the project is under progress with the purpose to make the Project operate in sync with the power purchaser's grid. The Project is expected to be connected at a voltage of 132kV to a 220kV substation being built by the power purchaser. The interconnection study will provide information on load flows, short circuits, transients' stability and power quality.

Capacity / Generation

It is expected that in the first full year of operation, the 100 MW_p design shall deliver 155.87 GWh of electricity to the grid after taking into account first year degradation and losses. Over the twenty-five years of planned operation the power plant is expected to



generate 3531.27 GWh of electrical energy. These are estimates and the numbers shall be confirmed through a renowned international independent consultant prior to Financial Close.

Project Cost

The Project cost has been budgeted at USD 159.82 million (including interest during construction) for a gross capacity of 100 MW_p as per initial estimates. The project will be financed on a non-recourse project finance basis under a 75:25 debt to equity ratio. The sponsors have the financial strength to contribute the required equity for the project. The Sponsors' and their advisor's long standing relationships with local and international financial institutions is testament to their capability to raise the required debt financing.

Technology & Conceptual Design

The plant will consist of a number of poly-crystalline photovoltaic modules installed in arrays in a number of strings. The number of modules will add up to a capacity of 100MW_p. The output from modules will be fed into inverters through combiner boxes.

The number of inverters and their capacities will be in accordance with the expected AC output after losses, which will be simulated, based on satellite irradiation data. The AC output from inverters at 315 volts will be stepped up through MV step up transformers to 35kV. Thereafter, this output will be further stepped up from 35kV to 132kV. For this purpose, a complete 132kV substation will be established at the plant site to meet the power purchaser's specification for interconnection of the grid system.

The plant will have an internal monitoring system to monitor the operation of the plant. In addition to this, equipment will be installed for connection of irradiation and temperature data at regular intervals. The SCADA system will be available for the control of the plant as a part of the network. The protections at plant and other equipment will match the utility standards.

For further details of the plant technology please refer to section of the Application on Project Technical, Financial & Other Information.

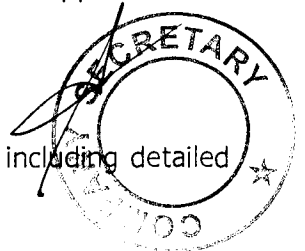
Construction Period

The estimated construction period for the Project by the EPC Contractor including detailed design and procurement/delivery of all materials is eight months.

Other Studies

As part of the development of the project and its feasibility, the Sponsors are conducting a number of essential studies such as Initial Environmental Examination (IEE), Geotechnical Study and Topographic Survey.

O&M Management



The O&M will consist of routine operational checks via remote and local monitoring; check calibration and maintenance of electrical equipment, module cleaning and general groundwork and repairs. The majority of maintenance shall be planned but a strategy, along with the ability to respond effectively, will be in place to quickly turn around Forced Outages.

Health & Safety

The Plant and all systems forming part of it, shall be constructed and operated with safety as a prime consideration. The health and safety of all personnel, whether constructors, operators, maintenance workers or others, shall be of foremost consideration at all stages of the development, construction and operations and the Contractor and operators shall ensure that the safety of all is guaranteed during development, construction and operations.

Social Benefits

The installation of the Power Plant is expected to increase the prospects by bringing in direct and indirect employment opportunities. The Project and consequent activities are expected to generate additional employment and income opportunities for the local population and market expansion supported by infrastructural development will foster economic growth in the area in particular and the wider national economy in general. The flow of reliable and adequate power from the proposed plant will enhance growth prospects in the region and will bring about a change in energy consumption pattern by switching over from other sources of energy.

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Key Milestones

The Sponsors' primary focus is to complete all activities to start construction in the time provided by the PPDB under their policies and a tentative schedule/timeline is attached for your perusal.

