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Concord New Energy Group Limited

協合新能源集團有限公司*

(Formerly known as China WindPower Group Limited 中國風電集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock code: 182)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the “Board”) of Concord New Energy Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2014, together with the comparative figures for the year ended 31 December 2013. The consolidated results have been reviewed by the Company’s audit committee.

**for identification purpose only*

CONCORD NEW ENERGY GROUP LIMITED
(Formerly known as China WindPower Group Limited)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

| | <i>Note</i> | 2014 HK\$'000 | 2013 HK\$'000 |
|---|-------------|--------------------------|------------------|
| Revenue | 3 | 3,549,639 | 1,882,610 |
| Other income | 3 | 25,383 | 46,401 |
| Other gains, net | 4 | 166,487 | 177,204 |
| Exchange gains, net | 4 | 3,765 | 10,538 |
| Expenses | | | |
| Cost of construction and inventories sold | | (2,916,660) | (1,436,399) |
| Inventory write-down | | - | (39,934) |
| Employee benefit expense | | (149,861) | (149,965) |
| Depreciation and amortisation | | (109,431) | (63,991) |
| Operating lease payments | | (4,052) | (2,537) |
| Other expenses | | (117,358) | (114,438) |
| Finance costs | 5 | (105,722) | (103,496) |
| Share of results of associates | | | |
| - Share of results before provision for receivables | | 7,645 | 3,272 |
| - Provision for receivables | | - | (2,380) |
| Share of results of joint ventures | | | |
| - Share of results before provision for receivables | | 42,062 | 59,994 |
| - Provision for receivables | | - | (73,785) |
| Profit before income tax | | 391,897 | 193,094 |
| Income tax expense | 6 | (73,786) | (41,967) |
| Profit for the year | | 318,111 | 151,127 |
| Profit attributable to: | | | |
| Owners of the Company | | 317,188 | 151,117 |
| Non-controlling interests | | 923 | 10 |
| | | 318,111 | 151,127 |
| Earnings per share attributable to owners of the Company during the year | | | |
| Basic earnings per share | 7(a) | 3.62 HK cents | 2.03 HK cents |
| Diluted earnings per share | 7(b) | 3.62 HK cents | 2.03 HK cents |

CONCORD NEW ENERGY GROUP LIMITED
(Formerly known as China WindPower Group Limited)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

| | 2014 HK\$'000 | 2013 HK\$'000 |
|---|--------------------------------|------------------|
| Profit for the year | 318,111 | 151,127 |
| | ----- | ----- |
| Other comprehensive (loss)/income: | | |
| <u>Items that may be reclassified to profit or loss</u> | | |
| Currency translation differences | | |
| - Group | (7,023) | 69,365 |
| - Associates | (1,229) | 10,326 |
| - Joint ventures | (4,352) | 46,202 |
| - Recycling upon loss of control over subsidiaries | (12,446) | - |
| - Recycling upon disposal and partial disposal of joint ventures | - | (32,024) |
| | ----- | ----- |
| Total other comprehensive (loss)/income for the year, net of tax | (25,050) | 93,869 |
| | ----- | ----- |
| Total comprehensive income for the year | 293,061 | 244,996 |
| | ===== | ===== |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 291,866 | 244,642 |
| Non-controlling interests | 1,195 | 354 |
| | ----- | ----- |
| | 293,061 | 244,996 |
| | ===== | ===== |

CONCORD NEW ENERGY GROUP LIMITED
(Formerly known as China WindPower Group Limited)

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

| | <i>Note</i> | 2014 HK\$'000 | 2013 <i>HK\$'000</i> |
|---|-------------|--------------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 2,817,908 | 2,238,277 |
| Leasehold land and land use rights | | 149,214 | 147,699 |
| Intangible assets | | 1,355,554 | 1,361,973 |
| Interests in associates | | 370,741 | 369,950 |
| Interests in and advances to joint ventures | | 1,623,384 | 1,486,510 |
| Available-for-sale financial assets | | 697 | - |
| Prepayments, deposits and other receivables | | 253,391 | 22,931 |
| Deferred tax assets | | 7,418 | 15,168 |
| | | 6,578,307 | 5,642,508 |
| Current assets | | | |
| Inventories | | 350,374 | 449,450 |
| Trade and bill receivables | 9 | 550,183 | 524,103 |
| Prepayments, deposits and other receivables | | 928,732 | 806,825 |
| Amounts due from associates | | 85,992 | 66,580 |
| Amounts due from joint ventures | | 1,167,519 | 511,524 |
| Cash and cash equivalents | | 1,105,341 | 1,850,209 |
| | | 4,188,141 | 4,208,691 |
| Non-current assets held for sale | | 23,643 | - |
| | | 4,211,784 | 4,208,691 |
| Total assets | | 10,790,091 | 9,851,199 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | | 1,358,756 | 1,262,479 |
| Deferred tax liabilities | | 6,023 | 4,875 |
| Deferred government grants | | 21,435 | 16,952 |
| Loans from a joint venture | | 155,833 | - |
| | | 1,542,047 | 1,284,306 |

CONCORD NEW ENERGY GROUP LIMITED
(Formerly known as China WindPower Group Limited)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2014

| | <i>Note</i> | 2014 HK\$'000 | 2013 HK\$'000 |
|---|-------------|--------------------------------|------------------|
| Current liabilities | | | |
| Trade and bill payables | 10 | 2,355,188 | 1,304,735 |
| Other payables and accruals | | 529,918 | 823,359 |
| Amounts due to associates | | 29,039 | 79,848 |
| Amounts due to joint ventures | | 187,276 | 270,867 |
| Borrowings | | 357,486 | 1,067,713 |
| Current income tax liabilities | | 33,516 | 26,485 |
| | | 3,492,423 | 3,573,007 |
| | | <u>3,492,423</u> | <u>3,573,007</u> |
| Total liabilities | | 5,034,470 | 4,857,313 |
| | | <u>5,034,470</u> | <u>4,857,313</u> |
| Net current assets | | 719,361 | 635,684 |
| | | <u>719,361</u> | <u>635,684</u> |
| Total assets less current liabilities | | 7,297,668 | 6,278,192 |
| | | <u>7,297,668</u> | <u>6,278,192</u> |
| Net assets | | 5,755,621 | 4,993,886 |
| | | <u>5,755,621</u> | <u>4,993,886</u> |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | | 89,462 | 80,187 |
| Reserves | 11 | 5,564,813 | 4,891,264 |
| | | 5,654,275 | 4,971,451 |
| Non-controlling interests | | 101,346 | 22,435 |
| | | <u>5,654,275</u> | <u>4,971,451</u> |
| Total equity | | 5,755,621 | 4,993,886 |
| | | <u>5,755,621</u> | <u>4,993,886</u> |

