Annual Report 2009

For the nine months ended 31 December 2009

Stock code:182HK

China WindPower 中国风电

Contents

Corporate Information

Board of Directors

Executive Directors

Mr. Liu Shunxing
(Chairman and Chief Executive Officer)
Mr. Ko Chun Shun, Johnson
(Vice Chairman)
Mr. Wang Xun
Mr. Yang Zhifeng
Ms. Liu Jianhong
Mr. Yu Weizhou
Ms. Ko Wing Yan, Samantha
Mr. Chan Kam Kwan, Jason

Non-executive Directors

Mr. Tsoi Tong Hoo, Tony

Independent non-executive Directors

Dr. Zhou Dadi
Dr. Wong Yau Kar, David
Mr. Yap Fat Suan, Henry

Company Secretary

Mr. Chan Kam Kwan, Jason

Auditors

PricewaterhouseCoopers
Certified Public Accountants

Bankers

China Construction Bank
Hang Seng Bank
Industrial and Commercial Bank of China
Standard Chartered Bank

Solicitors

Baker & McKenzie

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office in Hong Kong

Suite 3901, Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Tengis Limited
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28 Queen's Road East
Wanchai
Hong Kong

Website

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www.irasia.com/listco/hk/chinawindpower/

Chairman's Statement

Benefitting from the highly efficient and fast growing wind power market in China, the Group achieved excellent results in 2009, with significant growth in all business areas. For the nine-month period ended 31 December 2009 ("the Reporting Period"), the Group recorded HK$181,236,000 of profit attributable to equity holders of the Company, representing a 56% increased from the whole previous financial year. Highlights, briefly summarized, were:

— Strong development across businesses. During the Reporting Period, the Group had accumulated a total wind power installed capacity of 566MW, with 257MW attributable to the Group, representing a 257% increase compared to the total capacity at the end of previous financial year. The Group also booked higher revenues and profits from its wind power consultancy and design, wind power engineering and construction, wind power plant operation and maintenance and tower tube manufacturing units. All business units further enhanced their capabilities and independence to provide services to third parties.

— Strong financial position. The Group disposed Nam Pei Hong medicine business in 2009 and focused purely on its wind power business. As at 31 December 2009, the Group's net asset value amounted to HK$3,267,843,000, cash and cash equivalents totaled HK$1,109,561,000, and had minimal debt.

— Strengthened integrated management and control. During the Reporting Period, the Group implemented tighter corporate governance mechanism, strengthened the management system, increased risk awareness, enhanced internal communication and approval system and improved efficiency. The Group also published internally a "Five-Year Development Plan" which analyzed the Group's advantages and disadvantages and stated development targets, strategic directions and future development strategies.

— Added human resources and wind reserves. During the Reporting Period, the Group continued to recruit high caliber talent to support its rapid business development. The Group has secured exclusive wind power development rights exceeding 9,000MW.

— Enhanced corporate image. During the Reporting Period, the Group made contributions to aid the reduction of environmental pollution, the combat of climate change and the improvement of economic and educational standards in underdeveloped regions in China. The spirit of integrity, cooperativeness, professionalism and efficiency of the Group is now more widely recognized by local governments and the industry.

Chairman's Statement

Since we introduced our wind power business in 2007, we have worked hard to establish an integrated wind power business, comprising a longer term focus on wind power investments built upon the foundation of our wind power services. Today, the Group has become the largest foreign integrated wind power enterprise in China. The Group has successfully captured the opportunities that have arisen from the rapid development of the wind power industry in China. Under its prudent business strategy, the Group has mitigated the impact from the financial crisis and achieved rapid growth in turnover and profits. The Group's unique business model and its strategy that promotes a win-win situation for all parties allow the Group to reduce its capital requirement, even when it is growing rapidly, and hence to increase return on capital. Apart from high growth, and more importantly, the Group has established strong project development capability and professional services capability, boosted its human resources and accumulated substantial wind resource reserves. These factors represent a solid foundation for meeting future challenges as well as for achieving sustainable and rapid growth in the years ahead.

The outlook for the development of the wind power industry all over the world is bright, with China probably offering the best prospects. The Group will therefore continue to grow rapidly and sustainably.

It is generally recognised that the world should reduce emission of greenhouse gases, proactively respond to global climate changes and develop low-carbon economies. Being an energy that significantly reduces emissions and, among clean energies, has the largest potential to achieve economies of scale, wind power has received and will continue to receive strong policy support from governments. Technology advances and the realization of economies of scale will significantly reduce the cost of wind power and therefore further improve its competitiveness.

We firmly believe that wind power will become one of the major solutions to clean energy development in China. The vigorous development of wind power will be important to this country, whether it is for the environment — energy structure reformation, conservation and emissions reduction — or because of national security concerns over energy supply. The enormous potential of development of wind power in China can be illustrated by the fact that, at present, wind power generates less than 1% of the national electricity output, even though the wind power industry has grown rapidly for the past several years. Problems in connectivity to the grid, which some wind power companies are experiencing, are both temporary and technically solvable. We expect China's wind power industry to continue to grow orderly and rapidly, in tandem with the development of the grid.

Although participants at the 2009 United Nations Climate Change Conference held in Copenhagen failed to reach an agreement with regard to the post-2012 Clean Development Mechanism ("CDM"), the Copenhagen Accord that was agreed reflect the world's deep concern about climate change. There is a consensus that the world should limit the increase in global temperature and needs to reduce emissions to do so. Climate change is seen as one of the greatest challenges of our time and the need to address climate change will spark the demand for, and promote the development of, clean and renewable sources of energy.

Chairman's Statement

There is a highly efficient market environment for the development of the wind power industry in China. Wind power projects are developed faster in this country than anywhere else. The conditions for large-scale developments are favorable. The financial environment is supportive. The resources of the Group are concentrated in China. The Group understands this market well. Therefore, in the near future, the Group will continue to develop mainly in the China market and aggressively capitalize on this golden era for the development of wind power industry here. However, the Group will also be alert to investment and business opportunities overseas and to opportunities arising from wind-solar hybrid power generation, power battery technologies and other forms of clean energy.

We have built a solid foundation for the rapid development of the Group's wind power businesses, by progressively strengthening our capability in project development, the provision of comprehensive wind power services, human resources, wind resource reserves and we have strengthened our financial position too. In 2010, each of the Group's business segments will switch to the fast lane on the road of development. In anticipation of rapid growth of the wind power industry, as a whole, in China in 2010, we believe the Group's own development is well-timed. This year, we will accelerate our investment in wind farms and significantly increase installed capacity. We plan to invest in the construction of at least 12 wind farms with a total installed capacity of 700MW. This year too, we target to start operation of wind farms with a total installed capacity of 500MW. Meanwhile, we will strengthen the management of our operations, enhance the core competitiveness of our service businesses and thereby create value for our shareholders.

Regarding risk controls, we will continue to stay alert and embrace a prudent attitude. We will continue to take pre-cautionary measures as well as prepare contingency measures in response to potential risks, according to the specific nature and characteristics of them.

The outstanding performance of the Group is attributable to the diligence of the management and all the staff as well as the support from shareholders, business partners and community institutions. We promote a corporate culture of co-operation and mutual support between the Group and society, between the Group and its employees, and between the Group and its partners. We help our employees create opportunities for self improvement, which also benefits the Group and contributes to its ability to sustain rapid growth. I take this opportunity to thank the management team, all the staff, the shareholders, business partners, institutions and communities that have helped us. China WindPower Group will be with you, and grow with you to our mutual benefit and the benefit of all as we strive to reduce greenhouse gas emissions and create a cleaner environment for all.

Liu Shunxing
Chairman & CEO

Hong Kong, 8 March 2010

Management Discussion and Analysis

Operating Environment

In 2009, the global economy gradually stabilized and China's economy strongly recovered. The wind power industry continues to grow rapidly and the Group achieved remarkable results during the year. The Group agilely combat different challenges and aggressively developed its wind power business. All lines of business demonstrated sustainable and rapid growth, particularly in power generation, installed capacity, service capabilities, profitability and asset scale. The Group's vertical integrated wind power business capabilities are fully established and are widely recognized by the industry.

Global attention to climate change intensified in 2009. Low carbon economy and development of clean and renewable energy have become an important agenda for the future economic growth globally. China announced its emission reduction target for year 2020. China's renewable energy development plan has widespread support within the country. During the year, the National Development and Reform Commission ("NDRC") introduced a regional fixed wind tariff standard and National People's Congress approved the enhancement of the Renewable Energy Law. The clear wind power policy and plan offer a favorable environment for wind power development in China.

The financing environment in 2009 had also been positive. China's vigorous RMB4 trillion economic stimulus package, ready availability of bank financing and low interest rates had helped China overcome the global finance crisis.

In 2009, the efficiency and availability of the domestically manufactured turbines demonstrated significant improvements. The problem of shortage in wind turbine supply in 2008 no longer exists. With supply driven equipment price deflation, shortened equipment supply cycles and improved turbine functionality, wind power investment and development are encouraged.

In terms of grid development, the government authorities and the grid companies are fully aware of the existing problems of grid connection and congestion, and are urgently putting together a grid development plan — detailing the strengthening of the grid infrastructure and the development of a smart grid and super high voltage transmission lines — which will support the further development of renewable energy.

Overall speaking, the supportive policy and favorable investment environment in 2009 had strongly driven forward the Group's wind power business development.

Business Review

The Group has changed its financial year end from March 31 to December 31 in order to coincide with the accounting year end of our subsidiaries in China. This change of accounting year end can improve the efficiency of our audit, internal control; and can allow shareholders and investors to appraise the development of the Group on a more consistent basis. Thus this report is for the 9-month results from 1 April 2009 to 31 December 2009 (the "Reporting Period").

Business Review *(Continued)*

Given the favourable operating environment in 2009, the Group expedite the development of and investment in wind power projects and expanded the scale and scope of its wind power services. During the Reporting Period, eight wind farms with a total capacity of 396MW commenced operation and at the end of the Reporting Period, four wind farms with a total capacity of 349MW were under construction. The Group provided professional wind power services to its own wind farms and wind farms invested by independent third parties. During the Reporting Period, the Group recorded consolidated revenue of HK$562,597,000 from its wind power businesses (1 April 08 to 31 March 09: HK$379,389,000), representing an annualized growth of 98% from the previous reported year. As at 31 December 2009, the Group's net asset value amounted to HK$3,267,843,000 (31 March 2009: HK$2,484,570,000), and cash and cash equivalent totalled HK$1,109,561,000 (31 March 2009: HK$745,061,000). Profit attributable to equity holders of the Company was HK$181,236,000 (1 April 08 to 31 March 09: HK$116,766,000), representing an annualized increase of 107%. Basic earnings per share from continuing operations were 2.66 HK cents (1 April 08 to 31 March 09: 2.06 HK cents) and its fully diluted earnings per share from continuing operations were 2.59 HK cents (1 April 08 to 31 March 09: 1.81 HK cents).

During the Reporting Period, the Group raised approximately HK$580,000,000 through a placement of 700,000,000 new ordinary shares to help finance our accelerating development. And because of the financial crisis, the Group felt it was prudent to strengthen its equity capital base.

Wind Power Business

The Group disposed the Nam Pei Hong business in the Reporting Period and focused purely on wind power business.

The Group achieved rapid growth and imposing results in wind resources reserve, wind power plant investments, project consultancy & design, engineering & construction of wind power projects, tower tube equipment manufacturing and, last but not least, operation & maintenance of wind power plants.

1. Wind Power Plant Investments and Operations

i. Investment in Wind Power Plants

In 2009, the Group sped up the investment in wind power plants, and initiated the construction of the 200MW NDRC concession project in Guazhou, Gansu Province. During the Reporting Period, the Group started construction of eight wind power projects (total capacity of 547MW), completed construction and commenced operation of eight wind power plants (total capacity of 396MW). At the end of the Reporting Period, the Group had invested in and constructed 16 wind power plants with a total 914MW installed capacity, of which 561MW was attributable to the Group. 12 out of the 16 wind power plants (total capacity of 566MW) are in operation. The remaining four are still under construction (total capacity of 349MW). During the Reporting Period, the Group accomplished shorter construction period, lower costs and good safety record.

Wind Power Business *(Continued)*

1. Wind Power Plant Investments and Operations *(Continued)*

i. Investment in Wind Power Plants *(Continued)*

The Group operates a centralized equipment procurement system to enable it to capture the negotiate volume discounts on its equipment purchases. During the period, the Group also benefited from the significant drop in wind turbine prices and shorter equipment supply lead time.

ii. Power Generation

During the Reporting Period, the Group generated total on-grid electricity of 296,060,000kWh, representing an annualized increase of 75% from the year ended 31 March 2009. (This generation was mainly from wind farms that commenced operation in the previous financial year as the majority of the wind farms that were completed during the Reporting Period commenced operation towards end of 2009). The Group's wind power plants achieved or exceeded the planned capacity factors. Our Inner Mongolia Taipusiqi Shenhua Xiehe wind farm and Erlianhaote Changfeng Xiehe wind farm generated power well above our expectation, with capacity factors of 2,466 hours and 2,596 hours, respectively.

iii. Wind Resources and Project Development

Although the competition for wind resources is increasing and they are becoming more difficult to secure, with the Group's agile approach, strong track record and capabilities, the Group continued to procure quality wind resources. During the Reporting Period, the Group secured exclusive wind power development rights totalling 2,250MW, comprising 750MW in Liaoning Province and 1,500MW in Jilin Province. These new additional wind reserves are of high quality with good wind, grid and tariff conditions. In aggregate, the Group has accumulated wind resources of 9,510MW, which provide a solid sustainable foundation for years of wind power development and investment.

The wind power project development and approval process have also become more difficult particularly with respect to grid connection. To address this challenge, the Group has strengthened its project development capabilities by expanding the project development teams. During the Reporting Period, the Group obtained six project approvals, nine grid connection approvals, seven grid connection proposal approvals and five tariff approvals. The strengthened project development capabilities helped to ensure project development progress in 2009 and makes us well positioned for further progress in the year ahead.

Management Discussion and Analysis

Wind Power Business *(Continued)*

1. Wind Power Plant Investments and Operations *(Continued)*

iv. CDM

During the Reporting Period, the Group signed Certified Emission Reduction ("CER") sales agreements for an additional seven wind power projects, bringing the total signed CER sales agreements for 14 wind power projects (total capacity of 815MW). Applications for Clean Development Mechanism ("CDM") registration are proceeding well. Two wind power projects have secured registration with the United Nations. Five other projects obtained approval from the NDRC, passed independent audits and are currently being reviewed by the United Nations CDM Executive Board.

2. Wind Power Services Business

During the Reporting Period, all wind power business segments made great progress.

i. Wind Power Consultancy & Design

The Group's consultancy & design unit obtained the engineering consulting qualification from NDRC and professional engineering design certificate for wind power generation and power transmission from Ministry of Housing and Urban-Rural Development of People's Republic of China and Beijing Municipal Commission of Urban Planning.

Currently, the consultancy & design unit has 50 employees with expertise covering all aspects related to wind power consultancy & design, such as wind resources assessment, electrical, civil, budget estimate, economic valuation, environment assessment, soil and water conservation, geology, planning, and water supply and drainage. The Group's consultancy & design unit is one of the leading professional wind power design consultancy teams in China, providing services — including initial planning of wind farm development, wind resource assessment, wind power project feasibility study, wind farm construction design, micro-site selection solution, CDM technical service and post-project evaluation of wind power projects.

A total of 81 reports are provided to wind power projects invested by the Group and also to independent third parties over the Reporting Period.

During the Reporting Period, the Group's consultancy & design unit (including project development business) recorded revenue of HK$49,561,000 (1 April 08 to 31 March 09: HK$17,353,000).

Management Discussion and Analysis

Wind Power Business *(Continued)*

2. Wind Power Services Business *(Continued)*

ii. Wind Power Engineering & Construction Services

The Group's wind power engineering & construction services unit continued to expand its scale during this Reporting Period, taking on construction contracts for 13 wind power projects (total capacity of around 845MW), including the construction of turbine foundation for Longyuan's Liaoning Faku wind farm. Leveraging from the vertical integrated wind power resources of the Group, the engineering & construction services unit is able to provide a professional integrated wind power contractor service. In addition, the service unit facilitated good safety record, efficient project management and strict costs control, thus enhances overall efficiency.

The engineering & construction services unit generated revenue of HK$227,968,000 (1 April 08 to 31 March 09: HK$125,447,000).

iii. Wind Power Tower Tube Equipment Manufacturing

During the Reporting Period, the Group's wind power tower tube equipment manufacturing unit received the ISO9001 qualification and supplied 244 wind tower tubes (including OEM) through its Jinlin Tianhe Wind Power Equipment Ltd.. Profitability had improved as the unit centralized material procurement, aggressively pursued orders and strictly controlled quality and costs.

The wind power tower tube equipment manufacturing unit recorded revenue of HK$270,071,000 (1 April 08 to 31 March 09: HK$227,273,000).

iv. Wind Power Plant Operation & Maintenance Service

The Group's wind power plant operation & maintenance service unit experienced a fast expansion and development during the Reporting Period. This unit now employs 141 staff, providing professional wind farm operation maintenance and equipment monitoring and repair services to 12 wind farms in Liaoning, Jilin and Inner Mongolia Provinces.

The Group successfully developed a centralized standard operation & maintenance system, which can cope with all major turbine models — the SCADA system. The system has been tested successfully and is now in full implementation.

The Group is working with internationally reputable counterparties, including General Electric in the US and SgurrEnergy in the UK, to strengthen its capabilities in operation & maintenance of wind farms.

Wind Power Business *(Continued)*

2. Wind Power Services Business *(Continued)*

iv. Wind Power Plant Operation & Maintenance Service

The Group has set up an express repair and maintenance service center in Fuxin, Liaoning Province, to provide speedy services — including component replacement, equipment repair, operation maintenance, etc. — to many wind farms in Liaoning Province and eastern Inner Mongolia Province, and regional technical support for major domestic equipment manufacturers. The express service center has started operation and is currently gathering up the necessary equipments and components. The Group believes the establishment of the repair and maintenance center will help to increase the competiveness and service capabilities of the Group's wind power plant operation & maintenance service unit.

During the Reporting Period, the Group's operation and maintenance unit recorded revenue of HK$14,997,000 (1 April 08 to 31 March 09: HK$9,316,000).

Liquidity and Financial Resources

As at 31 December 2009, the Group had cash or cash equivalents of approximately HK$1,109,561,000 (31 March 2009: HK$745,061,000). As at that date, the current ratio was 5.50 times. (31 March 2009: 6.94 times). The consolidated net assets of the Group stood at approximately HK$3,267,843,000 (31 March 2009: HK$2,484,570,000).

Foreign Exchange Risk

The financial statements of the Group are presented in Hong Kong dollars and its income and expenditure (including capital expenditure) of its principal businesses are denominated in Renminbi. The Group did not engage in the use of any financial instruments for hedging purposes.