Activity	Timeline
submission of FS	March 2015
Approval of FS	March 2015
generation license	March 2015
Upfront tariff approval	March 2015
signing of EPA/IA	April 2015
Financial Close	March 2016
Commercial Operations	January 2017



1) Location and Land Details

The Main Sponsors have fulfilled all criteria, as laid out by the Government of Punjab, for allocation of land in Quaid-e-Azam Solar Park, Lal Sohanra, Bahawalpur, Punjab. The Project Commitment Agreement (the "PCA") was signed on 10th February, 2015 and a Land Allocation Guarantee to the amount of USD 300,000 was submitted to Punjab Power Development Board on 18th February, 2015. For the purpose of the Project, approximately 500 acres land will be allocated by the Department of Energy, Government of Punjab. The satellite map of the anticipated location of the Project, its coordinates are provided below.

Coordinates of land: 29.298 N; 71.798E

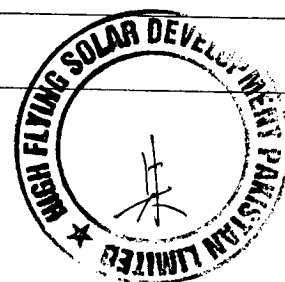
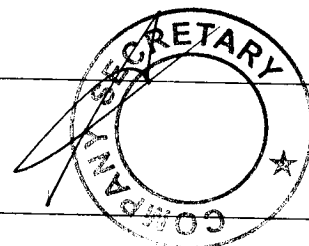
2) Technology & Plant Details

a) General Information

(i).	Name of Licensee	High Flying Solar development Pakistan Limited
(ii).	Registered/ Business Office	House No. 24-A Ground Floor Room#2 Tech Society Canal Bank New Campus Lahore, Pakistan
(iii).	Plants Location	Quaid-e-Azam Solar Park, Lal Sohanra, Bahawalpur, Punjab, Pakistan.
(iv).	Type of Generation Facility	Solar Photovoltaic (PV)

b) Solar Power Generation Technology & Capacity

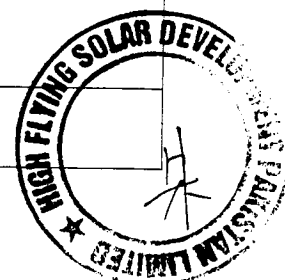
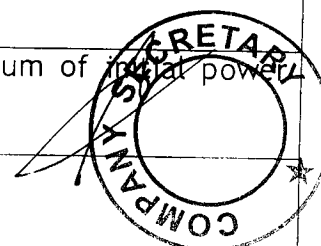
1	Type of Technology	Photovoltaic (PV) Cell
2	System Type	Grid Connected
3	Installed Capacity of Solar Farm (MW)	100 MW _p



c) Technical Details of Equipment (At Each Site)

(a).	Solar Panels - PV Modules	
1	Type of Module	polycrystalline silicon
2	Type of Cell	Silicon solar cell
3	Dimension of each Module	1650mm × 992mm × 35mm
4	Module Surface Area	1650mm × 992mm = 1.6368m ²
5	No. of Panel /Modules	391,600
6	Total Module Area	445 Acres
7	Total Land Area Used	498 Acres
8	Panel's Frame	Aluminum alloy
9	Weight of one Module	18.6kg
10	Module Output Warranty	From year 1 to 25 th year Not exceeding 0.7% per annum of initial power output (except first year)
11	Number of Solar Cells in each module	60
12	Efficiency of module	15.6%
13	Environment Protection System	
14	Maximum Power	255w

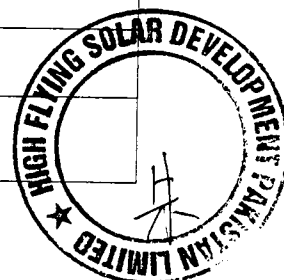
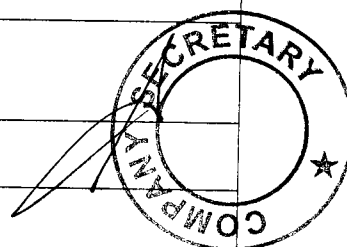
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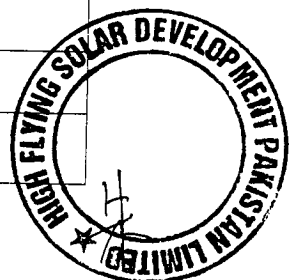
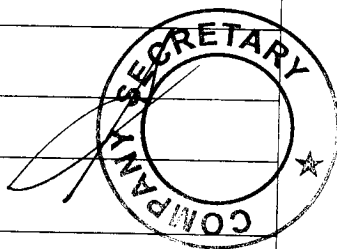
	(Pmax)	
15	Voltage @ (Pmax)	30.5V
16	Current @ Pmax	8.37A
17	Open circuit voltage (Voc)	38.1V
18	Short circuit current (Isc)	8.88A
19	Maximum system open Circuit Voltage	1000V

