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Concord New Energy Group Limited

協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 182)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015, together with the comparative figures for the year ended 31 December 2014. 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 2015**

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	3	4,321,302	3,549,639
Other income	3	38,708	25,383
Other gains, net	4	33,585	170,252
Expenses			
Cost of construction and inventories sold		(3,312,662)	(2,916,660)
Inventory write-down		(10,510)	-
Write-off of amounts due from a joint venture		(13,848)	-
Employee benefit expense		(146,449)	(149,861)
Depreciation and amortisation		(166,231)	(109,431)
Operating lease payments		(20,846)	(4,052)
Other expenses		(144,399)	(117,358)
Finance costs	5	(115,475)	(105,722)
Share of results			
- Associates		17,525	7,645
- Joint ventures		68,284	42,062
Profit before income tax		548,984	391,897
Income tax expense	6	(42,601)	(73,786)
Profit for the year		506,383	318,111
Profit attributable to:			
Owners of the Company		508,053	317,188
Non-controlling interests		(1,670)	923
		506,383	318,111
Earnings per share attributable to owners of the Company during the year			
Basic earnings per share	7(a)	5.73 HK cents	3.62 HK cents
Diluted earnings per share	7(b)	5.72 HK cents	3.62 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 2015**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year	506,383	318,111
Other comprehensive (loss)/income:		
<u>Items that may be reclassified to profit or loss</u>		
Currency translation differences		
- Group	(221,991)	(7,023)
- Associates	(20,826)	(1,229)
- Joint ventures	(97,621)	(4,352)
- Recycling upon loss of control over subsidiaries	(3)	(12,446)
- Recycling upon disposal of an associate	857	-
Total other comprehensive loss for the year, net of tax	(339,584)	(25,050)
Total comprehensive income for the year	166,799	293,061
Total comprehensive income attributable to:		
Owners of the Company	175,401	291,866
Non-controlling interests	(8,602)	1,195
	166,799	293,061

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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	<i>Note</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		4,659,114	2,817,908
Leasehold land and land use rights		340,014	149,214
Intangible assets		1,276,035	1,355,554
Interests in associates		329,032	370,741
Interests in and advances to joint ventures		1,598,475	1,623,384
Available-for-sale financial assets		3,672	697
Prepayments, deposits and other receivables		384,051	253,391
Deferred tax assets		18,920	7,418
		8,609,313	6,578,307
Current assets			
Inventories		178,321	350,374
Trade and bill receivables	9	1,549,835	550,183
Prepayments, deposits and other receivables		811,942	928,732
Amounts due from associates		173,093	85,992
Amounts due from joint ventures		1,147,947	1,167,519
Available-for-sale financial assets		26,451	-
Financial assets at fair value through profit or loss		18,292	-
Cash and cash equivalents		1,905,131	1,105,341
		5,811,012	4,188,141
Non-current assets held for sale		-	23,643
		5,811,012	4,211,784
Total assets		14,420,325	10,790,091
LIABILITIES			
Non-current liabilities			
Borrowings		3,347,841	1,358,756
Deferred tax liabilities		5,538	6,023
Deferred government grants		22,178	21,435
Loans from a joint venture		43,234	155,833
		3,418,791	1,542,047

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2015

	<i>Note</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Current liabilities			
Trade and bill payables	10	3,965,835	2,355,188
Payables for construction in progress, other payables and accruals		592,098	529,918
Amounts due to associates		2,498	29,039
Amounts due to joint ventures		223,612	187,276
Borrowings		459,235	357,486
Current income tax liabilities		2,681	33,516
		<u>5,245,959</u>	<u>3,492,423</u>
Total liabilities		<u>8,664,750</u>	<u>5,034,470</u>
Net current assets		<u>565,053</u>	<u>719,361</u>
Total assets less current liabilities		<u>9,174,366</u>	<u>7,297,668</u>
Net assets		<u>5,755,575</u>	<u>5,755,621</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	89,462	89,462
Reserves		5,545,800	5,564,813
		<u>5,635,262</u>	<u>5,654,275</u>
Non-controlling interests		<u>120,313</u>	<u>101,346</u>
Total equity		<u>5,755,575</u>	<u>5,755,621</u>