Capital Structure

On 24 July 2009, the Company placed 700,000,000 ordinary shares of the Company of HK$0.01 each at the issue price of HK$0.85 per share. The net proceeds amounted to approximately HK$580,000,000, are intended for use for the development of the Group's wind power business. Details of the transaction were disclosed in the announcement of the Company dated 16 July 2009.

On 3 August 2009, 323,469,387 ordinary shares at par value HK$0.01 each of the Company were issued as a result of the conversion of convertible notes with a principal amount of HK$31,700,000. As at 31 December 2009, all convertible notes issued by the Company have been converted.

Management Discussion and Analysis

Contingent Liabilities

As at 31 December 2009, the Group, via its wholly-owned subsidiary, had entered into joint venture agreements with joint venture partners in the PRC. Pursuant to the joint venture agreements, the Group was required to pledge its share of the equity interests in these jointly controlled entities as security for the bank loans of each of the respective jointly controlled entities. The Group had pledged its share of equity interests in five jointly controlled entities, with total value of HK$360,871,000. As at 14 January 2010, pledges of interests in three of the jointly controlled entities were replaced by pledges of the assets held by those jointly controlled entities. The Group's interests in these three jointly controlled entities amounted to HK$250,432,000.

Save from the above, the Group did not have any significant contingent liabilities as at 31 December 2009 and 31 March 2009.

Commitments

As at 31 December 2009, the Group had capital commitments of HK$787,175,000 (31 March 2009: HK$67,873,000) which were not accounted for in the financial statements. The amount was mainly capital committed for investment in wind power plants.

As at 31 December 2009, rental payments under non-cancellable operating leases amounted to HK$5,671,000 (31 March 2009: HK$8,487,000).

Staff and Remuneration

The Group regards employees as its most valuable asset. To keep pace with the ever-changing market environment and the rapid business development, the Group has strengthened its human resources assets through proactive recruitment and on-the-job training programs. Recruitments of high calibre talent have enhanced the Group's capabilities in project development, finance and construction. The Group has aligned the interests of employees and itself by refining and establishing incentive scheme and monitoring system, benefitting from its status as a listed company. The alignment of interests has strengthened employees' sense of cohesion towards the Group.

Staff remuneration packages comprise salaries and discretionary bonuses, which included share options. The management will determine employees' salaries and bonuses (including share options) after discussions about the employees' performance, so that their salaries and bonuses are in line with their performance, and that the Group's remuneration policy can be competitive in the market. During the Reporting Period, the Group distributed share options for the subscription of 100 million shares to 200 core employees. Under the share option schemes, employees are better incentivised and the Group is better placed to attract and retain talented staff.

Management Discussion and Analysis

Staff and Remuneration *(Continued)*

As at 31 December 2009, the Group had a total of 816 full-time employees (31 March 2009: 516), comprising 99 headquarter-based management employees, 137 project development and project management employees, 50 wind power consultancy & design employees, 145 engineering & construction employees, 244 equipment manufacturing employees, and 141 operation & maintenance employees. The Group also saw notable improvement in staff quality. It had 47 employees holding senior technological and professional qualifications, 113 employees with intermediate professional and technological qualifications. Among its employees, 59 held master's degrees or higher qualifications.

Training programs were conducted by the Group to improve employees' occupational proficiency, professional expertise and management skills.

Corporate Governance

During the Reporting Period, the Group enhanced the corporate governance mechanism and strengthened the management system. The internal control department has conducted regular audits on the company and its subsidiaries. As advised by a professional human resources consultancy, the Group laid out a performance appraisal and remuneration system across divisions. Integrating this system with the corporate control mechanism, the Group has now established a reward mechanism that offers short-term, mid-term and long-term performance incentives to the staff. To strengthen its staff appraising and planning management capability, the Group set up its planning management department devoted to the supervision of Group's business planning and establishment of operational performance benchmark.

During the Reporting Period, the Group also established an online authorization system to improve the efficiency of internal approval process and save paper. The company's website is now more informational. Annual page visits to the Group's website reached 580,000 from over 125,000 visitors, record daily visitor count neared 1,000. The website has become one of the important information sources for investors.

After thorough study and discussion among the management, the Group published internally a "Five-Year Development Plan" — a document that analyzed the Group's advantages and disadvantages, stated development targets, strategic directions and future development strategies. This Plan has been officially adopted and is being implemented across all business units.

Emission Reduction, Conservation and Social Responsibility

The Group is committed in developing clean energies to aid the reduction of environmental pollution and the combat of climate change. Regarding social responsibility, the Group is concerned about reducing green-house emission and improving economic and educational standards in under-developed regions.

Management Discussion and Analysis

Emission Reduction, Conservation and Social Responsibility *(Continued)*

Obviously wind power is able to reduce emission significantly. The Group, through its wind power plants, reduced emission of carbon dioxide by 300,000 tonnes, sulphur dioxide by 3,010 tonnes and nitrogen oxides by 267 tonnes. Furthermore, the plants together saved the country 100,000 tonnes of standard coals and 850,000 tonnes of water, which would otherwise be consumed in coal-fired power generation. As at the end of the Reporting Period, the Group's wind power plants had reduced emissions of 650,000 tonnes of carbon dioxide, 6,820 tonnes of sulphur dioxide, 590 tonnes of nitrogen oxides in aggregate. Moreover, the Group had saved 230,000 tonnes of standard coal and 1,880,000 tonnes of water for China.

The Group has invested heavily in the construction of wind power projects in under-developed areas. The Group expects the investments to increase employment opportunities and taxation revenues, and improve economic development in these under-developed areas. As mentioned above, the Group has established a repair and maintenance center in Fuxin, Liaoning Province. In order to support the development of wind power equipment manufacturing industry, the Group has also introduced China's leading turbine manufacturer Xinjiang GoldWind Science & Technology Co. Ltd. to the Fuxin site to manufacture wind turbines, so that all three parties — the local government, the wind power developer and the equipment manufacturer — have mutually benefited. As a reflection to our sense of social responsibility, the Group contributed to education by donating RMB2,000,000 for the construction of three schools, namely Zhang Wu Hou Xin Qiu School, Da Si Jia Zi School and Ma Zong Shan School, in poverty-stricken areas in China. We also continued to sponsor scholarships, bursaries and teacher awards for students and teachers in the wind power discipline at North China Electric Power University.

Prospect

Major developed countries and developing countries of the world have reached a consensus that the world should keenly promote clean and renewable energies, gradually reduce its dependence on traditional fossil fuels and proactively respond to climate changes. We expect governments will strongly support the development of wind power — the most economically viable among all clean and renewable energy sources.

The technologies for wind power industry are still advancing. As technologies for producing wind power generation equipment continue to mature and competition among their suppliers intensifies, we expect the efficiency and reliability of wind power electricity generation to continuously improve and the prices of wind power generation equipment to fall. These factors will translate to reduce costs and higher returns on wind power project investments.

In 2009, NDRC published a regional fixed wind power tariff standard. With pricing clearly set, we expect the electricity tariff to remain stable for a certain period of time. This would create strong confidence and support among investors in China's wind power industry.

Management Discussion and Analysis

Prospect *(Continued)*

Some wind power developers have experienced restriction for power output and difficulties in connecting their projects to the grid. We believe this connection problem for those affected will be temporary, partial and solvable by technical assistance. In the long run, the development of wind power will have to go hand-in-hand with the development of the grid. The State Grid Corporation of China has established a plan for the development of a smart grid. The development of smart grid will significantly increase the capacity of the grid to receive renewable power, forming a solid foundation for the continuous development of the wind power industry.

Although the Copenhagen Conference which was held in late 2009 failed to reach any agreement with regard to the post-2012 CDM system, and it is unclear whether the CDM will continue after 2012, we believe the proven provisions on carbon emission reduction in the Kyoto Protocol will continue to promote the development of clean energy industry. The outlook of carbon emission trading market remains bright. It is estimated that half of the 5 billion tonnes of greenhouse gas mission reduction by 2012 promised by developed countries will be achieved through the CDM system. Demand for carbon trading should be large in the future.

China has abundant wind resources of more than 1,000GW, but the country has, to date, deployed less than 2% of those resources and generating less than 0.8% of the total electricity output from wind power. These figures clearly present enormous potential for the wind power industry to develop in the country.

China's wind power market is large and its development is fast. The Group has objectively analyzed the market trends, the Group's project development capability, its wind resource reserves and its financial position. Based on its analysis, the Group believes that there are great opportunities for the Group to expedite wind power development in 2010. In the near future, the Group will focus on capturing opportunities in the fast growing wind power market in China. Thus, the Group will step up its strength of wind power investment in 2010.

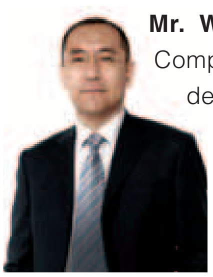
In 2010, the Group will continue to focus on the development of our two main business segments: (1) wind power plant investments and (2) wind power services. The Group will further strengthen management, demanding efficiency and return. The Group will significantly increase its installed wind power capacity. In 2010, the Group plans to start the construction of wind power projects with a total installed capacity of 700MW, and it expects a total new installed capacity of 500MW or more wind power projects to commence operation within 2010. Depending on the development progress, the Group may raise the aforesaid targets. In 2010, the Group is also evaluating opportunities in the off-shore wind power sector and the wind-solar hybrid power generation. The Group could further accelerate its development or widened its business scope by means of acquisitions and co-operative ventures should opportunities arise. In due course, the Group will improve its overall operational yield, expand its scale and increase profitability in order to become one of the world's top-ranked clean and renewable energy companies.

Biographical Details of Directors and Senior Management

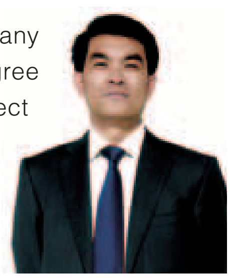
Executive Directors

Mr. Liu Shunxing, aged 48, joined the Group in 2007. He has become the Chairman of the Company since June 2009. He is also the Chief Executive Officer ("CEO") of the Company and is a director of various subsidiaries of the Group. Mr. Liu received his first degree in Electricity Generation from Tianjin University and was awarded a master degree of Energy Source Economy Management from the Management College of Harbin Institute of Technology. Mr. Liu is a council member of China Energy Research Institute and a deputy director of the China Specialism Committee of Thermoelectricity. He once worked in National Development and Reform Commission and was formerly the Vice CEO of China Energy Conservation Investment Corporation for eight years. He was in charge of and involved in the investment and constructions of several hundreds of energy saving projects such as wind power, thermoelectricity, solar energy and biomass energy power generation.

Mr. Ko Chun Shun, Johnson, aged 58, joined the Group in 2006 as the Chairman and was re-designated as Vice-Chairman of the Company since June 2009. He is also the Chairman and executive director of DVN (Holdings) Limited and Varitronix International Limited. The above companies are listed on the Hong Kong Stock Exchange. Mr. Ko is also a director of a subsidiary of the Group. Mr. Ko is the father of Ms. Ko Wing Yan, Samantha, an executive Director.



Mr. Wang Xun, aged 43, joined the Group in 2007. He is the Executive Vice President of the Company and is also a director of various subsidiaries of the Group. Mr. Wang holds a Bachelor degree from International Politics College. Mr. Wang has devoted himself to wind power industry since 1999. Mr. Wang had served as a director of Farsight Group and the President of its wind power division. Mr. Wang had also been the General Manager of Beijing Shenzhou Wind Power Co., Ltd, the General Manager of Ninxia Clean Sky Shenzhou Wind Power Co., Ltd, and the General Manager of Jiangsu Lianneng Wind Power Co., Ltd. Prior to joining the Group, Mr. Wang had held certain senior positions in Golden Concord Holdings Limited, a company engaged in renewable energy investment in the wind power business.



Mr. Yang Zhifeng, aged 39, joined the Group in 2007. He is the Vice President of the Company and is also a director of various subsidiaries of the Group. Mr. Yang holds his Master degree in International Finance from Renmin University of China. He began his career as a project manager of Chinese Energy Conservation Investment Corporation. As one of the founders, he successively served as the Vice General Manager, General Manager, and President of Beijing Huaming Light Group since 1996. He was also the General Manager of Asset Management and Operation Department in China Energy Conservation Investment Corporation.

Biographical Details of Directors and Senior Management

Executive Directors *(Continued)*

Ms. Liu Jianhong, aged 41, joined the Group in 2007. She is the Vice President of the Company and is also a director of various subsidiaries of the Group. Ms. Liu holds her Master degree from the Law School of Renmin University of China. She was the Chief Legal Officer of China Energy Conservation Investment Corporation where she was engaged in asset management, asset restructuring of state enterprises, merger and acquisition and legal affairs.

Mr. Yu Weizhou, aged 43, joined the Group in 2009. He is the Vice President of the Company and is also a director of various subsidiaries of the Group. He holds the Ph.D. degree of Engineering Management from Xian University of Technology. Mr. Yu was the Vice General Engineer of China Shenhua-Guohua Energy Investment Ltd., the Director of Market Management Department of State Power Management Commission and the Vice Director of Power Planning & Investment Department of State Economic & Trade Commission. He has engaged in the management works in the electric power industry for a long period and has extensive experience in the development and management of electric power projects.

Ms. Ko Wing Yan, Samantha, aged 30, joined the Group in 2009. Ms. Ko holds a Bachelor Degree in Economics and Math from Mount Holyoke College, and a Master Degree in Finance from the Imperial College Management School in London. Ms. Ko has over 7 years experience in Banking and has extensive experience in the securities and capital market. She was a director in the Structured Credit and Fund Solutions team at HSBC until August 2009. Prior to joining HSBC, Ms. Ko had also worked in Morgan Stanley (HK) and JP Morgan Securities Limited (London). Ms. Ko is the daughter of Mr. Ko Chun Shun, Johnson who is the Vice Chairman and an executive Director.

Mr. Chan Kam Kwan, Jason, aged 36, is also the company secretary of the Company since 2006, he is also a director of a subsidiary of the Group. Mr. Chan graduated from the University of British Columbia in Canada with a Bachelor of Commerce and is a member of the American Institute of Certified Public Accountants. Mr. Chan has extensive experience in accounting and corporate finance.

Non-Executive Director

Mr. Tsoi Tong Hoo, Tony, aged 45, has been the executive director of the Company since 2006, and was re-designated to a non-executive director of the Company in October 2007. Mr. Tsoi graduated from the University of Western Ontario, Canada with a Bachelor of Business Administration degree. He has been a Chartered Financial Analyst since 1989, and has extensive experience in the areas of investment research, investment banking and corporate management. Mr. Tsoi is the CEO and an executive director of Varitronix International Limited and an independent non-executive director of Fairwood Holdings Limited, both of which are listed on the Hong Kong Stock Exchange.

Biographical Details of Directors and Senior Management

Independent Non-Executive Directors

Dr. Zhou Dadi, aged 62, has been an independent non-executive director of the Company since 2009. graduated from the Engineering Physics Department of Tsinghua University in 1970 and obtained a master degree in Environmental Engineering in 1982. He received an honorary doctoral degree from the Geneva School of Diplomacy and International Relations in Switzerland in 2007. Dr. Zhou was the former Director-General of the Energy Research Institute of National Development and Reform Commission and currently serves as a researcher of the Institute.

Dr. Wong Yau Kar, David, aged 52, has been an independent non-executive director of the Company since 2006. Dr. Wong holds a doctor's degree in economics from University of Chicago. Dr. Wong has extensive experience in direct investments and corporate finance. Currently, Dr. Wong is the managing director of United Overseas Investments Limited. Dr. Wong has also been actively participated in public services and to name a few, he has been a council member of the Hong Kong Institute of Directors since 1999 and a vice-president of the Chinese Manufacturers' Association of Hong Kong. Dr. Wong is also an independent non-executive director of Media China Corporation Limited, and the non-executive director of CIAM Group Limited both of which, are listed on the Hong Kong Stock Exchange.

Mr. Yap Fat Suan, Henry, aged 64, has been an independent non-executive director of the Company since 2006. He holds a master degree in Business Administration from the University of Strathclyde, Glasgow, in the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. He retired as the managing director of Johnson Matthey Hong Kong Limited in June 2007 and prior to that appointment he was the general manager of Sun Hung Kai China Development Limited. Mr. Yap is also an independent non-executive director of DVN (Holdings) Limited, which is listed on the Hong Kong Stock Exchange.

Senior Management

Mr. Zhou Zhizhong, aged 53, joined the Group as Vice President in 2009. He is in charge of engineering, procurement and construction ("EPC") business. Mr. Zhou holds a Master degree from Nanjing University of Science and Technology. He was the former Chairman of Nanjing Power Supply Bureau, the General Manager of the First Electric Power Construction Company of Jiangsu Province and the Vice President of the Golden Concord Group. He is a National Registered First-Class Construction Engineer, and has over 20 years experience in power engineering.

Mr. Liu Dongyan, aged 47, joined the Group in 2008. He is the Vice President of the Company. He holds a Master degree from China University of Political Science and Law. He was the General Manager of Asset Management Branch of China Conservation Investment Corporation, and the Secretary of the Party Committee and the Vice General Manager of China National Environmental Corporation.

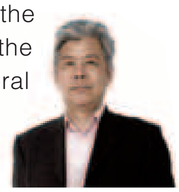
Mr. Luo Maofeng, aged 45, joined the Group in 2008. He is the Vice President of the Company, and presides over investor relations and the Group's overseas business. Mr. Luo is an Irrigation and Hydropower Construction Master Degree holder of Dalian University of Technology, and is also a UK Registered Civil Engineer. He was formerly the deputy chief economist and Department Principal of China Harbour Engineering Company Ltd.

Biographical Details of Directors and Senior Management

Senior Management *(Continued)*

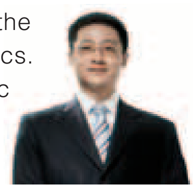
Mr. Xie Jianmin, aged 46, joined the Group in 2007. He is the Chief Engineer of the Company. Mr. Xie holds a Doctorate degree from Xi'an Jiaotong University. He was a professor of Southeast University and he has been conducting advanced research in wind power industry. He has over 10 years experience in the operation of wind power plants and has extensive knowledge in the evaluation of wind energy resource, different types of wind turbines and site selection, etc.

Mr. Wong Kwan Kit, Eric, aged 39, joined the Group as Financial Controller in 2007. Mr. Wong oversees the overall accounting function of the Group. He has extensive experience in accounting and financial management. Mr. Wong previously held senior management positions in a number of Hong Kong listed companies. He holds a Bachelor of Business Administration degree from the Open University of Hong Kong and is a fellow member of the Hong Kong Institute of Certified Public Accountants.



Mr. Wang Yaobo, aged 62, joined the Group in 2007. He is the Assistant to the CEO of the Company. He holds a Bachelor Degree from Wuhan Water and Electric Power College. He was the Chairman of Jilin the First Electric Power Ltd and was subsequently promoted to the Vice General Engineer of Jilin Electric Bureau. He has more than 30 years management experience in electric power construction works.

Mr. Hu Mingyang, aged 38, joined the Group as Assistant to the CEO in 2009. Mr. Hu holds a Master degree in economics from Peking University, and is a certified public accountant. He was the Director of Finance Office and General Office directly under China Council for the Promotion of International Trade, and the General Manager of Finance Department of China Patent Agent (H.K.) Ltd.