	PV Array	
1	Nos. of Sub-array	100
2	Modules in a string	22
3	Total Nos. of Strings	17800
4	Modules in Sub-Array	3916
5	Total No. of Modules	391600
(b).	PV Capacity	
1	Total	100 MW _p
	Inverters	
1	Capacity of each unit	500KVA
2	Inverter Model	SG 500MX
3	Manufacturer	
4	Input Operating Voltage Range	DC460V~DC850V(MPPT Range)
5	Number of Inverters	200
6	Total Power	100MW,110MVA
7	Efficiency	98.5% Europe efficiency

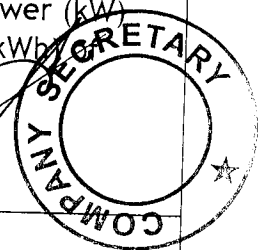
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8	Max. Allowable Input voltage	DC1000V	
10	Max. Current	DC input 1220A	
	Max. Power Point Tracking Range	DC460V~DC850V	
11	Output electrical system	AC Output range 252V ~ 362V	
12	Rated Output Voltage	AC 315V	
13	Rated Frequency	50HZ/60HZ	
14	Power Factor	>0.99 (Rated power)	
16	Environmental Enclosures	Operating Temperature Range	-30°C ~ +55°C
		Relative Humidity	0~95%
		Audible Noise	≤55dB
		Operating Elevation	Max 6000m, reduce output when higher than 3000m
		Warranty Period	3 years
17	Grid Operation Protection	(a).	[•] over voltage protection
		(b).	[•] anti islanding protection
	Junction Boxes Installed		
1	Number of J/Box units	1400	
2	Input circuits in each box	15A*15	
3	Max. input current for each circuit	15A	
5	Max. input voltage	1000V	
7	Protection Level	IP65	
	Overcurrent protection	Yes	

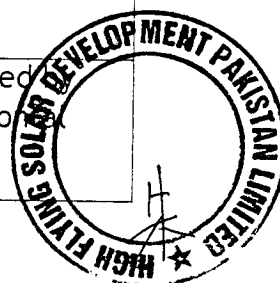
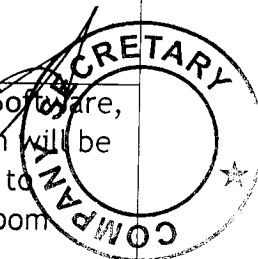


	Output switch	Yes
	Surge protection	Yes
	Data Collecting System	
i	Weather Data	<div>(i). Pyranometer— Sets (Incline to record irradiation level) [Yes]</div> <div>(ii). Thermometer - Sets (to record ambient temp) [Yes]</div>
ii	System Data	<div>(i). DC input voltage(V) & current (A) of each Inverter (Phase, Line) [Yes]</div> <div>(ii). Total DC power (kW) generated by PV array. [Yes]</div> <div>(iii). AC output voltage(V) and current (A) of each Inverter (Phase, Total) [Yes]</div> <div>(iv). AC output power (kW) and energy (kWh) each Inverter [Yes]</div> <div>(v). Frequency (Hz) [Yes]</div> <div>(vi). Power Factor (PF) [Yes]</div>



		(vii).	Temperature inside inverter station [Yes]
Isolating Transformer			
i	Rating	1000KVA	
ii	Type of Transformer	35KV Box-type transformer	
iii	Input voltage	AC315V	
iv	Output Voltage	AC35KV	
V	Efficiency	99.6%	Certified True
Outdoor Cubicle Control Room			
I	Data record	Continuous logging with data logging software [Yes]	
ii	Control Room System	Computerized data acquisition system [Yes]	
iii	Control room System Detail	Interfacing Hardware & Software, Industrial Type PC, which will be robust & rugged suitable to operate in the Control Room environment [Yes]	
Mounting Structure			
I	Structure	Support structure is formed by vertical purlins and horizontal steel beam.	