CONCORD NEW ENERGY GROUP LIMITED
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Attributable to owners of the Company										
	Share capital HK\$'000	Treasury shares 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 2015	89,462	-	655,435	2,675,788	(35,481)	422,772	113,814	1,732,485	5,654,275	101,346	5,755,621
Comprehensive income											
Profit for the year	-	-	-	-	-	-	-	508,053	508,053	(1,670)	506,383
Other comprehensive (loss)/income											
Currency translation differences											
- Group	-	-	-	-	-	(215,059)	-	-	(215,059)	(6,932)	(221,991)
- Associates	-	-	-	-	-	(20,826)	-	-	(20,826)	-	(20,826)
- Joint ventures	-	-	-	-	-	(97,621)	-	-	(97,621)	-	(97,621)
- Recycling upon loss of control over subsidiaries	-	-	-	-	-	(3)	-	-	(3)	-	(3)
- Recycling upon disposal of an associate	-	-	-	-	-	857	-	-	857	-	857
Total other comprehensive loss, net of tax	-	-	-	-	-	(332,652)	-	-	(332,652)	(6,932)	(339,584)
Total comprehensive (loss)/income	-	-	-	-	-	(332,652)	-	508,053	175,401	(8,602)	166,799
Total contributions by and distributions to owners of the Company recognised directly in equity											
Repurchase of ordinary shares for cancellation	-	(33,298)	-	-	-	-	-	-	(33,298)	-	(33,298)
Repurchase of ordinary shares under share award scheme	-	(82,699)	-	-	-	-	-	-	(82,699)	-	(82,699)
Share-based compensation	-	-	-	-	-	-	15,843	-	15,843	-	15,843
Interim dividends paid	-	-	-	-	-	-	-	(89,462)	(89,462)	-	(89,462)
Total contributions by and distributions to owners of the Company	-	(115,997)	-	-	-	-	15,843	(89,462)	(189,616)	-	(189,616)
Non-controlling interests arising on partial disposal of a subsidiary	-	-	-	-	-	-	(4,798)	-	(4,798)	22,600	17,802
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	4,969	4,969
Total transactions with owners	-	(115,997)	-	-	-	-	11,045	(89,462)	(194,414)	27,569	(166,845)
Balance at 31 December 2015	89,462	(115,997)	655,435	2,675,788	(35,481)	90,120	124,859	2,151,076	5,635,262	120,313	5,755,575

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

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities		
Cash generated from operations	1,006,377	353,097
Income tax paid	(82,463)	(59,035)
Net cash generated from operating activities	923,914	294,062
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,275,830)	(1,863,807)
Capital injection to joint ventures	(16,800)	(85,149)
Prepayment to an associate	-	(19,688)
Purchases of leasehold land and land use rights	(85,914)	(8,034)
Net proceeds received from joint venture partners	-	16,822
Net proceeds from disposal of an associate	31,057	-
Net proceeds from disposal of subsidiaries	262,730	346,347
Net proceeds from partial disposal of a subsidiary	11,286	-
Acquisition of subsidiaries, net of cash acquired	-	2,579
Acquisition of non-controlling interests	-	(27,376)
Net proceeds from disposal of property, plant and equipment	43,224	116,424
Net proceeds from disposal of non-current assets held for sale	21,521	-
Net proceeds from disposal of financial assets at fair value through profit or loss	14,576	14,030
Purchase of financial assets at fair value through profit or loss	(32,156)	-
Purchase of available-for-sale financial assets	(235,641)	-
Dividends received from joint ventures	14,336	-
Settlement of prior year disposal consideration receivable	277,726	-
Contributions by non-controlling interests	4,969	-
Loan to a third party	-	(1,340,825)
Receipts of government grants	3,975	5,863
Interest received	14,199	7,963
Net cash used in investing activities	(1,946,742)	(2,834,851)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	378,400
Net proceeds from exercise of share options	-	14,342
Payment for share repurchase for cancellation	(33,298)	-
Payment for share award scheme	(82,699)	-
Proceeds from borrowings	2,573,480	2,547,937
Repayment of borrowings	(295,228)	(1,062,618)
Dividends paid to owners of the Company	(89,462)	-
Dividends paid to non-controlling interests	-	(755)
Interest paid	(154,649)	(74,157)
Net cash generated from financing activities	1,918,144	1,803,149
Net increase/(decrease) in cash and cash equivalents	895,316	(737,640)
Cash and cash equivalents at beginning of the year	1,105,341	1,850,209
Exchange loss on cash and cash equivalents	(95,526)	(7,228)
Cash and cash equivalents at end of the year	1,905,131	1,105,341
Analysis of balances of cash and cash equivalents		
Cash and bank balances	1,905,131	1,105,341

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.

(a) New and amended standards adopted by the Group

There are no new and amended standards that are effective for the first time for the financial year beginning on or after 1 January 2015 that would be expected to have a material impact on the Group.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) New standards and interpretation not yet adopted

The following new standards, amendments to standards and interpretation which have been issued by the HKICPA as of 31 December 2015 may have impact to the Group in future years but are not yet effective for the year ended 31 December 2015 and have not been early adopted in these financial statements:

		Applicable accounting period to the Group
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
HKAS 16 (Amendment) and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
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 10 (Amendment), HKFRS 12 (Amendment) and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception	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 2018
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, financial assets at fair value through profit or loss, inventories, receivables and cash and cash equivalents which are related to the segments.

Segment assets included goodwill amounted to HK\$90,477,000 (2014: HK\$96,087,000), HK\$72,438,000 (2014: HK\$76,929,000) and HK\$1,106,931,000 (2014: HK\$1,175,560,000) allocated to the “engineering, procurement, construction and equipment manufacturing” segment, “power plant operation and maintenance” segment and “investment in power plants” segment, respectively.

As at 31 December 2015, none of the non-current assets held for sale (2014: HK\$23,643,000) was included in “investment in power plants” segment.

Segment liabilities comprise payables, loans, borrowings, current income tax liabilities and deferred government grants 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\$3,835,373,000 (2014: HK\$2,696,896,000), revenue from construction service amounted to HK\$360,517,000 (2014: HK\$588,672,000) and revenue from operation and maintenance, consultancy and design services amounted to HK\$125,412,000 (2014: HK\$264,071,000).