CONCORD NEW ENERGY GROUP LIMITED
(Formerly known as China WindPower Group Limited)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

| | Attributable to owners of the Company | | | | | | | | | |
|--|---------------------------------------|---------------------------|---------------------------------|---|------------------------------|----------------------------|-------------------------------|-------------------|---------------------------------------|--------------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Contributed surplus HK\$'000 | Premium arising on acquisition of non-controlling interests HK\$'000 | Exchange reserve HK\$'000 | Other reserves HK\$'000 | Retained earnings HK\$'000 | Total HK\$'000 | Non-controlling interests HK\$'000 | Total equity HK\$'000 |
| Balance at 1 January 2014 | 80,187 | 264,881 | 2,675,788 | (35,481) | 448,094 | 122,685 | 1,415,297 | 4,971,451 | 22,435 | 4,993,886 |
| Comprehensive income | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 317,188 | 317,188 | 923 | 318,111 |
| Other comprehensive (loss)/income | | | | | | | | | | |
| Currency translation differences | | | | | | | | | | |
| - Group | - | - | - | - | (7,295) | - | - | (7,295) | 272 | (7,023) |
| - Associates | - | - | - | - | (1,229) | - | - | (1,229) | - | (1,229) |
| - Joint ventures | - | - | - | - | (4,352) | - | - | (4,352) | - | (4,352) |
| - Recycling upon loss of control over subsidiaries | - | - | - | - | (12,446) | - | - | (12,446) | - | (12,446) |
| Total other comprehensive (loss)/income, net of tax | - | - | - | - | (25,322) | - | - | (25,322) | 272 | (25,050) |
| Total comprehensive (loss)/income | - | - | - | - | (25,322) | - | 317,188 | 291,866 | 1,195 | 293,061 |
| Total contributions by and distributions to owners of the Company recognised directly in equity | | | | | | | | | | |
| Subscription of new ordinary shares | 8,800 | 369,600 | - | - | - | - | - | 378,400 | - | 378,400 |
| Exercise of share options | 475 | 20,954 | - | - | - | (7,087) | - | 14,342 | - | 14,342 |
| Share-based compensation | - | - | - | - | - | 3,098 | - | 3,098 | - | 3,098 |
| Total contributions by and distributions to owners of the Company | 9,275 | 390,554 | - | - | - | (3,989) | - | 395,840 | - | 395,840 |
| Non-controlling interests arising on partial disposal of subsidiaries | - | - | - | - | - | - | - | - | 100,965 | 100,965 |
| Acquisition of non-controlling interests | - | - | - | - | - | (4,882) | - | (4,882) | (22,494) | (27,376) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (755) | (755) |
| Total transactions with owners | 9,275 | 390,554 | - | - | - | (8,871) | - | 390,958 | 77,716 | 468,674 |
| Balance at 31 December 2014 | 89,462 | 655,435 | 2,675,788 | (35,481) | 422,772 | 113,814 | 1,732,485 | 5,654,275 | 101,346 | 5,755,621 |

CONCORD NEW ENERGY GROUP LIMITED
(Formerly known as China WindPower Group Limited)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

| | 2014 | 2013 |
|---|--------------------|-----------|
| | HK\$'000 | HK\$'000 |
| Cash flows from operating activities | | |
| Cash generated from operations | 353,097 | 461,207 |
| Income tax paid | (59,035) | (75,556) |
| Net cash generated from operating activities | 294,062 | 385,651 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (1,863,807) | (357,013) |
| Capital injection to joint ventures | (85,149) | (212,057) |
| Capital injection to associates | - | (62,787) |
| Prepayment to an associate | (19,688) | - |
| Purchases of leasehold and land use rights | (8,034) | - |
| Net proceeds from disposal of available-for-sale financial assets | - | 2,910 |
| Net proceeds from joint venture partners | 16,822 | 267,116 |
| Net proceeds from disposal of subsidiaries | 346,347 | 73,185 |
| Acquisition of subsidiaries, net of cash acquired | 2,579 | (108,576) |
| Acquisition of non-controlling interests | (27,376) | - |
| Net proceeds from disposal of property, plant and equipment | 116,424 | 1,161 |
| Net proceeds from disposal of financial assets at fair value through profit or loss | 14,030 | 1,668 |
| Dividends received from associates | - | 1,587 |
| Dividends received from joint ventures | - | 67,463 |
| Loan granted to joint ventures | - | (222,004) |
| Loan to a third party | (1,340,825) | - |
| Loan repayments received from joint ventures | - | 136,235 |
| Receipts of government grants | 5,863 | 9,900 |
| Loan repayments received from third parties | - | 45,358 |
| Interest received | 7,963 | 19,152 |
| Net cash used in investing activities | (2,834,851) | (336,702) |
| Cash flows from financing activities | | |
| Proceeds from issuance of ordinary shares | 378,400 | 257,770 |
| Net proceeds from exercise of share options | 14,342 | 7,596 |
| Proceeds from borrowings | 2,547,937 | 989,826 |
| Repayment of borrowings | (1,062,618) | (106,216) |
| Dividends paid to non-controlling interests | (755) | - |
| Interest paid | (74,157) | (111,185) |
| Net cash generated from financing activities | 1,803,149 | 1,037,791 |
| Net (decrease)/increase in cash and cash equivalents | (737,640) | 1,086,740 |
| Cash and cash equivalents at beginning of the year | 1,850,209 | 731,167 |
| Exchange (loss)/ gain on cash and cash equivalents | (7,228) | 32,302 |
| Cash and cash equivalents at end of the year | 1,105,341 | 1,850,209 |
| Analysis of balances of cash and cash equivalents | | |
| Cash and bank balances | 1,105,341 | 1,850,209 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

There are no amended standards or interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the Group.