Mr. Wang Zuohai, aged 45, joined the Group in 2007. He is the Assistant to the CEO of the Company. He holds the Ph.D. degree from Southwestern University of Finance and Economics. He was the Deputy General Manager of the Finance Department of Motorola (China) Electronic Co., Ltd and the Chief Financial Officer and the General Manager of the Asset Management Department of Zhongzhu Holdings Ltd.

Mr. Zhang Shihui, aged 50, joined the Group in 2008. He is the Vice General Engineer of the Company and the General Manager of the O&M division of the Group. He is currently the member of National Wind Power Mechanism Standardization Commission. He has also served as the Vice General Engineer in Huabei Institute of Electricity Science, and the Deputy Director of the Department of Plants Safety of China Longyuan Electric Power Group.

Ms. Zhang Lingzhen, aged 47, joined the Group in 2007. She is the Deputy Chief Economist of the Company. Ms. Zhang holds a Bachelor degree from Xi'an University of Architecture and Technology. She is a certified cost engineer, asset appraiser and consulting engineer in investment, and has extensive work experience in engineering costing and engineering management.

Report of the Directors

The directors of the Company (the "Directors") submit their report together with the audited consolidated financial statements for the nine months ended 31 December 2009 (the "Nine-month Period").

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in Note 16 to the financial statements. An analysis of the Group's income and contribution to operating profit for the Nine-month Period is set out in Note 5 to the financial statements.

Results and Dividends

The results of the Group for the Nine-month Period are set out in the consolidated income statement on pages 37 and 38. The Directors do not recommend the payment of a final dividend.

Reserves

Movements in the reserves of the Group and of the Company during the Nine-month Period are set out in Note 29 to the financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in Note 14 to the financial statements.

Share Capital

Details of the movements in the share capital of the Company are set out in Note 27 to the financial statements.

Distributable Reserves

Details of the distributable reserves of the Company as at 31 December 2009 are set out in Note 29 to the financial statements.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's bye-laws and there is no restriction against such rights under the laws of the Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial period/years is set out on page 124.

Report of the Directors

Purchase, Sale or Redemption of the Listed Securities of the Company

During the Nine-month Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

Convertible Notes

Details of movements of the Company's convertible notes during the Nine-month Period is set out in Note 26 to the financial statements.

Share Options

The Company has adopted the existing share option scheme (the "Share Option Scheme") on 16 April 2007.

The purpose of the Share Option Scheme is to recognize and acknowledge the contributions of the Qualified Persons (as defined in the Share Option Scheme, including but not limited to, the directors, employees, partners and associates of the Group) of the Group.

Pursuant to this 10-year term Share Option Scheme, the Company can grant options to the Qualified Persons for a consideration of HK$1.00 for each grant payable by the Qualified Persons. The total number of the shares issued and to be issued upon exercise of the options granted to each Qualified Person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the shares then in issue. On 6 April 2009, 100,000,000 share options were granted under the Share Option Scheme. The Share Option Scheme limit was subsequently refreshed by a resolution passed at the annual general meeting held on 22 September 2009. The maximum number of options that can be granted by the Company was refreshed to 727,833,996 share options.

Subscription price in relation to each option pursuant to the Share Option Scheme shall be not less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date on which the option is offered to a Qualified Person; or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediately preceding the date of offer; or (iii) the nominal value of the shares. There shall be no minimum holding period for the vesting or exercise of the options but the options are exercisable within the option period as determined by the board of directors of the Company.

Movements of the share option are set out in Note 28 to the financial statements.

Subsequent to the balance sheet date and on 4 January 2010, the Company has granted 130,000,000 share options to Qualified Persons. As at the date of this report, the total number of share option that can be granted was 597,833,996, representing 8.21% of the issued share capital of the Company.

Report of the Directors

Directors

The Directors during the Nine-month Period and up to the date of this report were:

Executive Directors

Mr. Liu Shunxing
Mr. Ko Chun Shun, Johnson
Mr. Wang Xun
Mr. Yang Zhifeng
Ms. Liu Jianhong
Mr. Yu Weizhou (appointed on 16 June 2009)
Ms. Ko Wing Yan, Samantha (appointed on 8 October 2009)
Mr. Chan Kam Kwan, Jason

Non-executive Directors

Mr. Tsoi Tong Hoo, Tony

Independent non-executive Directors

Dr. Zhou Dadi (appointed on 16 June 2009)
Mr. Ho Tak Man, Billy (resigned on 8 October 2009)
Dr. Wong Yau Kar, David
Mr. Yap Fat Suan, Henry

In accordance with bye-law 99 and 102(B) of the Company's Bye-laws, Messrs. Liu Shunxing, Wang Xun, Yang Zhifeng, Ms. Liu Jianhong, Mr. Yap Fat Suan, Henry, and Ms. Ko Wing Yan, Samantha shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

All the non-executive Directors are appointed for a specific term and will be subject to retirement by rotation and re-election at the annual general meeting of the Company.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules during the Nine-month Period and the Company considered that they are independent.

Directors' Service Contracts

None of the Directors has a service contract with the Company which requires the Company to give a period of notice of more than one year, or to pay compensation or make other payments equivalent to more than one year's emolument.

Report of the Directors

Directors' Interests in Contracts

No contracts of significance in relation to the Group's business to which the Company, any of its fellow subsidiaries or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Nine-month Period or at any time during the Nine-month Period.

Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 31 December 2009, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Interests and short positions in the shares of the Company as at 31 December 2009

(i) Long positions in the shares of the Company:

	Number of shares held and nature of interest				
Name of the Director	**Personal**	**Family**	**Corporate**	**Total**	**Approximate percentage of the total issued share capital** *(%)*
Ko Chun Shun, Johnson	—	—	2,000,000,000	2,000,000,000 [1]	27.48
Ko Wing Yan, Samantha	—	—	20,000,000	20,000,000 [2]	0.27
Yap Fat Suan, Henry	200,000	—	—	200,000	0.003

Notes:

1. Mr. Ko Chun Shun, Johnson is deemed to be interested in 2,000,000,000 shares held by Gain Alpha Finance Limited ("Gain Alpha"). Gain Alpha is wholly owned by Mr. Ko Chun Shun, Johnson.

2. Ms. Ko Wing Yan, Samantha is deemed to be interested in 20,000,000 shares held by Pine Coral Limited ("Pine Coral"). Pino Coral is wholly owned by Ms. Ko Wing Yan, Samantha.

Report of the Directors

Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation *(Continued)*

(ii) Long positions in the underlying shares of share options of the Company:

Details of the movement of the share options are set out in Note 28 to the financial statements.

Saved as disclosed above, as at 31 December 2009, none of the directors and chief executives of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

Directors' Rights to Acquire Shares

Saved as disclosed under the heading "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying shares and Debentures of the Company or any Associated Corporation" above, at no time during the Nine-month Period was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors (including their respective spouse and children under the age of 18) to acquire benefits by the means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

Substantial Shareholders

As at 31 December 2009, saved as disclosed under the section "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying shares and Debentures of the Company or any Associated Corporation" above, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital under Section 336 of the SFO.

Long positions in the shares of the Company:

Name of shareholder	**Number of the shares of the Company held**	**Approximate percentage of the total issued share capital** *(%)*
China Wind Power Investment Limited *(Note)*	2,023,469,387	27.80%

Note:

China Wind Power Investment Limited is wholly-owned by New Energy International Limited, which in turn is a wholly-owned subsidiary of Concord International Investment Limited ("Concord International"). Four executive Directors, namely Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng and Ms. Liu Jianhong held as to 65.135% of the issued shares of Concord International, and the above four Directors are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited.

Saved as disclosed above, as at 31 December 2009, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

Report of the Directors

Related Party Transactions

Significant related party transactions entered into by the Group during the Nine-month Period are disclosed in Note 36 to the financial statements.

Connected Transactions and Continuing Connected Transactions

A framework agreement was entered into by the Company and Liaoning Energy on 5 May 2009 ("Framework Agreement"), pursuant to which the Company has agreed to provide counter indemnities ("Counter Indemnities") to Liaoning Energy in respect of any claim made against Liaoning Energy under the guarantees made to the following joint ventures (the "Joint Ventures") (the "Claim"). Details of the transaction were disclosed in the circular of the Company dated 26 May 2009.

The Joint Ventures choose suppliers for the services which included wind power engineering, procurement and construction, manufacturing of wind power tubes, wind power facilities design and maintenance (the "Services") for their wind farm constructions in the PRC. Pursuant to the Framework Agreement, the Group may participate in the public tenders organized by the Joint Ventures for selecting suppliers for the Services.

The Framework Agreement, including the Services related continuing connected transactions (the "SCCT") and the caps set for such transactions, was approved by independent shareholders at the Special General Meeting of the Company on 11 June 2009.

During the Nine-month Period, the Company and its subsidiaries have entered into the following connected transactions:

On 6 February 2009, Century Concord Wind Power Investment Ltd. ("Century Concord Wind Power") and 遼寧能源投資(集團)有限責任公司 ("Liaoning Energy") entered into an agreement to establish a joint venture 阜新巨龍湖風力發電有限公司 at Zhangwu, Fuxin, Liaoning province, the PRC of which Century Concord Wind Power have 60% interests. The total registered capital of this joint venture is RMB100 million. The Group has provided Counter Indemnities to Liaoning Energy against any Claims. Details of the transaction were disclosed in the circular dated 26 May 2009.

On 10 April 2009, Century Concord Wind Power and Liaoning Energy entered into an agreement to establish a joint venture 阜新千佛山風力發電有限公司 at Zhangwu, Fuxin, Liaoning province, the PRC of which Century Concord Wind Power have 60% interests. The total registered capital of this joint venture is RMB100 million. The Group has provided Counter Indemnities to Liaoning Energy against any Claims. Details of the transaction were disclosed in the circular dated 26 May 2009.

On 5 May 2009, the Group and Liaoning Energy entered into the Framework Agreement to establish a joint venture 阜新聚緣風力發電有限公司 at Fuxin, Liaoning province, the PRC of which the Group has 60% interests. The total registered capital of this joint venture is RMB100 million. The Group has provided Counter Indemnities to Liaoning Energy against any Claims. Details of the transaction were disclosed in the circular of the Company dated 26 May 2009.

On 5 May 2009, the Group and Liaoning Energy entered into the Framework Agreement to establish a joint venture 阜新聚合風力發電有限公司 at Fuxin, Liaoning province, the PRC of which the Group have 60% interests. The total registered capital of this joint venture is RMB100 million. The Group has provided Counter Indemnities to Liaoning Energy against any Claims. Details of the transaction were disclosed in the circular of the Company dated 26 May 2009.

During the Nine-month Period, the Group has provided the Services to the Joint Ventures for a consideration of RMB60,368,000.

Report of the Directors

Connected Transactions and Continuing Connected Transactions *(Continued)*

The above SCCT transaction under the Framework Agreement had been reviewed by the independent non-executive Directors who had confirmed that the said transactions were entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms and on terms in accordance with the Framework Agreement; and

(iii) in accordance with the Framework Agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Nine-month Period.

Major Suppliers and Major Customers

During the Nine-month Period, sales to the Group's largest 5 customers accounted for 43% of the total sales for the Nine-month Period.

Purchases from the Group's 5 larges suppliers accounted for 33% of the total purchases for the Nine-month Period, and the largest supplier included therein amounted to 15%.

None of the Directors, their associates or any shareholders, which to the knowledge of the Directors own more than 5% of the Company's share capital, had an interests in the major suppliers or customers noted above.

Corporate Governance

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 27 to 34 of the annual report.

Post Balance Sheet Event

Details of the post balance sheet event is set out in Note 37 to the financial statements.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there was sufficient of public float of the Company's securities as required under the Listing Rules.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Liu Shunxing
Chairman & CEO

Hong Kong, 8 March 2010

Corporate Governance Report

The board of Directors of the Company (the "Board") is committed to achieving a high standard of corporate governance.

The Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions in the Code on Corporate Governance Practices ("the Code") set out in the Appendix 14 to the Listing Rules on the Stock Exchange during the Nine-month Period except that there was no separation of the role of the chairman and CEO of the Company.

The Board

The Board, led by the Chairman, is responsible for the formulation of the Group's strategies and policies, approval of annual budgets and business plans, and supervising the management of the day-to-day operations of the Group to ensure the business objectives are met.

As at 31 December 2009, the Board comprised of twelve Directors, including the Chairman & CEO, Vice Chairman, six executive Directors, one non-executive Director and three independent non-executive Directors. Biographical details of the Directors are stated under the section "Biographical Details of Directors and Senior Management".

For a Director to be considered independent, that director should not have any direct or indirect material interest in the Group. In determining the independence of Directors, the Board follows the requirement set out in the Listing Rules. Each of the independent non-executive Directors has made an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules.

All the non-executive Directors are appointed for a specific term and will be subject to retirement by rotation and re-election at the annual general meeting of the Company.

The Chairman is responsible for providing leadership to, and overseeing, the functioning of the Board to ensure that the Board acts in the best interest for the Group. Board meetings are planned and conducted effectively.

The Chairman is responsible for approving the agenda for each Board meeting, after taking into account the matters proposed by other Directors. With the support of the executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The Chairman also actively encourages all Directors to be fully engaged in the Board's affairs and make contributions to the Board's functions. The Board has adopted good corporate governance practices and procedures and has taken appropriate steps to provide effective communication with shareholders.

Corporate Governance Report

The Board *(Continued)*

The CEO is responsible for managing the business of the Group, attending to the formulation and implementation of group policies, and assuming full accountability for the Group's operations. Acting as the principal manager of the Group's business, the CEO develops a strategic operating plan that reflects the long-term objectives and priorities established by the Board, and is directly responsible for maintaining the operational performance of the Group. Working with the senior management and the Board, the CEO ensures that the funding requirements of the business are met and closely monitors the operating and financial results against the plans and budgets. He also takes remedial actions when necessary and advises the Board of any significant developments and issues of the Group.

There was no separation of the role of the Chairman & the CEO of the Group. Mr. Liu Shunxing, the CEO of the Group, has become of the Chairman of the Group since 10 June 2009, and has assumed the role of both the Chairman and the CEO of the Group. The Board considered that this structure could enhance efficiency in the formulation and implementation the Company's strategies in this fast development stage. The Board will review the need of appointing suitable candidate to assume the role of the CEO when necessary.

Ongoing dialogues are maintained with the Chairman and all Directors to keep them fully informed of all major business developments and issues.

The Board meets regularly, and at least 4 times a year. Between scheduled meetings, senior management of the Group provides to Directors the information on the activities and developments in the business of the Group on a timely basis and when required, additional Board meetings are held. In addition, Directors have full access to the information of the Group and the independent professional advice whenever deemed necessary by the Directors.

The Board held 5 meetings during the Nine-month Period.

	Name of Director	**Attended/Eligible to attend**
Chairman & CEO	Liu Shunxing	5/5
Vice Chairman	Ko Chun Shun, Johnson	5/5

Corporate Governance Report

The Board *(Continued)*

	Name of Director	Attended/Eligible to attend
Executive Directors	Wang Xun	5/5
	Yang Zhifeng	5/5
	Liu Jianhong	5/5
	Yu Weizhou[1]	2/2
	Ko Wing Yan, Samantha[2]	1/1
	Chan Kam Kwan, Jason	5/5
Non-executive Director	Tsoi Tong Hoo, Tony	5/5
Independent Non-Executive Directors	Dr. Zhou Dadi[1]	2/2
	Dr. Wong Yau Kar, David	5/5
	Yap Fat Suan, Henry	5/5
	Ho Tak Man, Billy[3]	4/4

1. Mr. Yu Weizhou and Dr. Zhou Dadi were appointed on 16 June 2009.

2. Ms. Ko Wing Yan, Samantha was appointed on 8 October 2009.

3. Mr. Ho Tak Man, Billy resigned on 8 October 2009.

All Directors are subject to re-election by shareholders at the annual general meeting following their appointments. The Directors shall retire and shall be eligible to offer themselves for re-election at least once every three years according to the bye-laws of the Company. None of the Directors has a service contract with the Company which requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emolument.

All Directors confirmed that they have complied with the Model Code in their securities transactions during the Nine-month Period.

Corporate Governance Report

Directors' Responsibility for the Financial Statements

The following statements, which set out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the Independent Auditor's report on page 35 which acknowledges the reporting responsibilities of the Group's Auditors.

Annual Report and Financial Statements

The Directors acknowledge their responsibilities to prepare financial statements for each financial period/year which give a true and fair view of the state of the Group.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group uses appropriate accounting policies that are consistently applied, and that all applicable accounting standards are followed.

Accounting Records

The Directors are responsible for ensuring that the Group keeps proper and accurate accounting records for the preparation of the financial statements in accordance with the relevant laws and the applicable accounting standards.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Company Secretary

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that the activities of the Board are carried out efficiently and effectively. The Company Secretary assists the Chairman to prepare agendas and Board papers for meetings and disseminates such documents to the Directors and board committees in a timely manner. The Company Secretary is responsible for ensuring that the Board is fully briefed on all legislative, regulatory and corporate governance developments when making decisions. The Company Secretary is also directly responsible for the Group's compliance with the continuing obligations of the Listing Rules and Codes on Takeovers and Mergers and Share Repurchases, including publication and dissemination of Report and Financial Statements and interim reports within the period laid down in the Listing Rules, timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification is made when there are any dealings of the Director in the securities of the Group.

Corporate Governance Report

Company Secretary *(Continued)*

The Company Secretary also advises the Directors on their obligations for disclosure of interests in securities, connected transactions and price-sensitive information and ensure that the standards and disclosures required by the Listing Rules are observed.

With respect to the secretarial function of the Group, the Company Secretary maintains formal minutes of the Board meetings and other Board committee meetings.

Audit Committee

The Audit Committee comprises three independent non-executive Directors. The Audit Committee is chaired by Mr. Yap Fat Suan, Henry and the other members of the Committee are Dr. Wong Yau Kar, David and Mr. Tsoi Tong Hoo, Tony. Mr. Yap Fat Suan, Henry is a chartered accountant in England and Wales and is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of Hong Kong Institute of Certified Public Accountants.

Under its terms of reference, the Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's preliminary results, interim results and annual financial statements, to monitor compliance with statutory and listing requirements, to review the scope, extent and effectiveness of the Group's internal control system, to engage independent legal or other advisers as it determined necessary and to perform necessary investigations.

The Audit Committee held 2 meetings during the Nine-month Period.

Name of Member	**Attended/Eligible to attend**
Dr. Wong Yau Kar, David	2/2
Yap Fat Suan, Henry	2/2
Tsoi Tong Hoo, Tony	1/1
Ho Tak Man, Billy*	1/1

* Mr. Ho Tak Man, Billy resigned on 8 October 2009

There are no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the interim financial statements and the annual consolidated financial statements.