For the year ended 31 December 2015

	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	552,124	12,643	(564,767)		-
Sales to external customers	<u>3,677,684</u>	<u>103,852</u>	<u>539,766</u>		<u>4,321,302</u>
Segment results	212,751	21,027	376,236		610,014
Other gains, net	-	-	34,617		34,617
Unallocated income					41,359
Unallocated expenses					(33,456)
Finance income	10,509	15	1,401		11,925
Finance costs	(12,363)	-	(103,112)		(115,475)
Profit before income tax					<u>548,984</u>
Income tax expense	(42,570)	(13,333)	13,302		(42,601)
Profit for the year					<u>506,383</u>
Segment assets	3,966,569	426,971	9,982,903		14,376,443
Unallocated assets					43,882
Total assets					<u>14,420,325</u>
Segment liabilities	(4,303,238)	(19,603)	(4,335,513)		(8,658,354)
Unallocated liabilities					(6,396)
Total liabilities					<u>(8,664,750)</u>
Other segment information				Unallocated	Total
Additions to non-current assets (other than financial instruments and deferred tax assets)	(312)	2,686	2,553,931	-	2,556,305
Depreciation of property, plant and equipment	28,508	4,555	127,883	20	160,966
Amortisation of other intangible asset, leasehold land and land use rights	5,774	-	11,057	396	17,227
(Gain)/loss on disposal of property, plant and equipment	(4,067)	7	2,751	-	(1,309)
Gain on disposal of non-current assets held for sale	-	-	(3,244)	-	(3,244)
Share-based compensation	5,464	256	1,154	8,969	15,843

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	3,187,217	123,326	239,096	3,549,639	
Segment results	107,262	42,295	175,514	325,071	
Other gains, net	(7,257)	-	159,714	152,457	
Unallocated income				31,450	
Unallocated expenses				(35,953)	
Finance income	1,836	50	6,077	7,963	
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				318,111	
Segment assets	2,818,969	370,690	7,524,537	10,714,196	
Unallocated assets				75,895	
Total assets				10,790,091	
Segment liabilities	(3,068,053)	(17,509)	(1,889,278)	(4,974,840)	
Unallocated liabilities				(59,630)	
Total liabilities				(5,034,470)	
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 asset, leasehold land and land use rights	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

(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, construction and equipment manufacturing and power plant operation and 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 other locations including the US and Hong Kong.

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

	2015			2014		
	Revenue	Total assets	Capital expenditures	Revenue	Total assets	Capital expenditures
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC	4,283,102	12,867,427	2,501,493	3,541,071	9,024,518	1,733,906
Others	38,200	1,552,898	54,812	8,568	1,765,573	154,175
	4,321,302	14,420,325	2,556,305	3,549,639	10,790,091	1,888,081

(c) Major customers

Three (2014: Two) external customers contribute more than 10% revenue of the Group. These revenues are attributable to the engineering, procurement, construction and equipment manufacturing segment. The revenue of these customers are summarised below:

	2015	2014
	HK\$'000	HK\$'000
Customer A	1,311,450	N/A
Customer B	530,883	539,346
Customer C	526,858	1,007,767

3 Revenue and other income

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

	2015 HK\$'000	2014 HK\$'000
Revenue	4,321,302	3,549,639
Other income		
Interest income	28,060	16,870
Subletting income	3,347	4,993
Government grants (<i>Note</i>)	1,900	1,344
Others	5,401	2,176
	38,708	25,383

Note:

For the year ended 31 December 2015, the Group obtained government grants of HK\$3,975,000 to promote the development of renewable energy. As the relevant project was still under construction, no income was recognised for the year.

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 technical development and support. The remaining balance is deferred over a period of 5 years.

4 Other gains, net

An analysis of other gains, net is as follows:

	2015 HK\$'000	2014 HK\$'000
Loss on businesses or assets contribution to JVs	-	(13)
Gain on deregistration of a JV	426	-
Loss on disposal of an associate	(38)	-
Gain on disposal of subsidiaries, net	33,683	140,103
Gain on acquisition of subsidiaries	-	24,174
Unrealised fair value loss on financial assets at fair value through profit or loss	(14,404)	-
Net realised gains on disposal of financial assets at fair value through profit or loss	14,576	14,030
Adjustment of sales proceed of prior year's disposal of JVs	546	(11,807)
Exchange (loss)/gains, net (<i>Note</i>)	(1,204)	3,765
	33,585	170,252

Note:

For the year ended 31 December 2015, the exchange loss mainly represented the currency translation difference arising from the USD denominated bank balances.

5 Finance costs

	2015 HK\$'000	2014 <i>HK\$'000</i>
Interest expenses:		
- Bank borrowings	167,202	89,091
- Guaranteed bond	-	38,412
	<hr/> 167,202	<hr/> 127,503
Less: Interest capitalised (<i>Note</i>)	(51,727)	(21,781)
	<hr/> 115,475 <hr/>	<hr/> 105,722 <hr/>

Note:

For the year ended 31 December 2015, borrowing costs have been capitalised at various applicable rates ranging from 2.9% to 6.55% per annum for qualifying assets classified as construction in progress under property, plant and equipment.

6 Income tax expense

	2015 HK\$'000	2014 <i>HK\$'000</i>
Current tax		
- PRC corporate income tax	44,395	70,077
- Withholding tax	10,553	774
- Under/(over)-provision in prior years	213	(438)
	<hr/> 55,161	<hr/> 70,413
Deferred tax	(12,560)	3,373
	<hr/> 42,601 <hr/>	<hr/> 73,786 <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.