The following new standards, amendments to standards and interpretation which have been issued by the HKICPA as of 31 December 2014 may impact to the Group in future years but are not yet effective for the year ended 31 December 2014 and have not been early adopted in these financial statements:

| | | Applicable accounting period to the Group |
|---|--|---|
| HKAS 16 (Amendment) and HKAS 38 (Amendment) | Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| HKAS 19 (2011) (Amendment) | Defined Benefit Plans: Employee Contributions | 1 July 2014 |
| HKAS 27 (Amendment) | Equity Method in Separate Financial Statements | 1 January 2016 |
| HKFRS 9 (2014) | Financial Instruments | 1 January 2018 |
| HKFRS 10 (Amendment) and HKAS 28 (Amendment) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 1 January 2016 |
| HKFRS 11 (Amendment) | Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| HKFRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| HKFRS 15 | Revenue from Contracts with Customers | 1 January 2017 |
| HKFRSs (Amendment) | Annual Improvements 2010-2012 Cycle | 1 July 2014 |
| HKFRSs (Amendment) | Annual Improvements 2011-2013 Cycle | 1 July 2014 |
| HKFRSs (Amendment) | Annual Improvements 2012-2014 Cycle | 1 January 2016 |

The Group has commenced an assessment of the impact of these new, amended and revised HKFRSs but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

2 Segment information

(a) Business segments

Management has determined the operating segments based on the internal reports reviewed and used by executive directors for strategic decision making.

The executive directors consider the business from a product and service perspective. The Group has reported on three operating segments as follows:

- Engineering, procurement, construction and equipment manufacturing - providing technical and consultancy services, securing power resources in renewable energy industry, undertaking electrical engineering and construction of power plant projects, providing the funding in a form of sales and leaseback arrangement and manufacturing of tower tube and gear box equipment for power business;
- Power plant operation and maintenance - providing operation and maintenance services to power plants; and
- Investment in power plants - investing in power plants.

The executive directors assess the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

Segment assets comprise goodwill, interests in associates, interests in and advances to joint ventures (“JVs”), property, plant and equipment, leasehold land and land use rights, other intangible asset, available-for-sale financial assets, inventories, receivables and cash and cash equivalents which are related to the segments.

Segment assets included goodwill amounted to HK\$96,087,000 (2013: HK\$100,670,000), HK\$76,929,000 (2013: HK\$77,855,000) and HK\$1,175,560,000 (2013: HK\$1,176,041,000) allocated to the “engineering, procurement, construction and equipment manufacturing” segment, “power plant operation and maintenance” segment and “investment in power plants” segment, respectively.

Segment liabilities comprise payables, loans, borrowings, current income tax liabilities and deferred government grant which are related to the segments.

Inter-segment sales and transfers are transacted at cost or with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Sales to external customers included revenue from sales of goods amounted to HK\$2,696,896,000 (2013: HK\$1,127,597,000), revenue from construction service amounted to HK\$588,672,000 (2013: HK\$597,941,000), revenue from operation and maintenance, consultancy and design services amounted to HK\$264,071,000 (2013: HK\$157,072,000).

For the year ended 31 December 2014

| | Engineering, procurement, construction and equipment manufacturing <i>HK\$'000</i> | Power Plant operation and maintenance <i>HK\$'000</i> | Investment in power plants <i>HK\$'000</i> | Total <i>HK\$'000</i> | |
|--|---|--|---|--------------------------|-----------|
| Segment revenue | | | | | |
| Inter-segment sales | 76,117 | (9,612) | (66,505) | - | |
| Sales to external customers | <u>3,187,217</u> | <u>123,326</u> | <u>239,096</u> | <u>3,549,639</u> | |
| Segment results | 107,262 | 42,295 | 175,514 | 325,071 | |
| Finance income | 1,836 | 50 | 6,077 | 7,963 | |
| Other gains, net | (7,257) | - | 159,714 | 152,457 | |
| Unallocated income | | | | 31,450 | |
| Unallocated expenses | | | | (35,953) | |
| Finance costs | (4,446) | (16) | (84,629) | (89,091) | |
| Profit before income tax | | | | 391,897 | |
| Income tax expense | (61,187) | (7,917) | (4,682) | (73,786) | |
| Profit for the year | | | | <u>318,111</u> | |
| Segment assets | 2,818,969 | 370,690 | 7,524,537 | 10,714,196 | |
| Unallocated assets | | | | 75,895 | |
| Total assets | | | | <u>10,790,091</u> | |
| Segment liabilities | (3,068,053) | (17,509) | (1,889,278) | (4,974,840) | |
| Unallocated liabilities | | | | (59,630) | |
| Total liabilities | | | | <u>(5,034,470)</u> | |
| Other segment information | | | | Unallocated | Total |
| Additions to non-current assets (other than financial instruments and deferred tax assets) | 1,758 | 1,998 | 1,884,296 | 29 | 1,888,081 |
| Depreciation of property, plant and equipment | 34,362 | 4,353 | 71,204 | 20 | 109,939 |
| Amortisation of other intangible assets and prepaid operating lease payment | 5,866 | - | 168 | 403 | 6,437 |
| Loss/(gain) on disposal of property, plant and equipment | 1,074 | (15) | (28,799) | - | (27,740) |
| Share-based compensation | 708 | 157 | 1,071 | 1,162 | 3,098 |