Corporate Governance Report

Financial Statements

The Audit Committee meets and holds discussions with the Executive Directors and other senior management of the Group on the interim results, preliminary results announcement and Annual Report. The Audit Committee reviews and discusses the management's report and representations with a view to ensure that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong. It also considers reports from the Group's principal external auditors, PricewaterhouseCoopers ("PwC"), on the scope and outcome of their annual audit of the consolidated financial statements.

External Auditors

The Audit Committee holds meetings with PwC regularly to discuss the scope of their audit and their findings during the audit.

The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditors.

Review of Risk Management and Internal Control

The Audit Committee reviews the process by which the Group evaluates its control environment and its risk assessment process, and the way in which business and risks are managed, and to ensure that the management has discharged its duty to have an effective internal control system, including the adequacy of resources, qualification and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget. In reliance on these reviews, the Audit Committee makes a recommendation to the Board for the approval of the consolidated financial statements for the Nine-month Period.

Auditors' Remuneration

A summary of fees for audit and non-audit services is as follows:

Nature of the services	**For the Nine-month Period**	31 March 2009
	HK$'000	*HK$'000*
Audit services	**2,550**	2,650
Other services	**200**	268
	2,750	2,918

Corporate Governance Report

Remuneration Committee

The Remuneration Committee comprises 3 members. The Remuneration Committee is chaired by Mr. Ko Chun Shun, Johnson, with Mr. Yap Fat Suan, Henry and Dr. Wong Yau Kar, David, being the members. The Remuneration Committee meets for the determination of the remuneration packages of Directors and senior management of the Group. In addition, the Remuneration Committee also meets as and when required to consider remuneration related matters.

Under its term of reference, the responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating people of the highest caliber and experience needed to shape and execute strategies across the Group's operations. The Committee assists the Group in the administration of the fair and transparent procedure for setting policies on the remuneration of Directors and senior management of the Group.

The Remuneration Committee held 1 meeting during the Nine-month Period.

Name of Member	**Attended/Eligible to attend**
Ko Chun Shun, Johnson	1/1
Dr. Wong Yau Kar, David	1/1
Yap Fat Suan, Henry	1/1

Internal Control and Group Risk Management

The Board has overall responsibility for the Group's system of internal control and for the assessment and management of risk. The Board has conducted a review of and is satisfied with the effectiveness of the system of internal control of the Group.

In meeting its responsibility, the Board seeks to increase risk awareness across the Group's business operations and has put in place policies and procedures, including the parameters of delegated authority, which provide a framework for the identification and management of risk. Reporting and review activities include the review and approval by the Board of detailed operational and financial reports, budgets and plans provided by the management of the business operations, the review by the Board of actual results against the budgets, the review by the Board of the internal control system of the Group, as well as the regular business reviews by executive Directors and the senior management.

Corporate Governance Report

Internal Control and Group Risk Management *(Continued)*

The Board is responsible for monitoring the overall operations of the businesses within the Group. Directors are appointed to the boards of all significant material operating subsidiaries and associates to attend their board meetings and to oversee the operations of those companies. Monitoring activities include the review and approval of business strategies, budgets and plans, and the setting of key business performance targets. The senior management is accountable for the performance within the agreed strategies and is accountable for its conduct and performance.

The Board also reviews at least annually the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

The Financial Controller of the Company, reports directly to the Board and the Audit Committee, and monitors the existence and effectiveness of the risk management activities and controls in the Group's business operations. The Financial Controller also discusses the audit plan with the Audit Committee and the external auditors. The audit plan is reassessed during the Nine-month Period as needed to ensure that adequate resources are deployed and the plan's objectives are met. In addition, regular dialogues are maintained with the Group's external auditors so that both are aware of the significant factors which may affect their respective scope of work.

Reports from the external auditors on relevant financial reporting matter is presented to the Audit Committee, and, as appropriate, to the Board.

Investor Relations and Shareholders' Rights

The Board is committed in providing clear and full performance information of the Group to shareholders through the publication of interim and annual reports. In addition to the circulars, notices and financial reports sent to shareholders, additional information of the Group is also available to shareholders on the Group's website.

Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The Chairman and Directors are available to answer questions on the Group's business at the meeting. Subject to the bye-laws of the Company, all shareholders shall have statutory rights to call for special general meetings and put forward agenda items for consideration in the general meetings. All resolutions at the general meeting are decided by a poll which is conducted by the Group's branch share registrar in Hong Kong.

The Group values feedback from shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

Independent Auditor's Report

PRICEWATERHOUSECOOPERS

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF CHINA WINDPOWER GROUP LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China WindPower Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 37 to 123, which comprise the consolidated and Company balance sheets as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the nine months then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

Independent Auditor's Report

Auditor's responsibility *(Continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the nine months then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 8 March 2010

Consolidated Income Statement

For the nine months ended 31 December 2009

	Note	For the nine months ended 31 December 2009 HK$'000	For the year ended 31 March 2009 HK$'000
Continuing operations			
Revenue	6	**562,597**	379,389
Other income	6	**3,912**	15,673
Other gains, net	7	**17,552**	28,098
Expenses			
Costs of construction and inventories sold		**(323,899)**	(244,173)
Employee benefit expense	9	**(57,895)**	(33,168)
Depreciation and amortisation		**(4,749)**	(4,463)
Operating lease payments in respect of land and buildings		**(3,775)**	(3,189)
Other expenses		**(33,338)**	(25,874)
Finance costs	8	**(1,729)**	(5,507)
Share of results			
— associates		**4,020**	4,779
— jointly controlled entities		**31,700**	10,461
Profit before income tax	10	**194,396**	122,026
Income tax expense	11	**(12,654)**	(3,973)
Profit for the period/year from continuing operations		**181,742**	118,053
Discontinued operations			
Loss from discontinued operations	31	**(506)**	(1,983)
Profit for the period/year		**181,236**	116,070
Attributable to:			
Equity holders of the Company		**181,236**	116,766
Minority interests		**—**	(696)
		181,236	116,070

Consolidated Income Statement

For the nine months ended 31 December 2009

	Note	For the nine months ended 31 December 2009 HK$'000	For the year ended 31 March 2009 HK$'000
Earnings/(loss) per share from continuing and discontinued operations attributable to the equity holders of the Company during the period/year			
Basic earnings/(loss) per share	*13(a)*		
From continuing operations		**2.66 HK cents**	2.06 HK cents
From discontinued operations		**(0.01) HK cents**	(0.03) HK cents
		2.65 HK cents	2.03 HK cents
Diluted earnings/(loss) per share	*13(b)*		
From continuing operations		**2.59 HK cents**	1.81 HK cents
From discontinued operations		**(0.01) HK cents**	(0.03) HK cents
		2.58 HK cents	1.78 HK cents

The notes on pages 47 to 123 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the nine months ended 31 December 2009

	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Profit for the period/year	**181,236**	116,070
Other comprehensive income:		
Currency translation differences	**4,017**	80,472
Total comprehensive income for the period/year	**185,253**	196,542
Attributable to:		
— Equity holders of the Company	**185,253**	196,951
— Minority interests	**—**	(409)
	185,253	196,542

The notes on pages 47 to 123 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2009

	Note	As at 31 December 2009 HK$'000	As at 31 March 2009 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	14	**123,215**	47,838
Land use rights		**209**	642
Intangible assets	15	**1,220,735**	1,218,469
Interests in associates	17	**93,421**	99,921
Interests in jointly controlled entities	18	**742,001**	321,048
Deferred tax assets	30	**16,590**	6,008
		2,196,171	1,693,926
Current assets			
Inventories	19	**52,221**	51,391
Trade receivables, net	20	**48,947**	38,802
Prepayments, deposits and other receivables	21	**39,276**	31,666
Amounts due from associates	17	**22,229**	19,704
Amounts due from jointly controlled entities	18	**37,400**	13,686
Cash and cash equivalents	22	**1,109,561**	745,061
		1,309,634	900,310
Assets of disposal group classified as held for sale and discontinued operations	31	**—**	50,493
		1,309,634	950,803
Liabilities			
Current liabilities			
Trade payables	24	**96,415**	65,687
Other payables and accruals		**61,565**	40,733
Amounts due to jointly controlled entities	18	**34,875**	9,791
Borrowings	25	**34,072**	14
Tax payables		**11,035**	1,399
		237,962	117,624
Liabilities of disposal group classified as held for sale and discontinued operations	31	**—**	19,299
		237,962	136,923
Net current assets		**1,071,672**	813,880
Total assets less current liabilities		**3,267,843**	2,507,806

Consolidated Balance Sheet

As at 31 December 2009

	Note	As at 31 December 2009 HK$'000	As at 31 March 2009 HK$'000
Non-current liabilities			
Convertible notes	26	—	23,205
Borrowings	25	—	31
		—	23,236
Net assets		**3,267,843**	2,484,570
Equity			
Equity attributable to the owners of the Company			
Share capital	27	**72,787**	62,545
Reserves		**3,195,056**	2,408,420
		3,267,843	2,470,965
Minority interests		—	13,605
		3,267,843	2,484,570

Liu Shunxing	**Ko Chun Shun, Johnson**
Director	*Director*

The notes on pages 47 to 123 form part of these financial statements.

Balance Sheet

As at 31 December 2009

	Note	As at 31 December 2009 HK$'000	As at 31 March 2009 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	14	**289**	649
Interests in subsidiaries	16	**2,004,165**	1,953,985
		2,004,454	1,954,634
Current assets			
Amounts due from subsidiaries	16	**722,859**	147,835
Amount due from a jointly controlled entity	18	**535**	41,000
Prepayments, deposits and other receivables	21	**1,471**	1,170
Cash and cash equivalents	22	**29,744**	2,474
		754,609	192,479
Assets classified as held for sale	31	**—**	13,943
		754,609	206,422
Liabilities			
Current liabilities			
Other payables and accruals		**4,133**	4,732
Borrowings	25	**—**	14
		4,133	4,746
Net current assets		**750,476**	201,676
Total assets less current liabilities		**2,754,930**	2,156,310
Non-current liabilities			
Convertible notes	26	**—**	23,205
Borrowings	25	**—**	31
		—	23,236
Net assets		**2,754,930**	2,133,074
Equity			
Equity attributable to the owners of the Company			
Share capital	27	**72,787**	62,545
Reserves	29	**2,682,143**	2,070,529
Total equity		**2,754,930**	2,133,074

Liu Shunxing
Director

Ko Chun Shun, Johnson
Director

The notes on pages 47 to 123 form part of these financial statements.

Consolidated Statement of Changes In Equity

For the nine months ended 31 December 2009

	Note	Share capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Premium arising on acquisition of minority interest HK$'000	Exchange reserve HK$'000	Other reserves HK$'000	(Accumulated losses) /retained earnings HK$'000	Subtotal HK$'000	Minority interests HK$'000	Total equity HK$'000
		Attributable to equity holders of the Company									
As at 31 March 2008		45,545	1,107,339	78,810	—	41,560	844,501	(180,480)	1,937,275	10,549	1,947,824
Comprehensive income											
Profit/(loss) for the year		—	—	—	—	—	—	116,766	116,766	(696)	116,070
Other comprehensive income											
Currency translation differences		—	—	—	—	80,185	—	—	80,185	287	80,472
Total other comprehensive income		—	—	—	—	80,185	—	—	80,185	287	80,472
Total comprehensive income		—	—	—	—	80,185	—	116,766	196,951	(409)	196,542
Transactions with owners											
Fair value adjustment on issuance of contingent convertible notes		—	—	—	—	—	252,470	—	252,470	—	252,470
Issuance of ordinary shares upon conversions of convertible notes	*27*	17,000	1,030,074	—	—	—	(933,007)	—	114,067	—	114,067
Acquisition of additional interest in subsidiaries		—	—	—	(35,481)	—	—	—	(35,481)	(10,140)	(45,621)
Formation of a subsidiary		—	—	—	—	—	—	—	—	13,605	13,605
Share based compensation		—	—	—	—	—	5,683	—	5,683	—	5,683
Total transactions with owners		17,000	1,030,074	—	(35,481)	—	(674,854)	—	336,739	3,465	340,204
As at 31 March 2009		62,545	2,137,413	78,810	(35,481)	121,745	169,647	(63,714)	2,470,965	13,605	2,484,570
Comprehensive income											
Profit for the period		—	—	—	—	—	—	181,236	181,236	—	181,236
Other comprehensive income											
Currency translation differences		—	—	—	—	4,017	—	—	4,017	—	4,017
Total other comprehensive income		—	—	—	—	4,017	—	—	4,017	—	4,017
Total comprehensive income		—	—	—	—	4,017	—	181,236	185,253	—	185,253
Transactions with owners											
Subscription of new ordinary shares		7,000	572,906	—	—	—	—	—	579,906	—	579,906
Exercise of share options		7	682	—	—	—	(345)	—	344	—	344
Issuance of ordinary shares upon conversions of convertible notes	*27*	3,235	184,212	—	—	—	(163,667)	—	23,780	—	23,780
Loss of control over a subsidiary		—	—	—	—	—	—	—	—	(13,605)	(13,605)
Share based compensation		—	—	—	—	—	7,595	—	7,595	—	7,595
Total transactions with owners		10,242	757,800	—	—	—	(156,417)	—	611,625	(13,605)	598,020
As at 31 December 2009		**72,787**	**2,895,213**	**78,810**	**(35,481)**	**125,762**	**13,230**	**117,522**	**3,267,843**	**—**	**3,267,843**

The notes on pages 47 to 123 form part of these financial statements.

Consolidated Cash Flow Statement

For the nine months ended 31 December 2009

	Note	For the nine months ended 31 December 2009 HK$'000	For the year ended 31 March 2009 HK$'000
Operating activities			
Profit before income tax, including continuing and discontinued operations		**193,890**	120,043
Adjustments for:			
Finance costs	*8*	**1,729**	5,507
Interest income	*6*	**(3,541)**	(13,806)
Depreciation	*14*	**5,053**	5,694
Amortisation of intangible assets and land use rights	*10, 15*	**544**	335
Share-based compensation	*9*	**7,594**	5,683
Net realised gain on disposal of financial assets at fair value through profit or loss	*7*	**(1,611)**	—
Share of profit from associates		**(4,020)**	(4,779)
Share of profit from jointly controlled entities		**(31,700)**	(10,461)
Loss on disposal of property, plant and equipment		**98**	202
Gain on disposal of subsidiaries	*7*	**(3,312)**	(28,098)
Gain on disposal of associates	*7*	**(4,460)**	—
Gain on acquisition of a jointly controlled entity	*7*	**(8,169)**	—
Loss from discontinued operations	*31*	**506**	—
Operating profit before working capital changes:		**152,601**	80,320
Increase in inventories		**(1,094)**	(19,332)
(Increase) /decrease in trade receivables		**(10,077)**	1,762
(Increase) /decrease in prepayments, deposits and other receivables		**(14,836)**	171,731
Decrease in amounts due from jointly controlled entities		**51,355**	203,890
Increase /(decrease) in amounts due to jointly controlled entities		**25,067**	(57,238)
Increase in amounts due from associates		**(2,490)**	(19,704)
Increase in trade payables		**30,612**	51,233
Increase in other payables and accruals		**20,760**	26,695
Cash generated from operating activities		**251,898**	439,357
Income tax paid		**(13,281)**	(8,582)
Net cash generated from operating activities		**238,617**	430,775

Consolidated Cash Flow Statement

For the nine months ended 31 December 2009

	Note	For the nine months ended 31 December 2009 HK$'000	For the year ended 31 March 2009 HK$'000
Cash flows from operating activities			
Net cash generated from operating activities		**238,617**	430,775
Cash flows from investing activities			
Purchases of property, plant and equipment		**(83,512)**	(41,943)
Purchase of land use right		**(34)**	(877)
Proceeds from disposal of property, plant and equipment		**58**	—
Capital injection from minority interest		**—**	13,605
Loss of control over a subsidiary	*32(a)*	**(24,821)**	—
Acquisition of interests in jointly controlled entities	*32(b)*	**(39,904)**	—
Capital injection to associates		**(36,870)**	(25,787)
Capital injection into jointly controlled entities		**(393,302)**	(116,941)
Acquisition of equity interest from minority interests		**—**	(45,621)
Proceeds from disposal of subsidiaries	*32(c)*	**34,000**	126,901
Proceeds from disposal of an associate	*32(d)*	**51,323**	—
Cash effect of disposal group		**—**	(28,197)
Purchase of financial assets at fair value		**—**	(24,830)
Proceeds from disposal of financial assets at fair value through profit or loss		**1,611**	—
Dividends received from associates		**—**	3,565
Interest received		**3,541**	13,806
Net cash used in investing activities		**(487,910)**	(126,319)

Consolidated Cash Flow Statement

For the nine months ended 31 December 2009

	Note	For the nine months ended 31 December 2009 HK$'000	For the year ended 31 March 2009 HK$'000
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares		**579,906**	—
Net proceeds from exercise of share options		**344**	—
Proceeds from borrowings		**80,638**	890
Repayment of borrowings		**(46,566)**	—
Repayment of loan from jointly controlled entities		**—**	95,502
Interest paid		**(1,149)**	(1,794)
Interest element on finance lease payments		**(4)**	(6)
Capital element of finance lease payments		**(45)**	(31)
Net cash generated from financing activities		**613,124**	94,561
Net increase in cash and cash equivalents		**363,831**	399,017
Cash and cash equivalents at beginning of period/year		**745,061**	335,531
Exchange gain on cash and cash equivalents		**669**	10,513
Cash and cash equivalents at end of period/year		**1,109,561**	745,061
Analysis of balances of cash and cash equivalents			
Cash and bank balances	22	**1,109,561**	745,061

The notes on pages 47 to 123 form part of these financial statements.

Notes to the Consolidated Financial Statements

1. Corporate information

China WindPower Group Limited (the "Company") is a limited liability company incorporated in Bermuda. The head office and its principal place of business is located at Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

During the period, the Company and its subsidiaries (together the "Group") were involved in the following principal activities:

- Design and consultancy, engineering, procurement and construction, manufacture of tower tube equipments, operation and maintenance of wind power plants, and investment in wind power plant.

The shares of the Company are listed on the Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in units of Hong Kong dollars ("HK$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 8 March 2010.

Change of financial year end date

The financial year end date of the Company and the Group has been changed from 31 March to 31 December so as to be coterminous with the statutory financial year end date of our principal operating subsidiaries, which are mainly situated in the People's Republic of China ("PRC"). Accordingly, the comparative figures for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and related notes thereto are not comparable, as the current financial period covered a nine-month period from 1 April 2009 to 31 December 2009 and the comparatives covered a twelve-month period from 1 April 2008 to 31 March 2009.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements 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"). They have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

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

Change in accounting policy and disclosures

(a) New and amended Hong Kong Financial Reporting Standards ("HKFRSs") as at 1 April 2009

HKAS 1 (Revised)	Presentation of financial statements
HKFRS 2 (Amendment)	Share-based payment
HKFRS 7 (Amendment)	Financial Instruments: Disclosures
HKAS 23 (Revised)	Borrowing costs
HKFRS 8 (Amendment)	Operating segments
HKAS 27 (Revised)	Consolidated and Separate Financial Statements

The adoption of new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and it only affect the presentation of the financial statements. Accordingly, no prior year period adjustment has been required.

2. Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) *Standards, amendments and interpretation to existing standards that are not yet effective and have not been adopted by the Group*

The following standards and amendments to existing standards have been published and are mandatory and relevant for the Group's accounting periods beginning on or after 1 January 2010, or later periods, but the Group has not early adopted them:

HK(IFRIC) 17 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation is part of the HKICPA's annual improvements project published in May 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The Group and Company will apply HK(IFRIC) 17 from 1 January 2010. It is not expected to have a material impact on the Group's or Company's financial statements.

HKAS 27 (revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with minority interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. In this respect, it does not change the existing accounting policy of the Group. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (revised) prospectively to transactions with minority interest from 1 January 2010.

HKFRS 3 (revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) ***Standards, amendments and interpretation to existing standards that are not yet effective and have not been adopted by the Group*** *(Continued)*

HKAS 38 (amendment), 'Intangible Assets' (effective from 1 July 2009). The amendment is part of the HKICPA's annual improvements project published in May 2009 and the Group and Company will apply HKAS 38 (amendment) from the date HKFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the Group's or Company's financial statements.

HKFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held for sale'. The amendment is part of the HKICPA's annual improvements project published in May 2009. The amendment provides clarification that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1. The Group and Company will apply HKFRS 5 (amendment) from 1 January 2010. It is not expected to have a material impact on the Group's or Company's financial statements.

HKAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the HKICPA's annual improvements project published in May 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group and Company will apply HKAS 1 (amendment) from 1 January 2010. It is not expected to have a material impact on the Group's or Company's financial statements.

HKFRS 2 (amendments) clarify the scope of HKFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction. The amendments also incorporate the guidance contained in currently effective HK(IFRIC) 11 and hence once the amendments are effective these two interpretations will be withdrawn.

2. Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) *Standards, amendments and interpretation to existing standards that are not yet effective and have not been adopted by the Group* *(Continued)*

HKAS 24 'Related party disclosures' primarily amends the disclosure requirements applicable to government-related entities and, more generally, the definition of a related party. Government-related entities are defined as those entities which are controlled, jointly controlled or significantly influenced by a government (which term includes government agencies and similar bodies, whether local, national or international). The amendments aim to provide relief from disclosure of information by government-related entities in respect of transactions with the government to which the reporting entity is related, or transactions with other entities related to the same government, where the information may be costly to gather and of less value to users. In respect of the definition of a related party, the amendments aim to simplify the definition and remove inconsistencies.

The source of HKFRS 9, 'Financial Instruments' IFRS 9, is the first finalised part of a wider project being undertaken by the IASB to reduce the complexity of the current requirements and to replace IAS 39, Financial instruments: recognition and measurement. HKFRS 9 deals with classification and measurement of financial assets only. The Standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value, with the basis of classification dependent on the entity's business model and the contractual cash flow characteristics of the financial assets. Further parts of the project, which are expected to be completed by the end of 2010, will deal with impairment of financial assets, measurement of financial liabilities, derecognition of financial instruments, impairment and hedge accounting. HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, but may be applied earlier. An early adopter of HKFRS 9 continues to apply HKAS 39 for other accounting requirements for financial instruments within its scope that are not covered by HKFRS 9. In general, the Standard requires retrospective adoption (i.e. the comparatives should be restated in the first year of adoption) unless it is adopted for a period beginning before 1 January 2012 (in which case adjustments are required to opening balances in first period of adoption). There are several other exceptions to this principal where extensive transitional provisions have been set out.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.2 Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group, except for those acquisitions which qualify as business combination under common control which are accounted for using merger accounting.

(A) Purchase method of accounting

The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

(B) Business combinations under common control

The consolidated financial statements incorporate the financial statement items of the combining entities or business in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

2. Summary of significant accounting policies *(Continued)*

2.2 Consolidation *(Continued)*

(i) ***Subsidiaries*** *(Continued)*

(B) Business combinations under common control (Continued)

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded have been recognised directly in equity as part of the capital reserve.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or business first came under common control, where this is a shorter period, the date of the common control combination is disregarded.

The comparative amounts in the consolidated financial statements are presented as if the entities or business had been consolidated at the earliest balance sheet date presented or when they first came under common control, whichever is the later.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses *(Note 2.8)*. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.2 Consolidation *(Continued)*

(ii) Transactions with minority shareholders — 'economic entity approach'

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is charged against equity. Gains or losses on disposals to minority interests are also recorded in equity.

(iii) Associates and jointly controlled entities ("JCEs")

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. JCEs are joint ventures that involve the establishment of a cooperation, for which there is a contractual arrangement between the venturers establishing joint control over the economic activity of the entity. Investments in associates and JCEs are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates and JCEs include goodwill identified on acquisition, net of any accumulated impairment loss *(Note 2.8)*. The Group's share of its associates' and JCEs' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates or JCEs equals or exceeds its interests in the associates or JCEs, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates or JCEs.

Unrealised gains on transactions between the Group and its associates or JCEs are eliminated to the extent of the Group's interest in the associates or JCEs. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and JCEs have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in associates and JCEs are stated at cost less provision for impairment losses (Note 2.8). The results of associates and JCEs are accounted for by the Company on the basis of dividend received and receivable.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK$.

In prior years, the directors regarded HK$ as the functional currency of the Company. During the period, the Group disposed of Nam Pei Hong Sum Yung Drugs Company Limited, NPH Sino-Meditech Limited, Poo Yuk Loong Limited and Poo Yuk Loong (Shenzhen) Limited (collectively, "NPH Group"), and the directors reassessed the Company's functional currency and considered that the functional currency of the Company should be changed from HK$ to Renminbi ("RMB") starting from 1 April 2009 as RMB has become the currency that mainly influences the operation of the Group's significant entities. The change in functional currency of the Company was applied prospectively from date of change in accordance with HKAS 21 "The Effect of Changes in Foreign Exchange Rates". As the Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited, the directors consider that it will be more appropriate to continue to adopt HK$ as the Group's and the Company's presentation currency.

On the date of the change of functional currency all assets, liabilities, issued capital and other components of equity and income statement items were translated into HK$ at the exchange rate on that date. As a result the cumulative currency translation differences which had arisen up to the date of the change of functional currency were reallocated to other components within equity.

Certain comparative figures have been reclassified to conform to the current period's presentation.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.4 Foreign currency translation *(Continued)*

(b) Transactions and balances

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

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

— assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

— income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

— all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.5 Property, plant and equipment

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

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

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Building	20 to 25 years
Leasehold improvements	Over the lease terms of 1 to 5 years
Furniture, fixtures and equipment	3 to 20 years
Motor vehicles	5 years

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains, net', in the income statement.

2. Summary of significant accounting policies *(Continued)*

2.6 Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries/associates/JCEs at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates/JCEs is included in investments in associates/JCEs and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) Other intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

2.7 Land use rights

The land use rights have a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of land use rights over its term.

2. Summary of significant accounting policies *(Continued)*

2.8 Impairment of investments in subsidiaries, associates, JCEs and non-financial assets

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

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

2.9 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.10 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purposes for which the financial assets were acquired. Management determine the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

2. Summary of significant accounting policies *(Continued)*

2.10 Financial assets *(Continued)*

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade receivables, other receivables and deposits, amounts due from associates and JCEs and cash and cash equivalents in the balance sheet (Note 2.14 and 2.15).

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the consolidated income statement within 'other gains, net', in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in note 2.11.

2. Summary of significant accounting policies *(Continued)*

2.11 Impairment of financial assets

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

Management determines the provision for impairment of receivables. This estimate is based on the credit history of its receivables and the current market condition. Management reassesses the provision at each balance sheet date.

Significant judgement is exercised on the assessment of the collectability of receivables. In making its judgement, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customer payment trends including subsequent payments and customers' financial position. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

2. Summary of significant accounting policies *(Continued)*

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the specific identification of their individual costs. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing cost. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Construction contracts

The accounting policy for contract revenue is set out in note 2.23. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contracts revenue is recognised over the period of the contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

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

2.14 Receivables

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

Trade, other receivables and amount due from subsidiaries, JCEs and associates are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

2.16 Share capital

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

2. Summary of significant accounting policies *(Continued)*

2.17 Payables

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

Trade, other payables and amount due to JCEs are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

2.19 Convertible notes

Convertible notes that can be converted to equity share capital of the Company at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible notes is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amounts initially recognised as the liability component is recognised as the equity component and included in the other reserve under equity. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently stated at amortised cost until extinguished on conversion or maturity of the notes, with any difference between the amount initially recognised and the redemption value being recognised in the income statement over the period of the notes using the effective interest method. The equity component is recognised in the convertible note reserve under equity until either the notes are converted or redeemed.

If the notes are converted, the respective equity component in the other reserve, together with the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the notes are redeemed, the respective equity component in the convertible note reserve is released directly to earnings.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.20 Current and deferred income tax

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

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.21 Employee benefits

(a) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in central pension schemes operated by the local municipal government. The subsidiaries are required to contribute certain percentage of the payroll costs to the central pension schemes. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension schemes.

(b) Share-based compensation

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(c) Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the period and prior years by the employees and carried forward.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies *(Continued)*

2.22 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

(i) Sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer and the goods are accepted by the customers and collectability of the related receivable is reasonably assured.

(ii) Sales of services, when the services are rendered.

(iii) Contract revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of surveys of work performed. *(Note 2.13)*

(iv) Interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable. Dividend income, when the shareholders' right to receive payment has been established.

(v) Dealings in securities and sale of investments, on the transaction dates when the relevant contract notes are exchanged or the settlement dates when the securities are delivered.

2. Summary of significant accounting policies *(Continued)*

2.24 Leases

(a) Operating leases

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

(b) Finance leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.25 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

3. Financial risk management

3.1 Financial risk factors

The Group is exposed to a variety of financial risks which result from its operating and investing activities. The management periodically analyses and reviews measures to manage its exposure to market risk (including foreign currency risk and cashflow and fair value interest rate risk), credit risk and liquidity risk. Generally, the Group employs a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

3. Financial risk management *(Continued)*

3.1 Financial risk factors *(Continued)*

As at 31 December 2009, the Group's financial instruments mainly consisted of trade receivables, other receivables and deposits, amounts due from associates, amounts due from/to JCEs, bank balances, trade payables, other payables, convertible notes and bank borrowings. Details of these financial instruments are disclosed in respective notes.

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises from monetary assets and liabilities denominated in foreign currencies.

The Group operates mainly in the PRC and Hong Kong and the major foreign currency risk arises from fluctuations in RMB. For majority of transactions conducted in Hong Kong, both sales and costs of sales are denominated in HK$. For operations in the PRC, all revenues and purchases are denominated in RMB. As such, the Group had only insignificant foreign exchange risk exposure as at 31 December 2009 (31 March 2009: same) and hence no sensitivity analysis has been presented.

The Group had certain RMB denominated investments in foreign operations, the net assets of which were exposed to foreign currency translation risk. Fluctuations in such currencies are reflected in the movement of the translation reserve.

The Company has no significant foreign currency denominated financial assets and liabilities as at 31 December 2009 (31 March 2009: same). As such, it is not exposed to foreign exchange risk and no sensitivity analysis has been presented.

3. Financial risk management *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) ***Market risk*** *(Continued)*

(ii) Cashflow and fair value Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company are exposed to fair value interest rate risk in relation to interest from JCEs and associates, fixed rate convertible notes and fixed rate obligation under finance leases.

The Group is also exposed to cashflow interest rate risk and is primarily in relation to the Group's bank balances.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable rate bank balances and borrowings at the balance sheet date. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole period. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variable were held constant, the Group's profit for the period ended 31 December 2009 would increase/decrease by HK$5,241,000 (31 March 2009: HK$3,736,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances.

Notes to the Consolidated Financial Statements

3. Financial risk management *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the respective notes to the consolidated financial statements.

Credit risk is managed on a group basis. Both trade receivables and amounts due from associates and JCEs' arise during the course of the Group's business operations and are trade in nature. For trade receivables, the management of the Group limit credit risks by assessing the credit quality of the customer, perform ongoing credit evaluation taking into account its financial position, past trade experience and other factors. For the amounts due from associates and JCEs, the Group has significant influence or joint operational control over its associates and JCEs' and their financial positions with other ventures are regularly monitored in order to minimise the credit risk associated with receivables due from associates and JCEs. The Group has policies in place to review the recoverability of trade receivable balances and amounts due from associates and JCEs on an ongoing basis and assess the adequacy of provision for impairment.

The maximum exposure to credit risk is therefore represented by the carrying amount of each financial asset as stated in the balance sheet.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash reserves and banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows and matching maturity profiles of financial assets and liabilities.

As at 31 December 2009, the Group has available unutilised bank loan facilities of approximately HK$22,710,000 (31 March 2009: HK$ Nil).

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The respective tables include both interest and principal cash flows.

3. Financial risk management *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) ***Liquidity risk*** *(Continued)*

Non-derivative financial liabilities

As at 31 December 2009

	The Group				
	Less than 3 months *HK$'000*	**3-6 months** *HK$'000*	**6-12 months** *HK$'000*	**1-2 years** *HK$'000*	**Over 2 years** *HK$'000*
Trade and other payables	**85,008**	**34,554**	**11,780**	**4,016**	**—**
Borrowing	**34,072**	**—**	**—**	**—**	**—**

	The Company				
	Less than 3 months *HK$'000*	**3-6 months** *HK$'000*	**6-12 months** *HK$'000*	**1-2 years** *HK$'000*	**Over 2 years** *HK$'000*
Other payables	**4,133**	**—**	**—**	**—**	**—**
Financial guarantee	**34,072**	**—**	**—**	**—**	**—**

As at 31 March 2009

	The Group				
	Less than 3 months *HK$'000*	3-6 months *HK$'000*	6-12 months *HK$'000*	1-2 years *HK$'000*	Over 2 years *HK$'000*
Trade and other payables	73,425	28,721	257	—	—
Finance lease payables	5	5	10	20	27
Convertible notes					
— 2nd tranche	69	64	290	32,614	—

	The Company				
	Less than 3 months *HK$'000*	3-6 months *HK$'000*	6-12 months *HK$'000*	1-2 years *HK$'000*	Over 2 years *HK$'000*
Other payables	5	2,079	—	—	—
Finance lease payables	5	5	10	20	27
Convertible notes					
— 2nd tranche	69	64	290	32,614	—

3. Financial risk management *(Continued)*

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt to equity ratio.

The net debt to equity ratio did not apply as at 31 December 2009 as the Group had cash surplus after allowing for the debt (31 March 2009: same). The cash surplus is a remaining balance of fund from the fund raising activities made during the period and shall be applied to for the Group's future business and expansion requirements.

3.3 Fair value estimation

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices, and

- The fair value of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cashflow analysis using prices or rates from observable current market transaction as inputs.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

As at 31 December 2009, the Group does not hold assets or liabilities that is measured at fair value.

4. Critical accounting estimates and judgements

In preparing the consolidated financial statements, management is required to exercise significant judgements in the selection and application of accounting principles, as well as in making estimates and assumptions. The following is a review of the more significant accounting policies that are impacted by judgements and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

(a) Percentage of completion of construction works

The Group recognises the revenue according to the percentage of completion of the individual contract of construction works. The percentage of completion of construction works is determined by reference to the percentage of surveys of work performed for individual contract at the balance sheet date. Because of the nature of the activities undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group regularly reviews and revises the estimation of both contract revenue and contract cost in the budget prepared for each construction contract as the contract progresses.

(b) Income tax

The Group is subject to income taxes in numerous jurisdictions, including Hong Kong and the PRC. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(c) Impairment of assets

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the following assets which are significant to the Group and/or Company may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- investments in subsidiaries, associates and JCEs;
- goodwill; and
- intangible assets

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amounts *(Note 15)*.

4. Critical accounting estimates and judgements *(Continued)*

(c) Impairment of assets *(Continued)*

The sources utilised to identify indications of impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given balance sheet date.

If an indication of impairment is identified, such information is further subject to an exercise that requires the Group or Company to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group or Company's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable value, the Group may perform such assessment utilising internal resources or the Group or Company may engage external advisors to counsel the Group or Company in making this assessment. Regardless of the resources utilised, the Group or Company is required to make many assumptions to make this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable value of any asset.

(d) Useful lives of property, plant and equipment.

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and function. It could change significantly as a result of changes in the Group's operations including any future relocation or renovation of the Group's facilities. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write-off or write-down nonstrategic assets that have been abandoned or sold.

5. Segment information

HKFRS 8 "Operating Segments" became effective on 1 January 2009. Adoption of this standard did not have any effect on the Group's financial or operating results. In line with the new standards, management has determined the operating segments based on the internal reports reviewed and used by executive directors for strategic decision making. The Group has redefined its classification of operating segments so as to better align its segment information disclosure to the current structure and future development of the operations of the Group based on these reports.

Discontinued operations

On 5 March 2009, The Company entered into a sale and purchase agreement to dispose of the entire equity interests in China Windpower Group Limited (a wholly-owned subsidiary of the Company incorporated in British Virgin Islands ("BVI"), which in turn directly and indirectly, holds the entire issued share capital of the NPH Group note 32(c). As a result, the NPH Group represents a discontinued operation.

The executive directors consider the business from a product and service perspective. Summary of details of the business segments is as follows:

5. Segment information *(Continued)*

Continuing operations

- Consultancy and design — providing technical and consultancy services and securing wind power resources in renewable energy industry;
- Engineering, and construction — undertaking electrical engineering and construction of wind power plant projects;
- Manufacture of tower tube equipments — manufacturing of tower tube and gear box equipments for windpower business;
- Operation and maintenance of wind power plants — providing operation and maintenance services to wind power plants; and
- Investment in wind power plant — investing in wind power plants.

The executive directors assess the performance of the operating segments based on a measure of adjusted EBIT. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as equity-settled share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group. Since the executive directors review adjusted EBIT, the results of discontinued operations are not included in the measure of adjusted EBIT.

Segment assets comprise property, plant and equipment, land use rights, inventories, receivables and cash and cash equivalents which are related to the segments identified as continuing operations.

Segment liabilities comprise payables, borrowings and tax payables which are related to the segments identified as continuing operations.

Intersegment 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.

The Company is domicile in Bermuda. None of the revenue was generated from customers in Bermuda and no non-current assets are located in Bermuda.

No single customer contributes more than 10% revenue of the Group.