	2015	2014
Profit attributable to owners of the Company (<i>HK\$'000</i>)	508,053	317,188
	<hr/> 508,053 <hr/>	<hr/> 317,188 <hr/>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	8,869,319	8,758,580
	<hr/> 8,869,319 <hr/>	<hr/> 8,758,580 <hr/>
Basic earnings per share attributable to owners of the Company (<i>HK cents per share</i>)	5.73	3.62
	<hr/> 5.73 <hr/>	<hr/> 3.62 <hr/>

(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 two categories of dilutive potential ordinary shares: share options and share award scheme. For the year ended 31 December 2015, dilutive effects arose from share award scheme adopted during the current year. The weighted average number of ordinary shares calculated is compared with the number of shares granted to employees that would have been transferred at the date of grant during 2015. During the year ended 31 December 2014, dilutive effects arose from share options.

The exercise of the outstanding share options would have an anti-dilutive effect on the earnings per share for the year ended 31 December 2015.

	2015	2014
Profit used to determine diluted earnings per share (HK\$'000)	<u>508,053</u>	<u>317,188</u>
Weighted average number of ordinary shares in issue (thousands)	8,869,319	8,758,580
Adjustment for:		
- effect of dilutive potential shares issuable under the Company's share option scheme (thousands)	-	1,153
- effect of dilutive potential shares issuable under the Company's share award scheme (thousands)	<u>7,776</u>	<u>-</u>
Weighted average number of ordinary shares used to determine diluted earnings per share (thousands)	<u>8,877,095</u>	<u>8,759,733</u>
Diluted earnings per share attributable to owners of the Company (HK cents per share)	<u>5.72</u>	<u>3.62</u>

8 Dividend

An interim dividend of HK\$0.01 per ordinary share totalling approximately HK\$89,462,000 was paid in respect of the year ended 31 December 2015 (2014: Nil). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2015 (2014: Nil).

9 Trade and bill receivables

	2015 HK\$'000	2014 HK\$'000
Trade receivables	1,178,867	465,333
Tariff adjustment receivables	368,165	68,833
Bill receivables	2,803	16,017
	<u>1,549,835</u>	<u>550,183</u>

Tariff adjustment receivables represented the government subsidies on renewable energy for ground projects to be received from the State Grid based on the existing government policies. As at 31 December 2015, tariff adjustment receivables of HK\$314,445,000 and HK\$53,720,000 were arising from electricity generated for the years ended 2015 and 2014, respectively. As at 31 December 2014, tariff adjustment receivables of HK\$57,855,000 and HK\$10,978,000 were arising from electricity generated for the years ended 2014 and 2013, respectively.

As at 31 December 2015, the ageing analysis of the trade receivables, based on invoice date, was as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Within 3 months	413,322	306,920
3 to 6 months	228,750	75,918
6 to 12 months	455,626	32,086
Over 1 year	44,220	13,805
Over 2 years	36,949	36,604
	1,178,867	465,333

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.

As at 31 December 2015, the maturity date of bill receivables was "within 3 months" and "3 to 6 months" (2014: Same).

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

	2015 HK\$'000	2014 <i>HK\$'000</i>
Trade payables	2,910,400	1,945,432
Bill payables	1,055,435	409,756
	3,965,835	2,355,188

As at 31 December 2015, the ageing analysis of the trade payables, based on invoice date, was as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Within 3 months	515,130	1,031,298
3 to 6 months	544,885	553,327
6 to 12 months	912,284	22,508
Over 1 year	665,673	315,271
Over 2 years	272,428	23,028
	2,910,400	1,945,432

As at 31 December 2015, the maturity date of bill payables was "within 3 months" and "3 to 6 months" (2014: Same).

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

	2015 HK\$'000	2014 HK\$'000
Issued and fully paid: 8,946,234,965 (2014: 8,946,234,965) ordinary shares of HK\$0.01 each (<i>Note</i>)	89,462	89,462

Note:

During the year, the Group purchased a total of 225,030,000 of the Company's ordinary shares from the market at a price of approximately HK\$0.52 per share, for a total consideration of approximately HK\$115,997,000. 151,500,000 ordinary shares were held on trust as treasury shares, which will be awarded to the relevant employees according to the vesting period as set out in the share award scheme. 73,530,000 ordinary shares were held by the Group as treasury shares and had been cancelled subsequent to the year end.

12 Events after the balance sheet date

On 1 February 2016, the Group entered into a sales and purchase agreement with an individual, pursuant to which the Group disposed of its entire equity interest in Jiangsu Huize Power Engineering Co., Ltd. ("Jiangsu Huize"), a wholly-owned subsidiary of the Group, for a consideration of RMB20,000,000 (equivalent to approximately HK\$23,873,000). Upon the completion of the transaction, Jiangsu Huize ceased to be a subsidiary of the Group.

Further to the repurchase of 73,530,000 of the Company's ordinary shares during the year ended 31 December 2015, the Company acquired 136,010,000 of its own ordinary shares with a par value of HK\$0.01 each through purchases on the Hong Kong Stock Exchange at a market price of approximately HK\$0.34 during January 2016. All of the repurchased shares, representing 2.34% of the issued share capital of the Company, had then been cancelled in February 2016. The total amount paid to acquire these shares in 2016 was approximately HK\$46,420,000 and the excess consideration over the par value has been deducted from "share premium" in equity at the date of cancellation.