For the year ended 31 December 2013

| | Engineering, procurement, construction and equipment manufacturing <i>HK\$'000</i> | Power plant operation and maintenance <i>HK\$'000</i> | Investment in power plants <i>HK\$'000</i> | Total <i>HK\$'000</i> | |
|--|---|---|---|--------------------------|---------|
| Segment revenue | | | | | |
| Inter-segment sales | 389,020 | 11,035 | (400,055) | - | |
| Sales to external customers | 1,643,670 | 124,667 | 114,273 | 1,882,610 | |
| Segment results | 56,356 | 46,404 | 117,791 | 220,551 | |
| Finance income | 2,727 | 244 | 1,047 | 4,018 | |
| Other gains, net | (3,030) | - | 178,109 | 175,079 | |
| Unallocated income | | | | 44,509 | |
| Unallocated expenses | | | | (90,809) | |
| Finance costs | (8,039) | (1) | (36,115) | (44,155) | |
| Share of joint ventures and an associate's provision for receivables | - | - | (76,165) | (76,165) | |
| Inventory write-down | (39,934) | - | - | (39,934) | |
| Profit before income tax | | | | 193,094 | |
| Income tax expense | (35,600) | (8,409) | 2,042 | (41,967) | |
| Profit for the year | | | | 151,127 | |
| Segment assets | 2,651,108 | 367,541 | 6,604,354 | 9,623,003 | |
| Unallocated assets | | | | 228,196 | |
| Total assets | | | | 9,851,199 | |
| Segment liabilities | (2,402,897) | (20,756) | (1,460,502) | (3,884,155) | |
| Unallocated liabilities | | | | (973,158) | |
| Total liabilities | | | | (4,857,313) | |
| Other segment information | | | | Unallocated | Total |
| Additions to non-current assets (other than financial instruments and deferred tax assets) | 9,982 | 326 | 555,997 | - | 566,305 |
| Depreciation of property, plant and equipment | 36,243 | 4,090 | 37,390 | 20 | 77,743 |
| Amortisation of other intangible assets and prepaid operating lease payment | 5,825 | - | - | 121 | 5,946 |
| (Gain)/loss on disposal of property, plant and equipment | (549) | - | 118 | - | (431) |
| Share-based compensation | 1,601 | 485 | 3,338 | 2,013 | 7,437 |

(b) Geographical segments

The Company is domiciled in Bermuda. None of its revenue was generated from external customers in Bermuda, and no non-current assets are located in Bermuda.

Management considers the geographical segments with revenue derived from different locations, which determined by the country in which the customer is operated. The Group's engineering, procurement and construction, equipment manufacturing and power plant operation maintenance activities is operated in the Peoples' Republic of China ("the PRC"), while investment in power plants is operated in the PRC and the United States of America ("the US"). There are no sales between geographical segments.

Total assets and capital expenditures are allocated based on the geographical location of the assets, mainly located in the PRC and the locations including the US and Hong Kong.

The Group's revenue, total assets and capital expenditures by locations are analysed as follows:

| | 2014 | | | 2013 | | |
|---------|-----------------------------------|--|--|----------------------------|---------------------------------|---|
| | Revenue <i>HK\$'000</i> | Total assets <i>HK\$'000</i> | Capital expenditures <i>HK\$'000</i> | Revenue <i>HK\$'000</i> | Total assets <i>HK\$'000</i> | Capital expenditures <i>HK\$'000</i> |
| The PRC | 3,541,071 | 9,024,518 | 1,733,906 | 1,860,879 | 8,351,171 | 537,896 |
| Others | 8,568 | 1,765,573 | 154,175 | 21,731 | 1,500,028 | 28,409 |
| | 3,549,639 | 10,790,091 | 1,888,081 | 1,882,610 | 9,851,199 | 566,305 |

(c) Major customers

Two (2013: One) external customers contribute more than 10% revenue of the Group. These revenues are attributable to the engineering, procurement and construction and equipment manufacturing segment. The revenue of these customers are summarised below:

| | 2014 <i>HK\$'000</i> | 2013 <i>HK\$'000</i> |
|------------|--------------------------------|-------------------------|
| Customer A | 1,007,767 | 554,824 |
| Customer B | 539,346 | N/A |

3 Revenue and other income

Revenue represents consultancy and construction income, the net invoiced value of goods sold and other services rendered during the year.

| | 2014 HK\$'000 | 2013 HK\$'000 |
|-----------------------------------|--------------------------------|------------------|
| Revenue | 3,549,639 | 1,882,610 |
| Other income | | |
| Interest income | 16,870 | 24,535 |
| Subletting income | 4,993 | 7,139 |
| Government grants (<i>Note</i>) | 1,344 | 11,481 |
| Others | 2,176 | 3,246 |
| | 25,383 | 46,401 |

Note:

For the year ended 31 December 2014, the Group obtained government grants of HK\$5,863,000 of which HK\$587,000 was recognised as income from the US government to subsidise for technical development and support.

For the year ended 31 December 2013, the Group obtained government grants of HK\$9,900,000 and recognised as income from the US government to subsidise for technical development and support.

4 Other gains, net and exchange gains, net

An analysis of other gains, net and exchange gains, net are as follows:

| | 2014 HK\$'000 | 2013 HK\$'000 |
|---|--------------------------------|------------------|
| Other gains, net | | |
| Loss on businesses or assets contribution to JVs | (13) | - |
| Gain on disposal and partial disposal of JVs | - | 137,881 |
| Gain/(loss) on disposal of subsidiaries, net | 140,103 | (9,310) |
| Gain on acquisition of subsidiaries | 24,174 | 46,439 |
| Gain on partial disposal of a subsidiary | - | 68 |
| Gain on disposal of available-for-sale financial assets | - | 458 |
| Net realised gains on disposal of financial assets at fair value through profit or loss | 14,030 | 1,668 |
| Adjustment of sales proceed of prior year's disposal of JVs | (11,807) | - |
| | 166,487 | 177,204 |
| Exchange gains, net | | |
| Exchange gain on partial repayments of shareholders' loans | - | 10,853 |
| Others | 3,765 | (315) |
| | 3,765 | 10,538 |

5 Finance costs

| | 2014 HK\$'000 | 2013 HK\$'000 |
|---|--------------------------------|---------------------|
| Interest expenses: | | |
| - Bank borrowings, wholly repayable within five years | 58,240 | 8,040 |
| - Bank borrowings, not wholly repayable within five years | 30,851 | 36,115 |
| - Guaranteed bond, wholly repayable within five years | 38,412 | 67,330 |
| | <hr/> 127,503 | <hr/> 111,485 |
| Less: Interest capitalised (<i>Note</i>) | (21,781) | (7,989) |
| | <hr/> 105,722 <hr/> | <hr/> 103,496 <hr/> |

Note:

For the year ended 31 December 2014, borrowing costs have been capitalised at various applicable rates ranging from 4.17% to 6.55% per annum for qualifying assets classified as construction in progress under property, plant and equipment.