5. Segment information *(Continued)*

Business segments

For the nine months ended 31 December 2009

	Consultancy and design *HK$'000*	Engineering and construction *HK$'000*	Tower tube equipment manufacturing *HK$'000*	Wind power plant operation and maintenance *HK$'000*	Investment in wind power plant *HK$'000*	Total *HK$'000*
Segment revenue						
Inter-segment sales	34,218	(15,435)	—	—	(18,783)	**—**
Sales to external customers	49,561	227,968	270,071	14,997	—	**562,597**
Segment results	24,476	53,046	81,576	5,610	—	**164,708**
Share of profit of associates	—	—	281	—	3,739	**4,020**
Share of profit of JCEs	—	—	—	—	31,700	**31,700**
Finance income	3,021	241	185	14	80	**3,541**
Other gains, net						**17,552**
Unallocated income						**371**
Unallocated expense						**(25,767)**
Finance costs	(693)	(88)	(948)	—	—	**(1,729)**
Profit before income tax						**194,396**
Income tax expense	—	(12,407)	(247)	—	—	**(12,654)**
Profit for the period from continuing operations						**181,742**
Loss from discontinued operations						**(506)**
Profit for the period						**181,236**
Segment assets	521,055	199,095	273,867	70,372	88,102	**1,152,491**
Goodwill	15,058	41,722	30,053	69,521	1,062,357	**1,218,711**
Interests in associates	225	—	6,416	—	86,780	**93,421**
Interests in JCEs	—	—	—	—	742,001	**742,001**
Unallocated assets						**299,181**
Total assets						**3,505,805**
Segment liabilities	(11,024)	(137,854)	(77,668)	(5,054)	(940)	**(232,540)**
Unallocated liabilities						**(5,422)**
Total liabilities						**(237,962)**
						Unallocated
Other segment information						
Additions to non-current assets (other than financial instruments and deferred tax assets)	1,382	5,933	753	25,708	50,079	11
Depreciation	341	2,674	1,330	95	289	324
Amortisation of intangible asset and land use rights	—	—	469	—	—	75
Loss on disposal of fixed assets	—	—	98	—	—	—
Share-based compensation	1,575	1,760	252	205	—	3,802

5. Segment information *(Continued)*

Business segments *(Continued)*

For the year ended 31 March 2009

	Consultancy and design HK$'000	Engineering and construction HK$'000	Tower tube equipment manufacturing HK$'000	Wind power plant operation and maintenance HK$'000	Investment in wind power plant HK$'000	Total HK$'000	Discontinued operations NPH Group HK$'000
Segment revenue							
Inter-segment sales	5,974	(5,441)	—	—	(533)	—	
Sales to external customers	17,353	125,447	227,273	9,316	—	379,389	
Segment results	6,421	33,215	50,427	2,065	—	92,128	
Share of profit of associates	—	—	575	—	4,204	4,779	
Share of profit of JCEs	—	—	—	—	10,461	10,461	
Finance income	8,753	57	4,960	6	30	13,806	
Other gains, net						28,098	
Unallocated expense						(21,739)	
Finance costs	(4,656)	(851)	—	—	—	(5,507)	
Profit before income tax						122,026	
Income tax expense	—	(3,973)	—	—	—	(3,973)	
Profit for the year from continuing operations						118,053	
Loss from discontinued operations						(1,983)	
Profit for the year						116,070	
Segment assets	344,410	6,673	145,719	242,192	54,057	793,051	
Goodwill	15,031	41,649	30,001	69,398	1,060,490	1,216,569	
Interests in associates	—	—	6,124	—	93,797	99,921	
Interests in JCEs	—	—	—	—	321,048	321,048	
Unallocated assets						163,647	
Discontinued operations NPH Group						50,493	
Total assets						2,644,729	
Segment liabilities	(6,743)	(204)	(54,853)	(54,033)	(5)	(115,838)	
Unallocated liabilities						(25,022)	
Discontinued operations NPH Group						(19,299)	
Total liabilities						(160,159)	
						Unallocated	
Other segment information							
Additions to non-current assets (other than financial instruments and deferred tax assets)	1,230	11,316	24,604	357	3,557	9	870
Depreciation	52	2,899	668	75	—	434	1,566
Amortisation of intangible asset and land use rights	—	—	235	—	—	100	—
Loss on disposal of fixed assets	—	—	—	—	—	—	202
Share-based compensation	974	1,360	169	94	—	3,086	—

Notes to the Consolidated Financial Statements

6. Revenue and other income

Revenue represents consultancy and construction income; the net invoiced value of goods sold; and other services rendered during the nine months ended 31 December 2009.

An analysis of revenue and other income is as follows:

	Group	
	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Revenue	**562,597**	379,389
Other income		
Interest income	**3,541**	13,806
Others	**371**	1,867
	3,912	15,673

7. Other gains, net

An analysis of other gains, net is as follows:

	Group	
	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Gain on disposal of subsidiaries *(Note 32(c))*	**3,312**	28,098
Gain on disposal of an associate *(Note 32(d))*	**4,460**	—
Gain on acquisition of a JCE *(Note 32 (b))*	**8,169**	—
Net realised gains on disposal of financial assets at fair value through profit or loss	**1,611**	—
	17,552	28,098

8. Finance costs

	Group	
	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Interest on convertible notes *(Note 26)*	**689**	3,925
Interest on amounts due to associates	**—**	1,115
Interest on bank borrowings, wholly repayable within five years	**1,036**	461
Interest on finance lease	**4**	6
	1,729	5,507

9. Employee benefit expense and directors' emoluments

(a) Employee benefit expense

	Group	
	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Wages and salaries	**47,183**	26,237
Pension costs — defined contribution plans *(Note i)*	**3,118**	1,248
Share-based compensation *(Note 28)*	**7,594**	5,683
	57,895	33,168

Note:

(i) As at 31 December 2009, the Group had no significant forfeited contributions available to reduce its contributions to the pension scheme in future years (31 March 2009: Nil).

Notes to the Consolidated Financial Statements

9. Employee benefit expense and directors' emoluments *(Continued)*

(b) Directors' emoluments

Details of directors' emoluments are set out below:

	Group For the nine months ended 31 December 2009					
	Fees *HK$'000*	Basic salaries, allowance and benefits *HK$'000*	Dis-cretionary bonuses *HK$'000*	Employer's contribution to pension scheme *HK$'000*	Share-based compensation *(Note)* *HK$'000*	Total *HK$'000*
Chairman						
Liu Shunxing	—	1,540	—	—	523	**2,063**
Executive directors						
Ko Chun Shun, Johnson	—	592	—	9	320	**921**
Wang Xun	—	1,228	—	—	387	**1,615**
Yang Zhifeng	—	1,059	—	—	387	**1,446**
Liu Jianhong	—	1,019	—	—	387	**1,406**
Yu Weizhou	—	775	—	—	107	**882**
Ko Wing Yan, Samantha	—	391	—	5	—	**396**
Chan Kam Kwan, Jason	—	312	—	9	105	**426**
Non-executive director						
Tsoi Tong Hoo, Tony	108	—	—	—	209	**317**
Independent non-executive directors						
Ho Tak Man, Billy	76	—	—	—	75	**151**
Yap Fat Suan, Henry	108	—	—	—	75	**183**
Wong Yau Kar, David	108	—	—	—	75	**183**
Zhou Dadi	84	—	—	—	—	**84**
	484	**6,916**	**—**	**23**	**2,650**	**10,073**

9. Employee benefit expense and directors' emoluments *(Continued)*

(b) Directors' emoluments *(Continued)*

	Group For the year ended 31 March 2009					
	Fees	Basic salaries, allowance and benefits	Discretionary bonuses	Employer's contribution to pension scheme	Share-based compensation (Note)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Chairman						
Ko Chun Shun, Johnson	—	569	—	12	—	581
Executive directors						
Liu Shunxing	—	1,192	—	—	547	1,739
Wang Xun	—	1,094	—	—	394	1,488
Yang Zhifeng	—	1,131	—	—	394	1,525
Liu Jianhong	—	1,042	—	—	394	1,436
Chan Kam Kwan, Jason	—	300	—	12	109	421
Non-executive director						
Tsoi Tong Hoo, Tony	144	—	—	—	131	275
Independent non-executive directors						
Ho Tak Man, Billy	144	—	—	—	88	232
Yap Fat Suan, Henry	144	—	—	—	88	232
Wong Yau Kar, David	144	—	—	—	88	232
	576	5,328	—	24	2,233	8,161

Note: This represents amortisation of the fair value of share options measured at the grant date charged to the income statement, regardless of whether or not the share options have been exercised.

Other than as presented above, no other fees or emoluments were paid to the independent non-executive directors during the period (31 March 2009: Nil).

9. Employee benefit expense and directors' emoluments *(Continued)*

(b) Directors' emoluments *(Continued)*

For the nine months ended 31 December 2009, there were no arrangement under which a director waived or agreed to waive any remuneration, and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (31 March 2009: Nil).

Details of share options granted to directors are set out in note 28 to the consolidated financial statements.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the period include five directors (31 March 2009: four) whose emoluments are reflected in the analysis above. The emoluments payable to the remaining one individual in prior year were as follows:

	Group	
	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Basic salaries, housing allowances, other allowances and benefits in kind	—	848
Share-based compensation	—	164
	—	1,012

10. Profit before income tax

Profit before income tax is stated after charging/(crediting) the following:

	Group	
	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Cost of construction	**151,908**	70,651
Cost of materials	**171,161**	176,101
Changes in inventories	**830**	(2,579)
Auditor's remuneration	**2,550**	2,650
Amortisation of intangible assets *(Note 15)*	**75**	100
Depreciation	**4,749**	4,463
Amortisation of land use right	**469**	235
Exchange losses, net	**544**	85
Business taxes and other levies	**10,566**	4,833
Professional fee	**2,994**	2,786
Travelling expenses	**1,822**	1,987

11. Income tax expense

	Group	
	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Current tax		
— PRC Corporate Income Tax	**23,218**	9,981
Deferred tax *(Note 30)*	**(10,564)**	(6,008)
	12,654	3,973

Notes to the Consolidated Financial Statements

11. Income tax expense *(Continued)*

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Continuing operations

	Group	
	For the nine months ended 31 December 2009 ***HK$'000***	For the year ended 31 March 2009 *HK$'000*
Profit before income tax (excluding discontinued operations)	**194,396**	122,026
Tax calculated at domestic tax rates to profits in the respective countries	**49,963**	31,994
Effects of tax holiday on assessable profits of subsidiaries incorporated in the PRC	**(39,670)**	(31,015)
Income not subject to tax	**(10,918)**	(11,854)
Expenses not deductible for tax	**829**	2,001
Tax losses for which no deferred tax asset was recognised	**1,157**	2,628
Effect on deferred tax assets resulting from unrealised gains on transactions between the Group and its JCEs and associates	**10,912**	10,219
Recognition of tax losses from previous periods	**381**	—
	12,654	3,973

Discontinued operation

No Hong Kong profits tax and overseas taxation has been provided as the Group had sufficient tax losses brought forward to set off against the assessable profits for the period (31 March 2009: Nil).

12. Profit /(loss) attributable to equity holders of the Company

The profit attributable to equity holders of the Company for the nine months ended 31 December 2009 dealt with in the financial statements of the Company is approximately HK$10,231,000 (31 March 2009: loss of HK$33,782,000).

13. Earnings/(loss) per share

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period/year.

	For the nine months ended 31 December 2009	For the year ended 31 March 2009
Weighted average number of shares in issue (thousands)	**6,842,202**	5,770,087
Profit from continuing operations attributable to equity holders of the Company (HK$'000)	**181,742**	118,749
Basic earnings per share from continuing operations attributable to equity holders of the Company (HK cents per share)	**2.66**	2.06
Loss from discontinued operations attributable to equity holders of the Company (HK$'000)	**(506)**	(1,983)
Basic loss per share from discontinued operations attributable to equity holders of the Company (HK cents per share)	**(0.01)**	(0.03)
Profit attributable to equity holders of the Company (HK$'000)	**181,236**	116,766
Basic earnings per share attributable to equity holders of the Company (HK cents per share)	**2.65**	2.03

(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: convertible notes and share options. The convertible notes are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses. For the 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 the outstanding share options. The weighted average number of ordinary shares calculated is compared to the number of shares that would have been issued assuming the exercise of the share options.

13. Earnings/(loss) per share *(Continued)*

(b) Diluted *(Continued)*

	For the nine months ended 31 December 2009	For the year ended 31 March 2009
Continuing operations		
Profit attributable to equity holders of the Company (HK$'000)	**181,742**	118,749
Interest expenses on convertible notes (HK$'000)	**689**	3,925
Profit used to determine diluted earnings per share (HK$'000)	**182,431**	122,674
Discontinued operations		
Loss attributable to equity holders of the Company (HK$'000)	**(506)**	(1,983)
Weighted average number of ordinary shares in issue (thousands)	**6,842,202**	5,770,087
Adjustment for:		
— assumed conversion of convertible notes		
— issued (thousands)	**145,855**	1,001,071
— effect of dilutive potential shares issuable under the Company's share option scheme (thousands)	**69,038**	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**7,057,095**	6,771,158
Diluted earnings per share from continuing operations attributable to equity holders of the company (HK cents per share)	**2.59**	1.81
Diluted loss per share from discontinued operations attributable to equity holders of the Company (HK cents per share)	**(0.01)**	(0.03)
Diluted earnings per share attributable to equity holders of the Company (HK cents per share)	**2.58**	1.78

Notes to the Consolidated Financial Statements

14. Property, plant and equipment

Group

	Building	Leasehold improve-ments	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
As at 31 March 2009	14,970	3,308	19,682	10,970	3,048	51,978
Additions	62	721	10,756	5,864	66,463	83,866
Disposals	—	—	(68)	(152)	—	(220)
Loss of control over a subsidiary	—	—	(19)	(480)	(2,914)	(3,413)
Exchange differences	26	4	41	23	50	144
As at 31 December 2009	**15,058**	**4,033**	**30,392**	**16,225**	**66,647**	**132,355**
Accumulated depreciation						
As at 31 March 2009	265	2,042	179	1,654	—	4,140
Charge during the period *(Note ii)*	469	1,150	1,808	1,626	—	5,053
Disposals			(30)	(34)	—	(64)
Exchange differences	1	3	3	4	—	11
As at 31 December 2009	**735**	**3,195**	**1,960**	**3,250**		**9,140**
Net book value						
As at 31 December 2009	**14,323**	**838**	**28,432**	**12,975**	**66,647**	**123,215**

14. Property, plant and equipment *(Continued)*

Group *(Continued)*

	Building	Leasehold improve-ments	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
As at 31 March 2008	1,867	8,038	7,618	3,249	—	20,772
Additions	13,062	827	17,272	7,734	3,048	41,943
Disposals	—	(1,676)	(2)	—	—	(1,678)
Transferred to disposal group classified as held for sale and discontinued operations *(Note 31a)*	—	(3,923)	(5,282)	(84)	—	(9,289)
Exchange difference	41	42	76	71	—	230
As at 31 March 2009	14,970	3,308	19,682	10,970	3,048	51,978
Accumulated depreciation						
As at 31 March 2008	18	3,685	3,418	196	—	7,317
Charge during the year *(Note ii)*	247	2,733	1,175	1,539	—	5,694
Disposals	—	(1,474)	(2)	—		(1,476)
Transferred to disposal group classified as held for sale and discontinued operations *(Note 31a)*	—	(2,909)	(4,416)	(84)	—	(7,409)
Exchange difference	—	7	4	3	—	14
As at 31 March 2009	265	2,042	179	1,654	—	4,140
Net book value						
As at 31 March 2009	14,705	1,266	19,503	9,316	3,048	47,838

Notes:

(i) The net book value of the Group's office equipment held under finance lease as at 31 December 2009 amounted to Nil (31 March 2009: HK$45,200).

(ii) The net book value of the fixed assets transferred to disposal group classified as held for sales amounts to Nil (31 March 2009: HK$1,880,000). The depreciation charge for the period of the disposal group classified as asset held for sale and discontinued operations amounts to Nil (31 March 2009: HK$1,566,000).

14. Property, plant and equipment *(Continued)*

Company

	Leasehold improvements	Furniture and fixtures	Total
	HK$'000	*HK$'000*	*HK$'000*
Cost			
As at 31 March 2008 and 2009	1,244	93	1,337
Accumulated depreciation			
As at 31 March 2008	242	12	254
Charge during the period	415	19	434
As at 31 March 2009	657	31	688
Net book value			
As at 31 March 2009	587	62	649
Cost			
As at 31 March 2009	1,244	93	1,337
Disposals	—	(68)	(68)
As at 31 December 2009	**1,244**	**25**	**1,269**
Accumulated depreciation			
As at 31 March 2009	657	31	688
Charge during the period	311	11	322
Disposals	—	(30)	(30)
As at 31 December 2009	**968**	**12**	**980**
Net book value			
As at 31 December 2009	**276**	**13**	**289**

Notes to the Consolidated Financial Statements

15. Intangible assets

	Goodwill	Group Intangible asset	Total
	HK$'000	*HK$'000*	*HK$'000*
Net book amount as at 31 March 2008	901,142	2,000	903,142
Fair value adjustment *(Note i)*	252,470	—	252,470
Amortisation	—	(100)	(100)
Exchange differences	62,957	—	62,957
Net book amount as at 31 March 2009	1,216,569	1,900	1,218,469
Exchange differences	2,142	199	2,341
Amortisation	—	(75)	(75)
Net book amount as at 31 December 2009	**1,218,711**	**2,024**	**1,220,735**

Goodwill arose from the acquisition of China Wind Power Holdings Limited ("China Wind Power"), and its subsidiaries (collectively "China Wind Power Group"), a limited liability company incorporated in the British Virgin Islands and its subsidiaries. The acquisition was completed on 1 August 2007. The Group has assessed the recoverable amount of goodwill for China Wind Power Group's cash generating unit and determined that such goodwill has not been impaired. Substantially represent goodwill on "windfarm investment" details refer to note 5.

The recoverable amount is based on a value in use calculation. The value in use is the present value of estimated future cash flow expected to arise from the continuing use of an asset. The calculation used cash flow projections based on cash flow of the financial budgets approved by management covering a ten-year period and a post-tax discount rate of 13.2%. Other key assumptions include projected installation capacity in the coming ten years, estimated power generated capacity of each wind farm, expected tariff rate, applicable enterprise income tax rate. Management determined these key assumptions based on past performance and its expectation on market development.

15. Intangible assets *(Continued)*

The goodwill on acquisition is attributable to the anticipated profitability of the Company and its subsidiaries identified according to their operations. The Group and its subsidiaries operate in the wind power business, in particular consultancy design; engineering, and construction; manufacture of tower tube equipments; operation and maintenance of wind power plants; and investment in wind power plant.

There was no impairment charge recognised during the financial period ended 31 December 2009. If the used in the value-in-use calculation for the CGUs been 10% lower than management's estimates as at 31 December 2009, no further impairment of goodwill would be recognised by the Group.

Other intangible asset arose from the acquisition of the China Wind Power Group on 1 August 2007. It represents the Wind Power Plan Cooperation Agreements signed with relevant local government authorities in the PRC. The intangibles asset is amortised over the duration of the agreement of 20 years.

Note:

(i) The 2nd tranche of the convertible note was issued on 19 June 2008. It was valued by an independent valuer, Vigers Appraisal & Consulting Limited, and measured at fair value on the day of its issuance. This valuation of the 2nd tranche of the convertible note resulted in a fair value adjustment of HK$252,470,000, which was adjusted as an additional consideration for the acquisition of China Wind Power Group and hence resulting in a corresponding increase in the amount of goodwill. After adjusting exchange differences of HK$62,597,000, goodwill as at 31 March 2009 was HK$1,216,569,000.