Save as disclosed above, there were no other 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

In 2015, the recovery of global economy was full of difficulties and uncertainties. Despite of the increased downward pressure experienced by China's economy, its growth pace was still ranked among the top in the world. In terms of macroeconomic policies, more attention has been paid to structural reforms and optimization of economic structure. The vigorous development in renewable energy has become an important driver for economic development.

Throughout 2015, China's total electricity consumption was 5.55 trillion kWh, representing a year-on-year growth of 0.5%, down by 3.3 percentage points as compared with the same period last year. This is the lowest growth pace since the introduction of the economic reform and opening policies. Nevertheless, the energy structure is developing toward the direction of clean, renewable and non-fossil energies at full speed.

During the year, the operating environment of renewable energy in China displayed the following characteristics:

1. Production Capacity of Wind Power and Solar Power Are at Historical High

According to the data issued by National Energy Administration, in 2015, the newly installed wind power capacity in China was 32.97GW, setting another historical high level. The total installed grid-connected wind power capacity reached 129GW, representing 8.6% of total installed power generation capacity. In 2015, the national wind power generation output in China was 186.3 billion kWh, representing 3.3% of total power generation output.

In 2015, the newly installed solar power generation capacity in China was 15.13GW, also at a historical high level. The total installed grid-connected solar power capacity reached 43.18GW, making China the country with the world's highest installed solar power generation capacity.

The development of wind power and solar power generation has become one of the important measures to achieve steady economic growth and structural optimization in China.

2. Transformation of energy structure has begun

According to the data issued by National Bureau of Statistics, in 2015, the total power generation output in China was 5.618 trillion kWh, representing a decrease of 0.2 percentage point as compared with last year, and the first drop since 1964. Meanwhile, the power generation output of wind power, solar power, hydropower and nuclear power achieved a significant increase, with growth of approximately 17 million kWh. With the decrease of total coal-fired power generation output by approximately 16 million kWh, the proportion of coal-fired power decreased from 74% in 2013 to 69% in 2015, representing a five percentage point decrease in two years. To protect the environment, reduce air pollution and fulfil its commitment to emissions reduction, the Chinese government has been reducing coal-fired power and ramping up the development of power generation using renewable energy. That means the transformation of energy structure has already begun. In practice, it is also known that the conditions for large-scale commercialization of non-fossil energy are ready. Not only can the demand for additional energy be met, but also considerable fossil energy, particularly coal-fired energy can be substituted.

3. Feed-in Tariff Rate Will be Gradually Reduced and Technological Advancement Has Become a Driver for the Development of the Industry

On 24 December 2015, the National Development and Reform Commission (NDRC) issued the "Notice on the Improvement Policy on Benchmark Feed-in Tariffs (FITs) of Onshore Wind Power and Photovoltaic Power Generation" which clearly specified the reductions in FITs of onshore wind power and photovoltaic power generation. With regard to benchmark FITs for onshore wind power projects, the tariffs for the four types of wind power resource areas are RMB0.47, RMB0.50, RMB0.54 and RMB0.60 respectively in 2016; and RMB0.44, RMB0.47, RMB0.51 and RMB0.58 respectively in 2018. Areas in southern China where curtailment is not enforced are generally classified as Type IV, and enjoyed the slightest reduction in tariff. As for photovoltaic generated electricity, the benchmark FITs of the three types of resource areas in 2016 are RMB0.8, RMB0.88 and RMB0.98 respectively.

The reduction in tariff has compelled the decrease in the costs of renewable energy facilities with improved conversion efficiency. During the year, the technology of renewable energy was further enhanced. The lengths of turbine blades were increased and wind energy conversion efficiency was improved. Turbine quality and operational stability were also improved significantly. In terms of solar power, conversion efficiency of battery modules improved continuously and the costs of raw materials declined continuously. Moreover, new construction technologies were emerging and the quality of power plant operation and maintenance also improved. All of these could offset the economic impact of tariff reduction on newly constructed power plants, and more southern wind power projects will become attractive to investments.

4. Government Aims to Solve Renewable Energy Consumption Problem in Various Ways

In March 2015, CPC Central Committee and State Council jointly issued “Certain Opinions on Further Deepening the Reform of Electricity System” and put forward the “no-discrimination and easy access to on-grid power generation by implementing protective purchasing mechanism for renewable energy power generation in accordance with the regulations”. In the same month, National Development and Reform Commission and National Energy Administration jointly issued the “Guidance on Improving Grid Operation and Promoting the Utilization of Clean Energy”, according to which the annual power generation plans were required to give priorities to hydropower, wind power, solar power and other clean energy generation; clean energy power generation suppliers were encouraged to participate in market activities; additional flexibility of power grid allocation was requested by giving overall consideration of supplementary power and clean energy, and giving priority to clean energy transmission with defined power transmission ratios. The “Guidelines on Managing Protective Buyouts of Renewable Energy Power Generation (Consultation Draft)” drafted by National Energy Administration was also seeking opinions from the general public. The paper has specified, among others, the definition of protective buyouts of renewable energy power generation, the subject of responsibility, the scope of protection and the methods of compensation.