6 Income tax expense

| | 2014 HK\$'000 | 2013 HK\$'000 |
|---|--------------------------------|--------------------|
| Current tax | | |
| - PRC corporate income tax | 70,077 | 37,227 |
| - Withholding tax | 774 | 4,535 |
| - (Over)/under-provision in prior years | (438) | 1,074 |
| | <hr/> 70,413 | <hr/> 42,836 |
| Deferred tax | 3,373 | (869) |
| | <hr/> 73,786 <hr/> | <hr/> 41,967 <hr/> |

7 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

| | 2014 | 2013 |
|--|-------------------------|------------------|
| Profit attributable to owners of the Company (<i>HK\$'000</i>) | <u>317,188</u> | <u>151,117</u> |
| Weighted average number of ordinary shares in issue (<i>thousands</i>) | <u>8,758,580</u> | <u>7,427,168</u> |
| Basic earnings per share attributable to owners of the Company (<i>HK cents per share</i>) | <u>3.62</u> | <u>2.03</u> |

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has one category of dilutive potential ordinary shares: share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The weighted average number of ordinary shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options.

| | 2014 | 2013 |
|---|-------------------------|------------------|
| Profit used to determine diluted earnings per share (<i>HK\$'000</i>) | <u>317,188</u> | <u>151,117</u> |
| Weighted average number of ordinary shares in issue (<i>thousands</i>) | <u>8,758,580</u> | <u>7,427,168</u> |
| Adjustment for : - effect of dilutive potential shares issuable under the Company's share option scheme (<i>thousands</i>) | <u>1,153</u> | <u>4,403</u> |
| Weighted average number of ordinary shares used to determine diluted earnings per share (<i>thousands</i>) | <u>8,759,733</u> | <u>7,431,571</u> |
| Diluted earnings per share attributable to owners of the Company (<i>HK cents per share</i>) | <u>3.62</u> | <u>2.03</u> |

8 Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 2014 (2013: Nil).

9 Trade and bill receivables

| | 2014 HK\$'000 | 2013 HK\$'000 |
|---|--------------------------------|------------------|
| Trade receivables | 534,166 | 526,457 |
| Less: allowance for impairment of trade receivables | - | (10,176) |
| | <hr/> | <hr/> |
| Trade receivables, net | 534,166 | 516,281 |
| Bill receivables | 16,017 | 7,822 |
| | <hr/> | <hr/> |
| | 550,183 | 524,103 |
| | <hr/> <hr/> | <hr/> <hr/> |

As at 31 December 2014, the ageing analysis of the trade receivables, based on invoice date, was as follows:

| | 2014 HK\$'000 | 2013 HK\$'000 |
|-----------------|--------------------------------|------------------|
| Within 3 months | 365,889 | 286,917 |
| 3 to 6 months | 78,696 | 32,374 |
| 6 to 12 months | 35,527 | 94,741 |
| Over 1 year | 17,450 | 98,726 |
| Over 2 years | 36,604 | 3,523 |
| | <hr/> | <hr/> |
| | 534,166 | 516,281 |
| | <hr/> <hr/> | <hr/> <hr/> |

The Group's credit terms granted to customers range from 30 to 180 days. On certain construction revenue and equipment sales projects, the Group generally grants project final acceptance period and retention period to its customers range from 1 to 2 years from the date of acceptance according to the sales agreements signed between the Group and customers.

The carrying amounts of the Group's trade and bill receivables approximate their fair values and majority of trade and bill receivables are denominated in RMB.

10 Trade and bill payables

| | 2014 HK\$'000 | 2013 HK\$'000 |
|----------------|--------------------------------|------------------|
| Trade payables | 1,945,432 | 1,304,735 |
| Bill payables | 409,756 | - |
| | <u>2,355,188</u> | <u>1,304,735</u> |

As at 31 December 2014, the ageing analysis of the trade payables, based on invoice date, was as follows:

| | 2014 HK\$'000 | 2013 HK\$'000 |
|-----------------|--------------------------------|------------------|
| Within 3 months | 1,031,298 | 402,631 |
| 3 to 6 months | 553,327 | 323,216 |
| 6 to 12 months | 22,508 | 154,609 |
| Over 1 year | 315,271 | 407,481 |
| Over 2 years | 23,028 | 16,798 |
| | <u>1,945,432</u> | <u>1,304,735</u> |

The carrying amounts of trade and bill payables approximate their fair values and majority of trade and bill payables are denominated in RMB.

11 Share capital

| | 2014 HK\$'000 | 2013 HK\$'000 |
|---|--------------------------------|------------------|
| Authorised: 10,000,000,000 (2013: 10,000,000,000) ordinary shares of HK\$0.01 each | <u>100,000</u> | <u>100,000</u> |
| Issued and fully paid: 8,946,234,965 (2013: 8,018,744,965) ordinary shares of HK\$0.01 each | <u>89,462</u> | <u>80,187</u> |

A summary of the transactions during the year with reference to the movements of the Company's ordinary share capital is as follows:

| | No. of shares 000's | Nominal value HK\$'000 |
|---|------------------------------------|---------------------------------------|
| Authorised: | | |
| As at 31 December 2014 and 2013: 10,000,000,000 ordinary shares of HK\$0.01 each | 10,000,000 | 100,000 |
| Issued and fully paid: | | |
| As at 31 December 2013: 8,018,744,965 ordinary shares of HK\$0.01 each | 8,018,745 | 80,187 |
| Subscription of new ordinary shares of HK\$0.01 each (Note) | 880,000 | 8,800 |
| Issue of ordinary shares of HK\$0.01 each on exercise of share options | 47,490 | 475 |
| As at 31 December 2014: 8,946,234,965 ordinary shares of HK\$0.01 each | 8,946,235 | 89,462 |

Note:

Pursuant to a subscription agreement executed by the Company on 18 December 2013, a total of 880,000,000 ordinary shares with par value of HK\$0.01 each at an issue price of HK\$0.43 per share was subscribed by Huadian Fuxin Energy Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, raising net proceeds of HK\$378,400,000. The subscription was completed on 19 March 2014.

12 Events after the balance sheet date

On 17 December 2014, Tianjin Century Concord New Energy Development Limited ("Tianjin Century Concord") has entered into an initiation agreement as regards to Kincheng Bank of Tianjin Co., Ltd. ("Kincheng bank") with other initiators. On 13 February 2015, Tianjin Century Concord has injected RMB 180,000,000 to Kincheng bank, and held 6% of the equity interest in Kincheng bank.

Save as disclosed above, there were no significant subsequent events after the balance sheet date up to the date of approval of the consolidated financial statements.