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ii	Tilt of Array Frame	27°
iii	Array Specification	PV module size is 1650mm x 992mm x 30mm. Support is put in two rows, 2x10 PV module. 19800 supports are needed.
Foundation Pillars/Piling		
i	No. of Foundations	158400
ii	Foundation Structure	Reinforced concrete pile or Spiral steel piles

3) Fuel: type, imported/indigenous, supplier, logistics, pipeline etc.

Since the project is a solar PV power plant, there is no fuel/logistics involved.

4) Emission values

The project will confirm to the environment protection laws, regulations and standards of Pakistan and world bank/IFC standards of environmental protection.

Since the project is solar pv power plant, there are no emission involved.

5) Cooling water source: tube wells, sea/river/canal, distance from source etc.

Since the project is a solar PV power plant, this is not applicable.

6) Interconnection with national grid company, distance and name of nearest grid, voltage level (single line diagram)

An interconnection study for the Project is under progress and being conducted by Power Planners International Ltd. (PPI) and is expected to be completed by end of March 2015. The report is investigating the grid connection scheme for the Project and it is expected that the Project will connect to the NTDC grid at the nearest possible point.

7) Infrastructure: roads, rail, staff colony, amenities

The site lies 80 km south of Bahawalpur-Hasilpur highway, 6.0 km east of Bahawalpur-Yazman road and the north of Kudwala road. In Bahawalpur, the nearest airport is located at a distance of 13 km and nearest railway station at a distance of 20 km. sea freight may be shipped to Karachi harbor and then be transported to the site via road.

After construction of a solid road by C&W department, the solar park is easily accessible by truck or lorry coming from the Bahawalpur-Hasilpur road along Ahmadpur Canal 3 km north from site. This road leads to the middle of the northern periphery.



8) Project cost, information regarding sources and amounts of equity and debt

a) Project cost

The total Project cost is expected in the range of USD 159.82 million with an Engineering, Procurement & Construction Cost of USD 135.89 million. The cost is budgetary nature at this stage and will be finalized upon final receipt of EPC proposal. The breakup of the Project Cost is summarized as follows:

	USD million
Total EPC Cost	135.89
Other Costs (Development, Non-EPC, Insurance, Financing)	12.84
Sinosure Fee	8.39
Interest during Construction	2.71
Total Project Cost	159.82

b) Financial Plan:

The total Project cost of approximately USD 159.82 million is to be financed with a combination of debt and equity. Based on initial discussions with the financial institutions, the company is likely to finance the Project on the basis of a Debt: Equity ratio of 75:25. The debt amount is expected to be in foreign currency with interest payable quarterly on the basis of 3-Month prevailing LIBOR plus 450 basis points. The term of the loan is expected to be 10 years plus construction period. Principal repayment and interest payment is expected to be on the basis of 40 quarterly installments starting from scheduled commercial operations. All equity injection required for the Project will be arranged by the Main Sponsor. A summary of the financial plan is provided below:

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	USD million
Total Equity (25%)	39.96
Total Debt (75%)	119.87
Total Financing	159.82

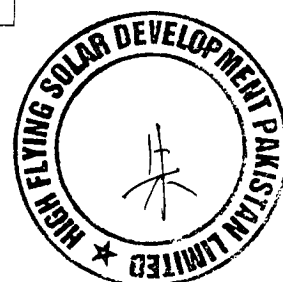
All equity injection required for the Project will be arranged by the Main Sponsor.