To address the issue of regional imbalances in electricity supply and demand, China increased the construction of power grids and ultra-high voltage (UHV) transmission lines construction experienced accelerated development in 2015. The “two A/C, two D/C Projects”, i.e. the West Inner Mongolia-South Tianjin 1,000kV UHV A/C line, Yuheng-Weifang 1,000kV UHV A/C line, Jiuquan-Hunan ±800kV D/C UHV line and Jinbei-Jiangsu ±800kV D/C UHV line, have obtained approvals to commence construction.

5. Further Increase of Levy for Subsidies to Renewable Energy

In December 2015, the National Development and Reform Commission issued a notice regarding the decision of increased levy for the subsidies to renewable energy on electricity consumptions other than those for private domestic use and agricultural production, in which the levy was raised to RMB1.9 cents/kWh, representing a RMB0.4 cents increase from the standard of RMB1.5 cents/kWh implemented previously. The project subsidies included in the first five batches in the “Catalogue of Subsidies for Renewable Energy” would basically be available on time, and the sixth batch of subsidy has already been opened for application.

6. Favourable Financing Environment with Continuous Decline in Interest Rates

In 2015, the People’s Bank of China lowered the RMB benchmark lending rates for financial institutions for 5 times, accumulating a total of 1.25 percentage points; the required reserve ratio was reduced three times, accumulating a total of 2 percentage points for all banks; and the required reserve ratio was reduced once more for targeted banks. During the year, the overall financing environment has improved significantly with lowered project financing costs and enhanced investment efficiency for the power plants.

II. Business Review

During the year 2015, the Group’s revenue amounted to HK\$4,321,302,000 (2014: HK\$3,549,639,000), increased by 21.74% as compared with the same period last year; profit attributable to owners of the Group amounted to HK\$508,053,000 (2014: HK\$317,188,000), increased by 60.17% as compared with the same period last year. The basic earnings per share were 5.73 HK cents (2014: 3.62 HK cents); and the fully diluted earnings per share were 5.72 HK cents (2014: 3.62 HK cents).

As at the end of the year, the Group's net asset value was HK\$5,755,575,000 (2014: HK\$5,755,621,000). As at the end of the year, the Group's cash and cash equivalents were HK\$1,905,131,000 (2014: HK\$1,105,341,000).

During the year, the Group's revenue and profit increased significantly mainly due to the significant increase in power generation output attributable to the Group, the improved efficiency of power plants and the increased revenue from Engineering, Procurement and Construction (EPC) projects.

1. Power Plant Investment in Development and Operation

i. Power Generation Output Surged with Improved Power Plant Efficiency

In 2015, the Group's generation output attributable to the Group was 1,565.76 million kWh (2014: 1,114.29 million kWh), up 40.52% as compared with last year, of which wind power generation output was 1,037.2 million kWh (2014: 865.91 million kWh), up 19.78% as compared with last year, while solar power generation was 528.56 million kWh (2014: 248.39 million kWh), up 112.79% as compared with last year.

During the year, the Group's power plants generated electricity output of 3,048.05 million kWh (2014: 2,439.33 million kWh), up 24.95% as compared with last year, of which wind power generation was 2,487.41 million kWh (2014: 2,166 million kWh), up 14.84% as compared with last year and solar power generation was 560.64 million kWh (2014: 273.33 million kWh), up 105.11% as compared with last year.

During the year, the revenue from controlling power plants amounted to HK\$539,766,000 (2014: HK\$239,096,000) and the share of results of associates and joint ventures of HK\$85,809,000 (2014: HK\$49,707,000).

ii. Power Plant Operation Indicators Maintained at a Comparatively Satisfactory Level and Average Tariff Rates were Stable

During the year, the wind turbines of the Group's wind power plants recorded 95.01% of availability rate (2014: 95.43%) and 1,618 hours of equivalent full-load utilization hours (2014: 1,665 hours). The Group's solar power plants recorded availability rate of 99.15% (2014: 99.80%) and equivalent full-load utilization hours of 1,553 hours (2014: 1,601 hours). The average grid curtailment rate of the Group's wind power plants was 20.40% (2014: 14.12%) and 2.16% (2014: 1.70%) for the Group's solar power plants.

During the year, the weighted average feed-in tariff rate of the Group's wind power plants was RMB0.5585/kWh (including VAT) (2014: RMB0.5631/kWh). The weighted average feed-in tariff rate of the Group's solar power plants was RMB1.016/kWh (including VAT) (2014: RMB1.075/kWh).

iii. Scale of Projects under Development Remained Stable and Power Plant Capacity Achieved Steady Growth

In 2015, the total installed capacity of power projects that the Group invested in and held equity shares was 663MW, among which there were 7 continued projects with installed capacity of 214MW and 11 new construction projects with installed capacity of 449MW. 9 were wind power plants with capacity of 469MW and attributable capacity of 384MW, and 9 were solar power plants with capacity of 194MW and attributable capacity of 181MW.

During the year, the Group added 12 new wind and solar power plants to production, with total capacity of 365MW and attributable capacity of 291MW, of which 4 were wind power plants with capacity of 181MW and attributable capacity of 120MW and 8 were solar power plants with capacity of 184MW and attributable capacity of 171MW.