Management Discussion and Analysis

I. Operating Environment

Despite the slow recovery of the global economy, more new business opportunities were uncovered in 2014. The world's major economies, such as the United States of America, Germany and China, are putting in large efforts to carry out energy transformation and economic restructuring, aiming to bring new growth element to the global economy via a new wave of technological and industrial revolution including the adoption of renewable energy.

In 2014, China maintained steady economic growth, and the development of renewable energy has received great attention under “New Normal” of China's economy. According to National Electric Power Industry statistics issued by the National Energy Administration (“NEA”), by the end of 2014, the installed grid-connected wind power generation capacity was 95.81GW, up by 25.6% compared to last year and the installed grid-connected solar power generation capacity was 26.52GW, representing an increase of 67% from last year.

In November 2014, China and United States of America jointly issued the “U.S.-China Joint Announcement on Climate Change” announced their action goals after 2020. The United States of America commits to reduce its emissions by 28% by 2025. China intends to reach the peaking of its CO₂ emissions in 2030 or earlier and intends to increase the share of non-fossil fuels in primary energy consumption to around 20% by 2030.

i. Wind Power Generation

Based on the “Notice for the Adjustment to Onshore Wind Power FITs” issued by the National Development and Reform Commission (“the NDRC”) in December 2014, feed-in tariff (“FIT”) in Class I, II and III resource areas were reduced by RMB0.02 per kWh, resulting in FIT of RMB0.49/kWh, RMB0.52/kWh, and RMB0.56/kWh, respectively, while FIT for Class IV resource areas remains at RMB0.61/kWh.

According to the “2014 Wind Power Industry Monitoring Report” by the NEA, China experienced weak wind conditions in 2014, with an average wind speed of about 5.5 m/s at 70 meters height, 8-12% less than the previous year. As a result, national average utilization hours of wind power decreased by 181 hours to 1,893 hours in 2014 compared to last year. The average curtailment rate dropped 4% to 8% in 2014, marking the lowest curtailment rate in recent years.

ii. Solar Power Generation

In 2014, a series of policies in terms of project approval, grid connection and tariff subsidies were issued in China to encourage and support the development of solar power industry. The NEA, State Grid Corporation, China Southern Power Grid Company and provincial governments have also each issued policy documents to promote the development of solar power. In addition, Shandong, Hebei, Jiangsu, Shanghai and other provinces offered to provide additional subsidies on top of the FIT. In September 2014, the NEA issued the “Notice of further implementation of related policies on distributed photovoltaic power generation” to demonstrate the government's long-term support. Moreover, the government implemented favourable measures such as “fully on-grid”, FIT entitlement, increasing power generation quota, enabling direct sale of electricity to end user, and offering preferential loans and monthly subsidies.

According to the data announced by the NEA, newly grid-connected solar power generation capacity reached 10.6GW in 2014 in China, with 8.55GW from photovoltaic power plants and 2.05GW from distributed generation. Solar power generation increased by over 200% to about 25 billion kWh compared with last year.

iii. Technology Improvement of Renewable Energy

In 2014, renewable energy technology was further enhanced. The turbine blade length further increased and wind energy conversion efficiency is further improved, and the complementary tower and engineering technology have also had a new breakthrough, which improves the economic benefits in wind power investment in low wind areas in southern China. In terms of solar power, there is still space for substantial decline in the investment cost of solar power plants due to continuously improving conversion efficiency of crystalline silicon and thin-film modules and the declining costs of raw materials.

iv. Construction of Power Transmission Lines

According to National Electric Power Industry statistics issued by the NEA, investment in construction of power transmission lines grew 6.8% to RMB411.8 billion in 2014 compared to last year. The amount of investment in power transmission lines has exceeded that of power generation for two consecutive years.

Given the government's emphasize on cross-region power transmission, constructions of such projects have been accelerated. The NEA announced the "Notice on Accelerating the Atmospheric Pollution Prevention Action Plan Construction of the 12 Major Transmission Lines" to address power transmission issues. The NEA jointly signed the "Missions to Construct Power Transmission Lines for Air Pollution Control" with State Grid Corporation and China Southern Power Grid Company, which specified the target construction and operation timetable of power transmission lines. UHV transmission projects between Huainan and Shanghai, Ximeng and Shandong, West Inner Mongolia and Southern Tianjin have been approved and constructions have begun. Completion of these projects is expected to significantly ease the wind curtailment problem and enhance operational stability.

v. Financial Environment

In 2014, the People's Bank of China reduced the targeted deposit reserve ratio twice, and cut the RMB benchmark loan and deposit interest rates for financial institutions by 0.4%, which improved the overall financing environment and lowered project financing costs.

II. Business Review

In 2014, the Group's consolidated revenue amounted to HK\$3,549,639,000 (2013: HK\$1,882,610,000), increased by 88.55% compared to last year; profit attributable to equity holders of the Company totalled HK\$317,188,000(2013: HK\$151,117,000), increased by 109.90% compared to last year. The Group's basic earnings per share were 3.62HK cents (2013: 2.03 HK cents). The Group's fully diluted earnings per share were 3.62HK cents (2013: 2.03 cents).

At the end of 2014, the Group's net asset value totalled HK\$5,755,621,000 (2013: HK\$4,993,886,000). The Group repaid the RMB750,000,000 bond on 4 April 2014 and its cash and cash equivalents were HK\$1,105,341,000 (2013: HK\$1,850,209,000) by the end of 2014.

During the reporting year, the Group's consolidated revenue and profit increased significantly due to a growing number of new EPC projects, rise in solar power generation output as well as less provision for inventory. In addition, the Group did not record any loss in provision for receivables from the CDM accounts in 2014.

i. Power Plant Investment Development and Operation Business

1. Power Plant Generations

In 2014, the power plants in which the Group invested in generated electricity output of 2,439.33 million kWh (2013: 2,400.48 million kWh), up 1.62% compared to the same period last year, of which wind power generation output was 2,166 million kWh (2013: 2,258.55 million kWh), down 4.10% compared to last year and solar power generation output was 273.33 million kWh (2013: 141.93 million kWh), up 92.58% compared to the same period last year.