Project commencement and completion schedule with milestones

Activity/Milestone	Timeline
Submission of FS	March 2015
Approval of FS	March 2015
Generation License	March 2015
Upfront Tariff Approval	March 2015
Signing of EPA/IA	April 2015
Financial Close	March 2016
Project COD	January 2017



ESSA (Environmental and Social Soundness Assessment)



The energy sector of Pakistan is relying heavily on imported fuels for generation of electricity. The development of solar power generation projects could reduce dependence on fuels for thermal power generation and increase diversity in Pakistan's electricity generation mix thereby reducing greenhouse gas (GHG) emissions. The operational environmental impacts of solar power generation are almost zero and largely consist of the minor impact that the O&M practices introduce. Whilst there is an impact to the environment through the siting of a solar project, there is in no way the same level of impact that results from the construction of a conventional thermal plant. The emissions to land, water or air are almost insignificant and use of solar power, in comparison of a plant that emits pollutants, Pakistan can reduce its CO₂ production levels, move closer to agreed emission levels and contribute to the global effort to reduce CO₂.

An Initial Environmental Examination (IEE) is being conducted for the ASDPL Project and expected to be completed on March 2015. The IEE demonstrates that such solar projects will have number of positive impacts and negligible negative impacts to the existing environment

[The detailed IEE shall be submitted for approval to the relevant environmental protection agency upon completion].

11) Social Impact

The Project will generate employment opportunities for the local population. Even indirect job opportunities will be created outside the Project boundary. The Project will improve the basic infrastructure and the people of nearby villages can also use these amenities. ASDPL will give priority to the skilled, un-skilled labor of the nearby villages. *Certified True Copy* it is anticipated that there will be marginal impacts on the socio-economic conditions of the locality and the impact will be mostly positive.

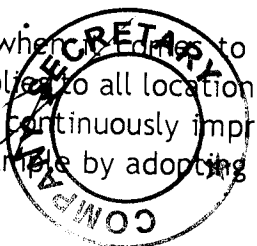
12) Safety plans, emergency plans

a) Health, Safety & Environment (HSE) Protection

The Project Company is committed to ensuring the highest standard when it comes to the health and safety of people and protection of the environment. This applies to all locations of the office space as well as the construction site. We are committed to continuously improve HSE at our workplace, and we require our contractors to follow our example by adopting our policy or developing their own equivalent.

b) Health, Safety & Environment Policy

The Project Company is committed to comply with all applicable HSE legislation. Every person in the scope of the Project will be obliged to comply with all legal requirements as all HSE policy. Any person who fails to comply with these requirements will be denied access to the Project site.



Emergency procedures will be regularly communicated and exercised with all employees, contractors/subcontractors and any other stakeholder in the Project's permanent and temporary workspaces. No person will be admitted on construction sites without prior instruction in these procedures. First Aid equipment will be available at all workspaces. At all times, at least one person trained in first aid will be present on the construction sites.

c) Environment

ASDPL will actively encourage our employees and contractors/subcontractors to contribute to waste reduction. In the permanent workspaces, a predefined set of measures to reduce consumption of electricity, water and paper will be put in place.

On construction sites we will maintain a high level of housekeeping. Our employees and our contractors/subcontractors must make sure that they do not leave waste behind when leaving their workplace. All employees and contractors/contractors have to demonstrate a high level of care when handling solar modules, inverters and cables to minimise waste from breakage. Hazardous materials are identified before they enter the site and the proper disposal of any hazardous waste is monitored.

13) System studies: load flow, short circuit, stability, reliability

An interconnection study for the project is under progress and being conducted by power planners international Ltd. (PPI) and is expected to be completed by the end of March 2015. The report shall contain results for the relevant system studies such as load flow, short circuit, stability and reliability.

14) Plant characteristics: generation voltage, frequency, power factor, automatic generation control, ramping rate, time(s) required to synchronize to grid

Please refer to plant technical details in section 2 above

15) Control, metering, instrumentation and protection

Please refer to plant technical details in section 2 above

16) Training and development

Training is part of the scope of works to be conducted under the Engineering, Procurement and Construction (EPC) Contractor. The EPC Contractor shall also carry out the training of the Employer's Personnel in the operation and maintenance of the Complete