16. Interests in subsidiaries

	Company	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Unlisted shares, at cost *(Note i)*	**1,230,375**	1,230,375
Amounts due from subsidiaries *(Note ii)*	**1,519,946**	894,742
Less: Provisions for amounts due from subsidiaries	**(23,297)**	(23,297)
	2,727,024	2,101,820
Less: Current portion of amounts due from subsidiaries	**(722,859)**	(147,835)
	2,004,165	1,953,985

Notes to the Consolidated Financial Statements

16. Interests in subsidiaries *(Continued)*

Notes:

(i) As at 31 December 2009, particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and operations and kind of legal entity	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal Activities
			Direct	Indirect	
CCH Wind Power Holdings Ltd.	British Virgin Islands, limited company	1 ordinary share of US$1	100%	—	Investment holding
China Wind Power Holdings Ltd.	British Virgin Islands, limited company	1 ordinary share of US$1	100%	—	Investment holding
CWP Construction Ltd.	Hong Kong, limited company	1 ordinary share of HK$1	100%	—	Investment holding
CCH Investment Ltd.	Hong Kong, limited company	1 ordinary share of HK$1	100%	—	Investment holding
China Wind Power (HK) Ltd.	Hong Kong, limited company	1 ordinary share of HK$1	100%	—	Investment holding
Fuxin Concord Windpower Equipment and Technical Service Co., Ltd.	The PRC, wholly-owned foreign enterprise	Registered capital of HK$50,000,000	—	100%	Wind power equipment repair, and maintenance
Damaoqi Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB20,000,000	—	100%	Wind power plant investment and operation
Gansu Guazhou Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB20,000,000	—	100%	Wind power plant investment and operation

Notes to the Consolidated Financial Statements

16. Interests in subsidiaries *(Continued)*

Notes:

(i) As at 31 December 2009, particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and operations and kind of legal entity	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal Activities
			Direct	Indirect	
Wuchuan County Yihe Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB100,000,000	—	100%	Wind power plant investment and operation
Tianjin Century Concord Wind Power Investment Co., Ltd.	The PRC, wholly-owned foreign enterprise	Registered capital of RMB52,000,000	—	100%	Investment holding
Fuxin Taihe Wind Power Co., Ltd.	The PRC, Sino-foreign equity joint venture	Registered capital of RMB88,800,000	—	100%	Wind power plant investment and operation
Fuxin Xieli Wind Power Co., Ltd.	The PRC, Sino-foreign equity joint venture	Registered capital of RMB88,800,000	—	100%	Wind power plant investment and operation
Fuxin Gangneng Wind Power Co., Ltd.	The PRC, Sino-foreign equity joint venture	Registered capital of RMB88,800,000	—	100%	Wind power plant investment and operation
Beijing Guohuaaidi Wind Power Technology Services Co., Ltd.	The PRC, limited company	Registered capital of RMB10,000,000	—	100%	Wind power plant operation and maintenance
Jilin CWP Power Engineering Co., Ltd.	The PRC, Sino-foreign equity joint venture	Registered capital of RMB100,000,000	—	100%	Power plant facilities construction

Notes to the Consolidated Financial Statements

16. Interests in subsidiaries *(Continued)*

Notes:

(i) As at 31 December 2009, particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and operations and kind of legal entity	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal Activities
Beijing Juhe Power Technology Design Co., Ltd.	The PRC, wholly-owned foreign enterprise	Registered capital of HK$50,000,000	—	100%	Wind power system design, research and exploitation
Century Concord Wind Power Investment Co., Ltd.	The PRC, limited company	Registered capital of RMB800,000,000	—	100%	Investment holding
Jilin Juhe Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB20,000,000	—	100%	Wind power plant investment and operation
Jilin Century Concord Wind Power Investment Co., Ltd.	The PRC, limited company	Registered capital of RMB100,000,000	—	100%	Wind power plant investment and operation
Beijing Shijijuhe Wind Power Technology Co., Ltd.	The PRC, wholly-owned foreign enterprise	Registered capital of US$10,000,000	—	100%	Wind power research and development in wind power technology
Jilin Tianhe Wind Power Equipment Co., Ltd.	The PRC, wholly-owned foreign enterprise	Registered capital of HK$213,661,300	—	100%	Wind power equipment manufacturing

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group.

(ii) The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

The carrying amounts of the amounts due from subsidiaries approximate their fair values.

Notes to the Consolidated Financial Statements

17. Interests in associates

	As at 31 December 2009 *HK$'000*	As at 31 March 2009 *HK$'000*
Share of net assets of associates *(Note i)*	**93,421**	99,921
Amounts due from associates *(Note ii)*	**22,229**	19,704

Notes:

(i) As at 31 December 2009, particulars of the principal associates are as follows:

Name of associates	Place of incorporation/ operations and kind of legal entity	Nominal value of registered capital	Interest held indirectly	Principal activities
ZhengZhou ZhengJi Century Concord Equipment Co., Ltd. 鄭州正機協合能源裝備科技有限公司	The PRC, Sino-foreign equity joint venture	RMB16,000,000	28%	Manufacturing of wind power facilities
Changtu Liaoneng Xiexin Wind Power Co., Ltd. 昌圖遼能協鑫風力發電有限公司	The PRC, Sino-foreign equity joint venture	RMB190,718,000	25%	Wind power plant investment and operation
Chaoyang Wind Power Development Service Co., Ltd. 朝陽風電開發服務有限公司	The PRC, Limited Company	RMB1,800,000	11% *(Note a)*	Wind power plant investment and operation
Jilin Province Zhanyu Wind Power Assets Management Co., Ltd. 吉林省瞻榆風電資產經營管理有限公司	The PRC, Limited Company	RMB101,144,000	17.15% *(Note b)*	Wind power plant investment and operation
FuXin Union Wind Power Co., Ltd. 阜新聯合風力發電有限公司	The PRC, Sino-foreign equity joint venture	RMB175,500,000	24.5%	Wind power plant investment and operation
FuXin Century Concord-Shenhua Wind Power Co., Ltd. 阜新申華協合風力發電有限公司	The PRC, Sino-foreign equity joint venture	RMB160,000,000	24.5%	Wind power plant investment and operation

17. Interests in associates *(Continued)*

Notes:

(i) As at 31 December 2009, particulars of the principal associates are as follows:

Note: Even though the Group holds less than 20 per cent of the voting power of the investees, the Group demonstrates significant influence on the investees by:

(a) holding a seat on the board of directors for a board with 5 members and all directors have equal voting rights.

(b) holding the second highest percentage in total shareholding of the investee.

(ii) The amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the amounts due from associates approximate their fair values.

The Group share of results of its associates, all of which are unlisted. Their aggregated assets, liabilities, income and expenses are as follows:

	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Total assets	**520,642**	610,983
Total liabilities	**144,901**	213,788

	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Income	**61,365**	80,616
Expenses	**(45,404)**	(61,747)
Profit for the period/year	**15,961**	18,869

18. Interests in jointly controlled entities

	Group	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Share of net assets *(Note iv)*	**742,001**	321,048
Amounts due to JCEs *(Note i)*	**(34,875)**	(9,791)
Amounts due from JCEs *(Note ii)*	**29,923**	1,483
Amounts due from JCEs in relation to construction contracts *(Note iii)*	**7,477**	12,203

	Company	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Amount due from a JCE	**535**	41,000

Notes:

(i) Amount due to JCEs mainly represents the deposits from JCEs. The carrying amounts of the amounts due to JCEs approximate their fair value.

(ii) Trade receivables from JCEs of HK$ 29,057,000 (31 March 2009: Nil) are payable within 90 days. Other balances with JCEs are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the amounts due from JCEs approximate their fair values.

(iii) Amounts due from JCEs in relation to construction contracts are cost of constructions incurred but not billable.

As at 31 December 2009, the JCEs which are principally engaged in wind power plant investment and operation, have yet to obtain the formal land use right certificates for certain wind power plants. The directors of the JCEs believe that the use of and the conduct of relevant activities above mentioned land are not affected by the fact that the relevant land use right certificates have not been obtained. JCEs' directors believe that this will not have any material adverse effect on JCEs' results of operations and financial conditions.

18. Interests in jointly controlled entities *(Continued)*

Notes:

(iv) As at 31 December 2009, particulars of the principal JCEs are as follows:

Name of JCEs	Place of incorporation/ operations and kind of legal entity	Nominal value of registered capital	Proportion of value of registered capital held by the Group	Proportion of voting power held	Principal activities
Jilin CWP-Milestone Wind Power Co., Ltd. 吉林里程協合風力發電有限公司	The PRC, Sino-foreign equity joint venture	RMB150,000,000	49%	50%	Wind power plant investment and operation
Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. 二連浩特長風協合風能開發有限公司	The PRC, Sino-foreign equity joint venture	RMB76,000,000	49%	50%	Wind power plant investment and operation
Jilin Taihe Wind Power Co., Ltd. 吉林泰合風力發電有限公司	The PRC, Sino-foreign equity joint venture	RMB150,000,000	49%	50%	Wind power plant investment and operation
Tongliao Taihe Wind Power Co., Ltd. 通遼泰合風力發電有限公司	The PRC, Sino-foreign equity joint venture	RMB150,000,000	49%	50%	Wind power plant investment and operation
Taipusiqi Century Concord-Shenhua Wind Power Investment Co., Ltd. 太仆寺旗申華協合風力發電投資有限公司	The PRC, Sino-foreign equity joint venture	RMB136,000,000	49%	50%	Wind power plant investment and operation
Fuxin Julonghu Wind Power Co., Ltd. 阜新巨龍湖風力發電有限公司	The PRC, Limited Company	RMB100,000,000	60%	50%	Wind power plant investment and operation
Fuxin Huashun Wind Power Co., Ltd. 阜新華順風力發電有限公司	The PRC, Sino-foreign equity joint venture	RMB153,000,000	50%	50%	Wind power plant investment and operation

18. Interests in jointly controlled entities *(Continued)*

Notes:

(iv) As at 31 December 2009, particulars of the principal JCEs are as follows:

Name of JCEs	Place of incorporation/ operations and kind of legal entity	Nominal value of registered capital	Proportion of value of registered capital held by the Group	Proportion of voting power held	Principal activities
Fuxin Qianfoshan Wind Power Co., Ltd. 阜新千佛山風力發電有限公司	The PRC, Limited Company	RMB100,000,000	60%	50%	Wind power plant investment and operation
Fuxin Juyuan Wind Power Co., Ltd. 阜新聚緣風力發電有限公司	The PRC, Limited Company	RMB100,000,000	60%	50%	Wind power plant investment and operation
Fuxin Juhe Wind Power Co., Ltd. 阜新聚合風力發電有限公司	The PRC, Limited Company	RMB100,000,000	60%	50%	Wind power plant investment and operation
Mengdong Century Concord New Energy Co., Ltd. 蒙東協合新能源有限公司	The PRC, Limited Company	RMB100,000,000	49%	50%	Wind power plant investment and operation
Mengdong Century Concord Kezuohouqi Wind Power Co., Ltd. 蒙東協合科左後旗風力發電有限公司	The PRC, Limited Company	RMB50,000,000	49%	50%	Wind power plant investment and operation
Mengdong Century Concord zhenlai first Wind Power Co., Ltd. 蒙東協合鎮賚第一風力發電有限公司	The PRC, Limited Company	RMB8,000,000	49%	50%	Wind power plant investment and operation
Mengdong Century Concord Zhenlai Second Wind Power Co., Ltd. 蒙東協合鎮賚第二風力發電有限公司	The PRC, Limited Company	RMB8,000,000	49%	50%	Wind power plant investment and operation
Mengdong Century Concord Zhaluteqi Wind Power Co., Ltd. 蒙東協合扎魯特旗風力發電有限公司	The PRC, Limited Company	RMB8,000,000	49%	50%	Wind power plant investment and operation

Notes to the Consolidated Financial Statements

18. Interests in jointly controlled entities *(Continued)*

The Group share of results of its jointly controlled entities, all of which are unlisted. Their aggregated assets, liabilities, income and expenses are as follows:

	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Assets:		
Non-current assets	**2,754,818**	1,344,364
Current assets	**1,534,800**	383,003
	4,289,618	1,727,367
Liabilities:		
Non-current liabilities	**(2,103,869)**	(476,174)
Current liabilities	**(418,315)**	(388,764)
	(2,522,184)	(864,938)
Net assets	**1,767,434**	862,429
Capital commitments	**1,279,031**	1,270,613

	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Income	**142,741**	77,180
Expenses	**(82,147)**	(46,017)
Profit for the period/year	**60,594**	31,163

The Group's contingent liabilities relating to the Group's interest in the JCEs, and the contingent liabilities of the JCEs themselves are disclosed in note 34. The Group's capital commitments in relation to its interests in the JCEs are disclosed in note 35b.

Notes to the Consolidated Financial Statements

19. Inventories

	Group	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Raw materials	**15,657**	25,871
Work in progress	**36,564**	25,520
	52,221	51,391

20. Trade receivables, net

	Group	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Trade receivables	**48,947**	38,802

An aged analysis of the trade receivables, based on invoice date, as at the balance sheet date, net of provision, is as follows:

	Group	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Within 3 months	**14,090**	24,652
3 to 6 months	**6,629**	14,150
6 to 12 months	**14,052**	—
Over 12 months	**14,176**	—
	48,947	38,802

20. Trade receivables, net *(Continued)*

The Group's credit terms granted to customers of range between 30 and 180 days.

Trade receivables that are less than three months invoiced are not considered impaired. As at 31 December 2009, trade receivables of HK$28,228,000 (31 March 2009: HK$ Nil) were past due but not impaired.

The carrying amounts of trade receivables approximate their fair values and are denominated in RMB.

Movements on the provision for impairment of trade receivables are as follows:

	Group	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
As at 31 March 2009 and 2008		294
Utilised	**—**	(2)
Disposal of subsidiaries	**—**	(292)
As at 31 December 2009 and 31 March 2009	**—**	—

The maximum exposure to credit risk at reporting date is the fair value. The Group does not hold any collateral as security.

21. Prepayments, deposits and other receivables — Group and Company

	Group		Company	
	As at 31 December 2009	As at 31 March 2009	**As at 31 December 2009**	As at 31 March 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Prepayments	**12,062**	13,313	**802**	479
Deposits	**669**	2,235	**669**	669
Other receivables	**26,545**	16,118	**—**	22
	39,276	31,666	**1,471**	1,170

21. Prepayments, deposits and other receivables — Group and Company
(Continued)

An aged analysis of the other receivables, based on invoice date, as at the balance sheet date, net of provision, is as follows:

	Group		Company	
	As at 31 December 2009	As at 31 March 2009	**As at 31 December 2009**	As at 31 March 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within 3 months	**22,662**	11,138	**—**	22
3 to 6 months	**496**	418	**—**	—
6 to 12 months	**3,387**	4,562	**—**	—
	26,545	16,118	**—**	22

The carrying amounts of other receivables and deposits approximate their fair values and approximately 99% (31 March 2009: 91%) and 1% (31 March 2009: 9%) of the total carrying amounts are denominated in RMB and HK$ respectively.

22. Cash and cash equivalents — Group and Company

	Group		Company	
	As at 31 December 2009	As at 31 March 2009	**As at 31 December 2009**	As at 31 March 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cash at bank and in hand	**1,109,561**	745,061	**29,744**	2,474
Maximum exposure to credit risk	**1,109,443**	745,012	**29,744**	2,474
Denominated in:				
— HK$	**367,273**	150,228	**27,719**	410
— RMB	**712,179**	571,079	**—**	—
— US$	**30,109**	23,754	**2,025**	2,064
	1,109,561	745,061	**29,744**	2,474

As at 31 December 2009 the weighted effective interest rate on the Group's cash, bank balances and short-term bank deposits is 0.76% (31 March 2009: 1.07%).

Notes to the Consolidated Financial Statements

23. Construction contract

Included in amounts due from associates of 31 December 2009, there was trade receivables from associates of HK$6,729,000 (31 March 2009: HK$5,352,000) for construction works. The credit terms granted to associates was 90 days.

Included in deposits from JCEs of 31 December 2009 was approximately HK$29,208,000 (31 March 2009: HK$9,246,000) representing advances received from JCEs in respect of construction in progress.

Included in amounts due from JCEs of 31 December 2009, there was HK$12,818,000 (31 March 2009: Nil) retention money held in respect of construction in progress. Remaining amounts represent the trade receivables from JCEs, including HK$6,280,000 (31 March 2009: Nil) amounts due from JCEs for contract work. The credit terms granted to JCEs was 90 days.

Included in the sales of services, the total amount of progress billings of the construction in progress which is equivalent to the related construction income for the period, included in the estimated value of work performed as at 31 December 2009 was approximately HK$227,968,000 (31 March 2009: HK$125,447,000). The related construction costs incurred as at 31 December 2009 was approximately HK$151,908,000 (31 March 2009: HK$70,651,000).

24. Trade payables

An aged analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

	Group	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Within 3 months	**60,945**	39,047
3 to 6 months	**12,301**	11,156
6 to 12 months	**17,681**	11,990
Over 12 months	**5,488**	3,494
	96,415	65,687

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

25. Borrowings — Group and Company

	Group		Company	
	As at 31 December 2009	As at 31 March 2009	**As at 31 December 2009**	As at 31 March 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loan	**34,072**	—	**—**	—
Finance lease payables	**—**	45	**—**	45
	34,072	45	**—**	45

Borrowings were repayable as follows:

Group

	Bank Loan		Finance lease payables		Total	
	As at 31 December 2009	As at 31 March 2009	**As at 31 December 2009**	As at 31 March 2009	**As at 31 December 2009**	As at 31 March 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Within 1 year	**34,072**	—	**—**	14	**34,072**	14
Between 1 and 2 years	**—**	—	**—**	14	**—**	14
Between 2 and 5 years	**—**	—	**—**	17	**—**	17
	34,072	—	**—**	45	**34,072**	45

Notes to the Consolidated Financial Statements

25. Borrowings — Group and Company *(Continued)*

Company

	Finance Lease payables	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Within 1 year	**—**	14
Between 1 and 2 years	**—**	14
Between 2 and 5 years	**—**	17
	—	45

The effective interest rates at the balance sheet date were as follows:

	As at 31 December 2009	As at 31 March 2009
Bank loan	**5.31%**	—
Finance lease payables	**—**	17%

The carrying amounts of the bank loan are denominated in RMB and are secured by the corporate guarantee of the Company.

The finance lease payables were denominated in HK$ and were secured by the lessor's charge over the leased assets.