During the reporting year, the generation output attributable to the Group was 1,114.29 million kWh (2013: 1,146.26 million kWh), down 2.79% compared to the same period last year, of which wind power generation output was 865.91 million kWh (2013: 1,009.62 million kWh), down 14.23% and solar power generation was 248.39 million kWh (2013: 136.64 million kWh), up 81.78% compared to last year.

In 2014, the wind power generation output reduced mainly due to the disposal of equity interests in some operational wind power plants and lower wind speed throughout the year.

During 2014, the generation output from the Group's consolidated power plants was 213.67 million kWh (2013: 105.97 million kWh), up 101.63% compared to last year. The output was contributed by solar power generation.

This year, revenue from the Group's consolidated power plants was HK\$239,096,000 (2013: HK\$114,273,000) and the share of results of associates and jointly controlled power plants was HK\$49,707,000 (2013: HK\$63,266,000).

In 2014, the availability rate of wind turbines achieved 95.43% (2013: 95.25%), and the weighted average utilization hours of the Group's invested wind power plants were 1,665 hours (2013: 1,871 hours). The availability rate of the Group's invested solar power plants was 99.80% (2013: 96.27%), and the weighted average utilization hours were 1,601 hours (2013: 1,551 hours). The average grid curtailment rate of the Group's invested wind power plants was 14.12% (2013: 18.48%) and 1.70% (2013: 1.48%) for the Group's invested solar power plants.

This year, the weighted average tariff rate of the Group's wind power plants was RMB0.5631/kWh (including VAT) (2013: RMB0.5583/kWh). The weighted average tariff rate of the Group's solar power plants was RMB1.075/kWh (including VAT) (2013: RMB1.169/kWh).

2. Transaction of Equity Interests in Power Plants

As one of its major business models, the Group achieved gain through transaction of equity interests in power plants. During the year, the Group achieved gains of HK\$159,714,000 (2013: HK\$178,109,000) through transactions.

3. Newly Added Installed Capacity

In 2014, the total installed capacity of power projects the Group invested in was 648MW, among which there were 6 continued projects and 7 new projects under construction with capacity of 292MW and 356MW, respectively. 8 were wind power plants with capacity of 374MW and attributable capacity of 250MW, and 5 were wholly-owned solar power plants with capacity of 274MW.

During the reporting year, the Group had 6 new wind and solar power plants commenced operation, with total capacity of 406MW and attributable capacity of 341MW; of which 3 were wind power plants with capacity of 146MW and attributable capacity of 81MW and 3 were wholly-owned solar power plants with capacity of 260MW.

As at the end of 2014, the Group had 37 grid-connected wind and solar power plants, with a total capacity of 1,832MW (2013: 1,526MW) and attributable capacity of 958MW (2013: 702MW); of which 28 were wind power plants with total capacity of 1,501MW (2013: 1,355MW) and attributable capacity of 632MW (2013: 548MW) and 9 were solar power plants with total capacity of 331MW (2013: 171MW) and attributable capacity of 326MW (2013: 154MW).

By the end of 2014, the Group had 8 wholly-owned solar power plants with capacity of 323MW (2013: 132MW).

4. Project Development and Resource Reserves

During the reporting year, the Group obtained 22 final project approvals with total capacity of 814MW from provincial energy authorities, including 15 wind power projects with total capacity of 734MW and 7 solar power projects with total capacity of 80MW.

Six of the Group's wind power projects with a total capacity of 300MW were included in the fourth batch of the "12th Five-Year" wind power project pre-approval list issued by the NEA, which are all located in regions that are not subject to grid congestion.

In 2014, the Group signed 1,250MW of wind power and 2,045MW of solar power exclusive development right agreements. At the end of the period, the Group's wind resources amounted to over 28GW and solar power resources totalled to 8GW, which ensure the sustainable development of the Group.

ii. Renewable Energy Service Business

1. Engineering, Procurement and Construction (EPC)

During 2014, the number of projects undertaken by EPC segment increased significantly. The Group's EPC companies undertook 20 external and internal integrated EPC projects with a total capacity of 1,212MW, which brought significant growth in revenue and profit for the segment.

This year, the Group's EPC companies undertook the China Power Investment Group's Huolinhe recycling economy demonstration wind power project, Huaneng New Energy Co. Limited's Liaoning Yixian wind power project, Huadian Fuxin Energy Corporation Limited's Inner Mongolia Wulatezhongqi wind power project, and Shanghai Electric Power Company Limited's Shandong Yantai wind power project. All these projects have commenced operation. In addition, Shenzhen Energy Group Company Limited's Jiangsu Sihong wind power project, Huadian Fuxin Energy Corporation Limited's Inner Mongolia Siziwangqi, Damaoqi and other wind power projects were all progressing smoothly.

The Group's design company, as a member of the integrated EPC group, in addition to providing various design consultancy services for the integrated EPC projects, also provided assessment and consulting services for the Group and external renewable energy investors. During the year, the Group completed 138 wind or solar resource assessment and technical advisory reports, 41 feasibility studies and 13 construction designs.

In 2014, the Group's EPC companies generated total revenue of HK\$3,187,217,000 (2013: HK\$1,643,670,000).

2. Power Plant Operation and Maintenance (O&M)

The Group's power plant O&M companies enhanced its market development, established a brand image, and gained recognition within the industry. During the year, it provided full O&M services, equipment preventive tests, technical renovation overhaul, wind power forecast and other services to internal and external power plants, as well as carried out warranty period inspection and maintenance services contracted by turbine manufacturers.

During the reporting period, the Group's O&M unit had provided services to 47 wind and solar power plants. In addition, 15 scheduled inspection service contracts were signed with turbine manufacturers, and 19 service contracts for preventive tests, technical renovation overhaul and wind power forecast were signed with wind power plants.

During 2014, this business segment contributed revenue of HK\$123,326,000 (2013: HK\$124,667,000) to the Group.

III. Liquidity and Financial Resources

As at 31 December 2014, the Group had cash and cash equivalents of approximately HK\$1,105,341,000 (31 December 2013: HK\$1,850,209,000). As at that date, the current ratio was 1.21 times (31 December 2013: 1.18 times), gearing ratio (long term debt divided by owner's equity) was 0.27 (31 December 2013: 0.26). At the end of the reporting period, the Group's borrowings amounted to HK\$1,716,242,000 (31 December 2013: HK\$2,330,192,000), and the consolidated net assets of the Group stood at HK\$5,755,621,000 (31 December 2013: HK\$4,993,886,000).