As at the end of the year, the Group held interests of 49 grid-connected wind and solar power plants, with a total capacity of 2,196MW and attributable capacity of 1,250MW, of which 32 were wind power plants with total capacity of 1,681MW and attributable capacity of 753MW, and 17 were solar power plants with total capacity of 515MW and attributable capacity of 497MW.

iv. Outstanding Performance in Project Development and Abundant Resource Reserves

During the year, 25 projects of the Group with total capacity of 1,077MW have either been approved by or submitted to energy authorities, among which 17 projects were wind power projects with total capacity of 872MW and 8 photovoltaic power projects with total capacity of 205MW.

17 of the Group's wind power projects with a total capacity of 860MW have been included in "the fifth batch of the wind power project approval list under the 12th Five-Year Plan" issued by the National Energy Administration, all of which are located in regions with good access to the grid and no curtailment.

During the year, the Group entered into agreements in relation to wind power resources of 1,150MW, and solar power resources of 200MW. As at the end of the year, the Group's wind power resources reserve amounted to over 28GW and solar power resources reserve amounted to approximately 8GW, which have provided the assurance of the Group's sustainable development.

2. Renewable Energy Service Sector

i. Significant Growth of Engineering, Procurement and Construction (EPC) Business

During 2015, the Group's company in the EPC sector undertook 21 external and internal EPC projects with a total capacity of 998MW. Among the external projects, Huadian Fuxin Energy Corporation Limited (Huadian Fuxin)'s Inner Mongolia Siziwangqi wind power project (49.5MW), Henan Yiyang wind power project (49.5MW), Inner Mongolia Damaoqi wind power project (200MW), Hebei Kangbao wind power project (96MW) and Shenzhen Energy Group Company Limited's Jiangsu Sihong wind power project (50.4MW) have already commenced production. In addition, Shanghai Electric Power Co., Ltd's Anhui Lingshan wind power project (48MW) and other projects have been progressing smoothly.

In addition to providing construction design services for the EPC projects, the Group's design company, as a member of the integrated EPC group, also provided resources assessment and consulting services for the Group and external renewable energy investors. During the year, the Group completed 150 wind or solar resources assessment and technical advisory reports, 56 feasibility studies and 13 construction designs.

During the reporting period, the Group's EPC companies generated total revenue of HK\$3,677,684,000 (2014: HK\$3,187,217,000).

ii. Power Plant Operation and Maintenance (O&M) Business Remained Stable

The Group's O&M companies 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. The Group's O&M companies use big data, cloud computing, networking, Internet and other technical means to actively create new cloud O&M pattern.

During the year, the Group's O&M companies provided O&M services to 50 wind and solar power plants. In addition, 11 scheduled inspection service contracts were signed with turbine manufacturers, and 18 service contracts for preventive tests, technical renovation overhaul and wind power forecast were signed with wind power plants.

During the year, this business segment contributed revenue of HK\$103,852,000 (2014: HK\$123,326,000) to the Group.

III. Liquidity and Financial Resources

As at 31 December 2015, the Group held cash and cash equivalents of approximately HK\$1,905,131,000 (31 December 2014: HK\$1,105,341,000), the current ratio was 1.11 times (31 December 2014: 1.21 times), gearing ratio (long term debt divided by owner's equity) was 0.59 (31 December 2014: 0.27). At the end of the year, the Group's borrowings amounted to HK\$3,807,076,000 (31 December 2014: HK\$1,716,242,000), and the consolidated net assets of the Group stood at HK\$5,755,575,000 (31 December 2014: HK\$5,755,621,000).

Foreign Exchange Risk

During the year, the income and expenditures of the Group's principal businesses (including capital expenditures) were denominated in Renminbi. The Group did not engage in the use of any financial instruments for hedging purpose.

Charge of Asset

As of 31 December 2015, equipment of the Group was pledged as security for outstanding loan amount of RMB936,950,000 (31 December 2014: RMB492,000,000).

Contingent Liability

As at 31 December 2015, 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\$44,451,000 (31 December 2014: HK\$47,207,000). The outstanding balance of banking facilities of Erlian as at 31 December 2015 was RMB64,739,000 (31 December 2014: RMB75,225,000).

The Group has also provided the corporate guarantee for Gansu Guazhou Century Concord Wind Power Co., Ltd. ("Guazhou") in a loan facility with amount up to US\$140,000,000, and has pledged its 49% equity interest of Guazhou, with total value of its share of registered capital amounted to approximately HK\$391,354,000 (31 December 2014: HK\$415,618,000). As at 31 December 2015, the outstanding balance of the loan was approximately US\$57,895,000 (31 December 2014: US\$68,310,000). The loan was completed on 15 January, 2016 and the pledge was released on 11 March, 2016.

Save for the information as mentioned above, the Group did not have any significant contingent liabilities as at 31 December 2015.

Commitments

As at 31 December 2015, the Group had capital commitments of HK\$2,789,483,000 (31 December 2014: HK\$2,778,432,000) which were not accounted for in the financial statements. The amount was mainly capital committed for investment in power plants of HK\$757,641,000 (31 December 2014: HK\$803,680,000) by the subsidiaries, and capital committed for payment of equipment purchased of HK\$2,031,842,000 (31 December 2014: HK\$1,974,752,000) by the subsidiaries.