Foreign Exchange Risk

In 2014, the Group's principal businesses (including capital expenditures) were dominated in Renminbi. The Group did not engage in the use of any financial instruments for hedging purpose.

Charge of Asset

As of 31 December 2014, equipment of the Group was pledged as security for outstanding loan of RMB492,000,000 (31 December 2013: RMB 993,846,000).

Contingent Liability

As at 31 December 2014 the Group has pledged its 49% equity interest of Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. ("Erlian"), with total value of its share of registered capital amounted to HK\$47,207,000 (31 December 2013: HK\$47,365,000) as the security for the outstanding bank borrowing of Erlian as at 31 December 2014 of RMB75,225,000 (31 December 2013: RMB87,832,000).

The Group has also provided a corporate guarantee and has pledged its 49% equity interest of Gansu Guazhou Century Concord Wind Power Co., Ltd. ("Guazhou"), with total value of its share of registered capital of HK\$415,618,000 (31 December 2013: HK\$417,014,000) for a loan facility of Guazhou of up to US\$140,000,000. As at 31 December 2014, the outstanding amount of such loan was approximately US\$68,310,000 (31 December 2013: US\$78,725,000).

Save as mentioned above, the Group did not have any significant contingent liabilities as at 31 December 2014.

Commitments

As at 31 December 2014, the Group had capital commitments of HK\$2,778,432,000 (31 December 2013: HK\$841,973,000) which were not accounted for in the financial statements. The amount was mainly the capital committed for investment in power plants of HK\$803,680,000 (31 December 2013: HK\$582,590,000) and capital committed for the payment for equipment purchased by subsidiaries of HK\$1,974,752,000 (31 December 2013: HK\$259,383,000).

IV. Staff and Remuneration

As at 31 December 2014, the Group had 1,069 (31 December 2013: 1,148) full-time employees — 99 for the Group's headquarter, 312 for project development and management, 224 for EPC and 434 for O&M.

During the year, the staff cost was HK\$149,861,000 (2013: HK\$149,965,000), representing a decline of HK\$104,000 compared to 2013.

V. Social Responsibility and Environmental Protection

The Group strived to improve the energy structure and reduce air pollution through its wind and solar power projects investment, construction and operation. The Group has also increased investment in environmental protection and soil & water conservation to achieve harmony with the environment and friendly development. In 2014, the Group's Zhangdong wind power plants were once again granted the "friendly wind farm" title in contest organized by Liaoning Power Grid Company.

During the reporting year, the Group's invested wind and solar power plants reduced carbon dioxide emission by 2,450,000 tons, sulfur dioxide emission by 24,188 tons, and nitrogen oxide emission by 2,415 tons. Moreover, in contrast to coal-fired thermal plants, the Group's wind and solar power plants saved 820,000 tons of standard coal and 6,850,000 tons of water. At the end of the reporting period, the Group's invested wind and solar power plants had cumulatively reduced carbon dioxide emission by 10,670,000 tons, sulfur dioxide emission by 105,810 tons, and nitrogen oxide emission by 9,369 tons. They had saved 3,600,000 equivalent tons of standard coal and 29,900,000 tons of water. The reduction of emissions of pollutants made a contribution to the reduction of PM10 and PM2.5 to reduce smog.

VI. Prospect

Renewable energy plays an important role in energy conservation, air quality improvement, and the prevention of global warming. The development of renewable energy is also a strong driving force of industrial structure optimization as well as global economic recovery. In recent years, under the setting of increasingly prominent global environmental problems, the development pace of world's renewable energy continues to accelerate and the industry continues to expand. With the improved technology level of global renewable energy and declining equipment manufacturing costs, solar, wind and other renewable energy gradually have cost advantage to compete with traditional fossil energy sources. In the long run, renewable energy will become more competitive, as the costs continue to decline.

The Chinese government attached great attention to global warming prevention, environment improvement and smog governance. Chinese government committed to achieve the peaking of CO₂ emissions around 2030 or earlier. It continues to solve problems encountered in the development of renewable energy sources and introduced a series of policies to promote the development of renewable energy. Grid connection and consumption capacity as well as financial environment are expected to continuously improve in the future. China's wind power and solar industry will enter a steady growth stage.

In recent years, the Group significantly improved its performance through business expansion in the solar sector in Southern China, optimizing capital structure and improving cost efficiency. The numbers of the Group's majority owned power plants, power plants in southern China without curtailment and solar power plants have gradually increased, and the Group has gained better asset quality and stronger ability to combat economic risks.

In 2015, the Group will implement the following operational strategies:

1. Stand firmly by the Group's investment principal and develop profitable wholly-owned or majority owned wind and solar power projects with good economic benefits in southern China without curtailment.
2. Continue to optimize and adjust the Group's assets composition and increase installed capacity in regions without curtailment.
3. Strengthen production safety management, increase economic efficiency of power plants, control management costs and improve management efficiency.
4. Strengthen our construction capability in each operating segment, develop innovation and continue to expand the external business.
5. Continue to control costs.

In the coming year, the Group's management team together with all our employees will strive to accomplish the Group's business plans so as to deliver excellent results to our shareholders.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's independent auditor, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers Hong Kong on the preliminary announcement.

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

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2014, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rule.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2014.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Dr. Wong Yau Kar, David, BBS, JP and Mr. Yap Fat Suan, Henry, and Ms. Huang Jian. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee.

The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2014 have been reviewed by the Audit Committee.

APPRECIATION

The Board wishes to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group. We also thank our shareholders, customers and business partners for their continuous support.

For and on behalf of
Concord New Energy Group Limited
Liu Shunxing
Chairman

Hong Kong, 19 March 2015

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Mr. Ko Chun Shun, Johnson (Vice Chairman), Mr. Yang Zhifeng (Chief Executive Officer), Mr. Wang Xun, Ms. Liu Jianhong, and Mr. Yu Weizhou (who are executive directors), Ms. Ko Wing Yan, Samantha, and Mr. Gao Fuchun (who are non-executive directors), Dr. Wong Yau Kar, David, BBS, JP, Mr. Yap Fat Suan, Dr. Shang Li and Ms. Huang Jian (who are independent non-executive directors).