IV. Staff and Remuneration

As at 31 December 2015, the Group had 1,068 (31 December 2014: 1,069) full-time employees — 98 for the Group's headquarter, 287 for project development and management, 217 for EPC and 466 for O&M.

During the year, the Board approved the adoption of share award scheme as an incentive to recognize the contributions of employees, and retain the employees for their continued effort in the Group's sustainable development, as well as to attract suitable personnel to participate in the Group's further development.

During the year, the staff cost was HK\$146,449,000 (2014: HK\$149,861,000), representing a decrease of HK\$3,412,000 year-on-year.

V. Social Responsibility and Environmental Protection

The Group attaches great importance to social responsibility and concerns about employees' occupational health, safety and working ability advancement. The Group has continuously provided financial aids to the professional education in universities and made donations to those who suffered from earthquake in Tibet. The Group's charity fund also assisted employees and their families who faced living difficulties. As the Group is engaged in the business of renewable energy power generation such as wind power and solar power generation, it focuses on the investments in environmental protection and conservation of water and soil. It also strives to maintain the sustainable development of the environment as well as the human race, and commits to its responsibilities in improving the energy structure and reducing air pollution. During the year, the Group's Zhangdong wind power plant once again was awarded the title of "Friendly" wind farm in Liaoning Province, and Guazhou wind power project as well as Wuwei photovoltaic project also won the titles of "Friendly New Energy Power Plant" in Gansu Province.

During the year, the electricity generated by the wind power plants and solar power plants invested by the Group was equivalent to the reduction of 2,860,000 tons of carbon dioxide emission, 28,265 tons of sulfur dioxide emission and 2,507 tons of nitrogen oxide emission. Moreover, as compared with the electricity generated by coal-fired power plants, the Group's wind and solar power plants saved 960,000 tons of standard coal and 8,000,000 tons of water. As at the end of the year, the Group's invested wind and solar power plants had cumulatively reduced carbon dioxide emission by 13,530,000 tons, sulfur dioxide emission by 134,075 tons, and nitrogen oxide emission by 11,876 tons. 4,560,000 tons of standard coal and 37,900,000 tons of water have been saved cumulatively. The reduction of emissions of pollutants has made a contribution to the reduction of PM10 and PM2.5 concentration in the atmosphere to reduce smog.

VI. Prospects

In 2016, the world economy is still intricate and difficult with uncertain outlook for recovery. The overall growth rate of the Chinese macro-economy is expected to show a steadily slow down trend with a slow growth rate in electricity consumption. 2016 is the first year of China's 13th Five-Year Plan and it is expected that, newly installed wind power capacity will exceed 20GW while newly installed solar power generation capacity will exceed 15GW. The Chinese government is currently exerting great effort to resolve the problems including electricity consumption and electricity tariff subsidies. Meanwhile, there is continuous technological advancement in renewable energy power generation. With a relatively loose financial environment, there will still be a lot of room for future growth.

Following the implementation of a series of measures including the south-bound development, solar energy development and optimization of capital structure in recent years, the Group's assets in power plants as well as its proportion of earnings from power generation business have been increasing.

The Group will persist in the following operational strategies in 2016:

1. Put more effort in getting more project approvals and persist without wavering in the business strategies of development in south areas without curtailment and in solar energy and maintain a steady growth in the Group's attributable installed capacity and developing wholly-owned or controlled wind power and solar power projects with good economic benefits in southern China where no curtailment is enforced.
2. Strengthen safety production management in power plants and improve economic efficiency of power plants, strengthen the refined management in production, uplift the technical standards of power plant operation and adopt various effective measures to increase equivalent available hours and reduce the loss from curtailment.
3. Strengthen the capabilities of the servicing business segment, continue to expand in external business and ensure the achievement of established targets and various operation indicators.
4. Continue to optimize and adjust the Group's capital structure, improve strategic planning, expedite the disposal and replacement of inventory assets in the areas of curtailment or future curtailment, dispose of inefficient assets and make full use of idle assets.
5. Improve management effectiveness, enhance efficiency and continue the implementation of cost control, promote the reform of award and incentive mechanisms and optimize the work in auditing, supervision and risks prevention.

In the coming year, all the staff in the Group will work together, strive for innovation and make every possible effort in the new development direction of the Group so as to create excellent return for 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 2015 have been agreed by the Group's independent auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 on the preliminary announcement.

DIVIDEND

An interim dividend of HK\$0.01 per ordinary share totalling approximately HK\$89,462,000 was paid in respect of the year ended 31 December 2015 (2014: Nil). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2015 (2014: Nil).

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

During the year ended 31 December 2015, the Company had repurchased 73,530,000 shares of the listed securities of the Company with the aggregate consideration of HK\$33,298,000 on the Stock Exchange of Hong Kong Limited, all of the purchased shares were subsequently cancelled by the Company and the issued share capital of the Company was reduced thereon.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2015, 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 2015.

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 2015 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, 30 March 2016

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Mr. Yang Zhifeng and Ms. Liu Jianhong (who are Co-Vice Chairpersons), Mr. Yu Weizhou (Chief Executive Officer), Mr. Gao Fuchun (who is non-executive Director) and Dr. Wong Yau Kar, David, BBS, JP, Mr. Yap Fat Suan, Dr. Shang Li and Ms. Huang Jian (who are independent non-executive Directors)