26. Convertible notes — Group and Company

	Group and Company	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Non-current liabilities		
Convertible note — issued	**—**	23,205

The convertible notes, with 1% coupon rate, are convertible at the option of the holder, in whole or in part, within the agreed period, into new shares of the Company at the conversion price of HK$0.099 per share, subject to usual adjustment. The fair value of the liability component is included in non-current liabilities, was calculated using a market interest rate for an equivalent non-convertible loan. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity in other reserves. The details of each convertible notes and their related fair value inputs are summarised below:

(i) On 1 August 2007, the Company issued 1st tranche convertible note of HK$100,000,000 to satisfy the minimum consideration for the acquisition of China Wind Power. The fair value of convertible note is calculated using the Binomial model with the major inputs as at the issuance date as follows:

Stock price	HK$1.21
Expected volatility	50%
Risk free rate	4.31%

(ii) Pursuant to the Sales and Purchase Agreement ("S&P Agreement") for the acquisition of China Wind Power Group, the Company issued the 2nd tranche convertible note of another HK$100,000,000 on 19 June 2008 to settle the contingent consideration from the acquisition of China Wind Power Group. The fair value of convertible note is calculated using the Binomial model with major inputs as at the date of issuance are summarised below:

Stock price	HK$0.57
Expected volatility	89%
Risk free rate	3.56%

Notes to the Consolidated Financial Statements

26. Convertible notes — Group and Company *(Continued)*

(ii) *(Continued)*

The movement of the liability component of the convertible notes for the period is set out below:

	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Liability component brought forward	**23,205**	133,930
Conversions during the period/year	**(23,781)**	(114,067)
Interest expense *(Note 8)*	**689**	3,925
Interest paid	**(113)**	(583)
Carrying amount carried forward	**—**	23,205

27. Share capital

	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Authorised:		
10,000,000,000 (31 March 2009: 10,000,000,000) ordinary shares of HK$0.01 each	**100,000**	100,000
Issued and fully paid:		
As at 31 December 2009: 7,278,704,965 (31 March 2009: 6,254,470,578) ordinary shares of HK$0.01 each	**72,787**	62,545

27. Share capital *(Continued)*

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

	No. of shares	Nominal value
	000's	*HK$'000*
Authorised:		
As at 31 December 2009 and 31 March 2009: 10,000,000,000 new ordinary shares of HK$0.01 each	10,000,000	100,000
Issued and fully paid:		
As at 31 March 2008: 4,554,470,578 ordinary shares of HK$0.01 each	4,554,471	45,545
Issues of ordinary shares of HK$0.01 each on conversion of convertible notes *(Note (i))*	1,700,000	17,000
As at 31 March 2009: 6,254,470,578 ordinary shares of HK$0.01 each	6,254,471	62,545
Subscription of new ordinary shares of HK$0.01 each *(Note (ii))*	700,000	7,000
Issues of ordinary shares of HK$0.01 each on conversion of convertible notes *(Note (iii))*	323,469	3,235
Issues of ordinary shares of HK$0.01 each on exercise of share options	765	7
As at 31 December 2009: 7,278,704,965 ordinary shares of HK$0.01 each	**7,278,705**	**72,787**

Note:

(i) On 14 July 2008, 1,700,000,000 ordinary shares par value HK$0.01 each of the Company were issued as a result of the conversion of convertible notes with a principal amount of HK$168,300,000.

(ii) Pursuant to a placing and subscription agreement executed by the Company on 16 July 2009, a total of 700 million ordinary shares par value HK$0.01 each were issued at an issue price of HK$0.85 per share, raising net proceeds of approximately HK$580 million. Details of the transaction were disclosed in the Company's announcement dated 16 July 2009.

(iii) On 3 August 2009, 323,469,387 ordinary shares par value HK$0.01 each of the Company were issued as a result of the conversion of convertible notes with a principal amount of HK$31,700,000.

Notes to the Consolidated Financial Statements

28. Share option schemes

The Company's share option scheme was adopted on 16 April 2007 as an incentive to the Group's employees and business associates ("Share Option Scheme"). This scheme shall be valid for a period of ten years ending on 15 April 2017.

The maximum number of shares in respect of which option may be granted under the Share Option Scheme of the Company may not exceed 10 percent of the issued share capital of the Company at the date of adoption of the Share Option Scheme. The maximum entitlement of each eligible participant in the total number of shares issued and to be issued upon exercise of options granted under the Share Option Scheme of the Company in any 12 month period shall not exceed 1% of the total number of shares in issue.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Nine months ended 31 December 2009		Year ended 31 March 2009	
	Average exercise price per share HK$	**Options (thousands)**	Average exercise price per share HK$	Options (thousands)
As at 31 March 2009 and 2008	**0.45**	**60,080**	—	—
Granted	**0.302**	**100,000**	0.45	60,080
Cancelled	**0.45**	**(510)**	—	—
Exercised	**0.45**	**(765)**	—	—
As at 31 December 2009 and 31 March 2009	**0.357**	**158,805**	0.45	60,080

Out of the 158,805,000 outstanding options, 14,165,000 options were exercisable.

Options exercised during the period resulted in 765,000 shares being issued. The related weighted average share price at the time of exercise was HK$0.84.

28. Share option schemes *(Continued)*

Details of the movement in the number of share options are as follow:

Name or category of participant	Date of grant of share options	Number of share options outstanding as at 31 March 2009	Number of share options granted during the period	Number of share options exercised during the period	Number of share options cancelled/ lapsed during the period	Number of share options outstanding as at 31 December 2009	Market price per share at exercise date of share options
							HK$
Executive directors							
Liu Shunxing	1 April 2008	5,000,000	—	—	—	**5,000,000**	N/A
	6 April 2009	—	6,000,000	—	—	**6,000,000**	N/A
Ko Chun Shun, Johnson	6 April 2009	—	6,000,000	—	—	**6,000,000**	N/A
Wang Xun	1 April 2008	3,600,000	—	—	—	**3,600,000**	N/A
	6 April 2009	—	4,500,000	—	—	**4,500,000**	N/A
Yang Zhifeng	1 April 2008	3,600,000	—	—	—	**3,600,000**	N/A
	6 April 2009	—	4,500,000	—	—	**4,500,000**	N/A
Liu Jianhong	1 April 2008	3,600,000	—	—	—	**3,600,000**	N/A
	6 April 2009	—	4,500,000	—	—	**4,500,000**	N/A
Yu Weizhou	6 April 2009	—	2,000,000	—	—	**2,000,000**	N/A
Chan Kam Kwan, Jason	1 April 2008	1,000,000	—	—	—	**1,000,000**	N/A
	6 April 2009	—	1,200,000	—	—	**1,200,000**	N/A
Non-executive director							
Tsoi Tong Hoo, Tony	1 April 2008	1,200,000	—	—	—	**1,200,000**	N/A
	6 April 2009	—	3,000,000	—	—	**3,000,000**	N/A

28. Share option schemes *(Continued)*

Name or category of participant	Date of grant of share options	Number of share options outstanding as at 31 March 2009	Number of share options granted during the period	Number of share options exercised during the period	Number of share options cancelled/ lapsed during the period	Number of share options outstanding as at 31 December 2009	Market price per share at exercise date of share options *HK$*
Independent non-executive directors							
Ho Tak Man, Billy	1 April 2008	800,000	—	—	—	**800,000**	N/A
	6 April 2009	—	800,000	—	—	**800,000**	N/A
Yap Fat Suan, Henry	1 April 2008	800,000	—	(200,000)	—	**600,000**	0.84
	6 April 2009	—	800,000	—	—	**800,000**	N/A
Dr. Wong Yau Kar, David	1 April 2008	800,000	—	(200,000)	—	**600,000**	0.78
	6 April 2009	—	800,000	—	—	**800,000**	N/A
Other employees							
In aggregate	1 April 2008	39,680,000	—	(365,000)	(510,000)	**38,805,000**	0.87
	6 April 2009	—	65,900,000	—	—	**65,900,000**	N/A
Total		**60,080,000**	**100,000,000**	**(765,000)**	**(510,000)**	**158,805,000**	

These options were granted subject to the following vesting requirement:

On 1st anniversary of the date of grant	25%
On 2nd anniversary of the date of grant	25%
On 3rd anniversary of the date of grant	25%
On 4th anniversary of the date of grant	25%

The Group recognized the total expense of HK$7,594,000 for the nine months ended 31 December 2009 (31 March 2009: HK$5,683,000) in relation to share options granted by the Company.

28. Share option schemes *(Continued)*

Details of share options outstanding at the end of the period is set out belows:

Grant date	Exercise period	Exercise price	Macket price per share on date of grant of option	Grand of option (thousands)	Share Options outstanding (Thousands) 31 December 2009	31 March 2009
		HK$	*HK$*			
1 April 2008	1 April 2009 to 31 March 2013	0.45	0.435	60,080	58,805	60,080
6 April 2009	6 April 2010 to 5 April 2014	0.302	0.29	100,000	100,000	—
				160,080	158,805	60,080

Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Binomial model. The contractual life of the option is used as input into this model.

The fair value of each option granted during the period as determined by using the Binomial valuation model ranges from HK$0.1585 to HK$0.2093 (31 March 2009: 0.1597 to 0.2103). The significant inputs into the model were the stock price at the grant date of HK$0.295 (31 March 2009: 0.435) per option, exercise price of HK$0.45 (31 March 2009: 0.45), volatility of 67% (31 March 2009: 56%), expected option life of 5 years, dividend yield of 0% (31 March 2009: same), and annual risk-free interest rate of 1.697% (31 March 2009: 2.016%). Expected volatility is assumed to be based on historical volatility of the comparable companies.

On 4 January 2010, a total of 130,000,000 share options were granted to eligible persons of the Share Option Scheme. Details of the grant of the share options were disclosed in the Company announcement on the same date.

Notes to the Consolidated Financial Statements

29. Reserves

The details of movements in the Group's reserves are set out in the consolidated statement of changes in equity on page 43.

The details of the movements in the Company's reserves are set out as follows:

	Share premium account	Contributed surplus *(Note i)*	Other reserves	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 March 2008	1,107,339	78,810	844,501	(281,559)	1,749,091
Fair value adjustment on issuance of contingent convertible notes	—	—	252,470	—	252,470
Issuance of ordinary shares upon conversions of convertible notes	1,030,074	—	(933,007)	—	97,067
Value of employee services	—	—	5,683	—	5,683
Loss for the year	—	—	—	(33,782)	(33,782)
As at 31 March 2009	2,137,413	78,810	169,647	(315,341)	2,070,529
Issuance of ordinary shares upon conversions of convertible notes	184,212	—	(163,667)	—	20,545
Subscription of new ordinary shares	572,906	—	—	—	572,906
Value of employee services	—	—	7,595	—	7,595
Exercise of share option	682	—	(345)	—	337
Profit for the period	—	—	—	10,231	10,231
As at 31 December 2009	**2,895,213**	**78,810**	**13,230**	**(305,110)**	**2,682,143**

Note:

(i) The Company's contributed surplus represented the excess of the fair value of the shares of the former holding company acquired pursuant to the group reorganisation in the prior year, over the nominal value of the Company's shares issued in exchange thereof.

Notes to the Consolidated Financial Statements

30. Deferred income tax

Deferred taxation is calculated in full on temporary differences under the liability method using the tax rate applicable to profits of the consolidated entities.

The movement in deferred tax assets during the period is as follows:

	Group Unrealised gains	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
Balance brought forward	**6,008**	—
Credited to the consolidated income statement	**10,564**	6,008
Exchange difference	**18**	—
Balance carried forward	**16,590**	6,008

During the period, the Group has recognised deferred tax assets for unrealised gains on transactions between the Group and its JCEs and associates.

Deferred tax assets recognised are expected to be recovered after more than 12 months. The deferred tax asset recognised relates to the temporary differences arising from transactions with associates and JCEs regarding the construction of the windfarms. The credits to the consolidated income statement represent originating temporary differences arising from these transactions while the charge to the consolidated income statement represents the reversal of the temporary differences as a result of the depreciation of the windfarms.

Deferred tax assets are recognised for tax losses carry forward purposes only to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group recognises deferred tax assets to the extent of recognised deferred tax liabilities and has unrecognised tax losses of HK$81,123,000 (31 March 2009: HK$63,894,000), attributable to continuing operations, to carrying forward against future taxable income. The tax losses afore-mentioned are subject to final approval by the Inland Revenue Department in Hong Kong and can be carried forward indefinitely.

As at 31 December 2009, deferred income tax liabilities of HK$36,655,000 (31 March 2009: 18,017,000) have not been recognised for the withholding tax and other taxes that would be payable on the undistributed retained earnings of subsidiaries and jointly controlled entities.

Notes to the Consolidated Financial Statements

31. Assets and liabilities of disposal group classified as held for sale and discontinued operations

	As at 31 December 2009 HK$'000	As at 31 March 2009 HK$'000
Operating cash flows	—	(1,514)
Investing cash flows	—	(602)
Financing cash flows	—	614
Total cash flows	—	(1,502)

(a) Assets of disposal group classified as held for sale and discontinued operation — Group

	As at 31 December 2009 HK$'000	As at 31 March 2009 HK$'000
Property, plant and equipment	—	1,880
Inventories	—	10,708
Trade receivables	—	2,706
Other current assets	—	7,002
Cash and cash equivalents	—	28,197
Total	—	50,493

(b) Liabilities of disposal group classified as held for sale and discontinued operations — Group

	As at 31 December 2009 HK$'000	As at 31 March 2009 HK$'000
Trade and other payables	—	7,646
Borrowings	—	7,509
Other current liabilities	—	3,436
Provisions	—	708
Total	—	19,299

31. Assets and liabilities of disposal group classified as held for sale and discontinued operations *(Continued)*

(c) Assets classified as held for sale — Company

	Period ended 31 December 2009 *HK$'000*	Year ended 31 March 2009 *HK$'000*
Investment in a subsidiary	**—**	13,943

(d) Analysis of the result of discontinued operations for the period up to the date of disposal were as follows:

	Period from 1 April 2009 to 19 May 2009 *HK$'000*	Year ended 31 March 2009 *HK$'000*
Revenue	**8,803**	89,034
Other income	**10**	2,247
Cost of revenue	**(5,857)**	(60,814)
Expenses	**(3,462)**	(32,450)
Loss before tax	**(506)**	(1,983)
Income tax expense	**—**	—
Loss after tax	**(506)**	(1,983)

32. Notes to the consolidated cash flow statement

(a) Loss of control over a subsidiary

The Group holds 60% of the share capital of Fuxin Julonghu Wind Power Co., Ltd. ("Julonghu"). As at 31 March 2009, Julonghu was accounted for as a subsidiary of the Group. On 2 April 2009, the term in the memorandum of association has been modified from "majority of the board vote in favour of a resolution" to "a decision reached by majority of at least 80% per cent of votes cast". This change in the memorandum of association of Julonghu indicated a lost of control over Julonghu.

32. Notes to the consolidated cash flow statement *(Continued)*

(a) Loss of control over a subsidiary *(Continued)*

The carrying amounts of Julonghu as at 2 April 2009 were as follows:

	HK$'000
Property, plant & equipment	3,413
Cash and cash equivalents	24,821
Deposit & prepayment	7,278
	35,512
Minority interests	(13,605)
	21,907

Julonghu ceased to be a subsidiary and HK$21,907,000 was subsequently recognised as interests in jointly controlled entities of the Group since 2 April 2009. Cash and cash equivalents derecognised from the consolidated financial statements amounted to HK$24,821,000.

(b) Acquisition of a jointly controlled entity

On 21 April 2009, the Group entered into a sale and purchase agreement with Golden Base Holdings Limited, pursuant to which the Group acquired of a 50% equity interest in the Century Concord Energy Investment Limited, for a consideration of HK$39,904,000, Century concord holds 49% of the issued share capital of The Taipusiqi Century Concord-Shenhua Wind Power Investment Limited ("Taipusiqi"). As a result, Century Concord became a fully owned subsidiary of the Group and Taipusiqi became a jointly controlled entity of the Group. The Group has recognised a gain of approximately HK$8,169,000 on such acquisition representing the difference between the fair value attributable of the equity interest acquired in Taipusiqi and the consideration paid.

(c) Disposal of subsidiaries

On 25 September 2008, the Company entered into a sale and purchase agreement to dispose the entire equity interest in Great Grand Limited for a consideration of HK$25,600,000. The disposal was completed on the same day and Great Grand Limited ceased to be a subsidiary thereon. A gain on disposal of HK$770,267 was recognised in the consolidated income statement.

On 16 March 2009, the Group entered into a sale and purchase agreement ("JV-S&P Agreement") with CLP Power China (Northeast) Limited, pursuant to which the Group disposed of a 50% equity interest in the CLP-CWP Wind Power Investment Limited, for a consideration of HK$101,300,504, CLP-CWP Wind Power Investment Limited in turn holds the entire issued share capital of CWP Development Limited ("CWPD") at completion of the JV-S&P Agreement. Upon disposal of the subsidiary, exchange differences of HK$3,102,000 that were previously recorded in equity were recognised in the consolidated income statement as part of the gain on disposal. The disposal was completed on 31 March 2009. CWPD ceased to be a subsidiary and be accounted for as a jointly controlled entity.

32. Notes to the consolidated cash flow statement *(Continued)*

(c) Disposal of subsidiaries *(Continued)*

On 5 March 2009, The Company entered into a sale and purchase agreement to dispose of the entire equity interests in China Windpower Group Limited (a wholly-owned subsidiary of the Company incorporated in BVI), which in turn, directly and indirectly, holds the entire issued share capital of each of NPH Group to Mr. Ko Chun Shun, Johnson, the controlling shareholder and the Vice Chairman of the Company. Details of the disposal were disclosed in the Company's circular dated 27 March 2009. As a result, the NPH Group represents a discontinued operation. The disposal was completed on 19 May 2009. The Group ceased to hold any interest in NPH Group as the disposal was completed on 19 May 2009.

	As at 31 December 2009 *HK$'000*	As at 31 March 2009 *HK$'000*
Proceed for disposal of subsidiaries	**34,000**	126,901
Carrying value of net assets/(liabilities) disposed of:		
Long-term investments	**—**	74,215
Fixed assets	**2,327**	—
Inventory	**11,723**	—
Prepayment and account receivable and other receivables	**7,285**	39
Financial assets at fair value through profit at loss	**—**	24,830
Cash and cash equivalents	**23,206**	—
Account payable and other payables and accruals	**(9,577)**	(281)
Bank loan	**(4,896)**	—
Incidental disposal cost	**620**	—
	30,688	98,803
Gain on disposal of subsidiaries *(Note 7)*	**3,312**	28,098
Cash consideration: net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**34,000**	126,901

(d) Disposal of an associate

On 4 May 2009, the Group entered into a sale and purchase agreement to dispose the entire equity interest in Guohua CWP (bayannaoer) Wind Power Co., Ltd. for a consideration of HK$51,323,143. Guohua CWP (bayannaoer) Wind Power Co., Ltd. ceased to be an associate as the disposal was completed on 9 July 2009. A gain on disposal of HK$4,460,000 was recognised in the consolidated income statement.

33. Major non-cash transactions

During the period, the Group had the following major non-cash transaction:

On 3 August 2009, 323,469,387 ordinary shares par value HK$0.01 each of the Company were issued as a result of the conversion of convertible notes with principal amount of HK$31,700,000.

34. Contingent liabilities

As at 31 December 2009, the Group, via its wholly-owned subsidiary, had entered into joint venture agreements with joint venture partners in the PRC. Pursuant to the joint venture agreements, the Group was required to pledge its share of the equity interests in these jointly controlled entities as security for the bank loans of each of the respective jointly controlled entities. The Group had pledged its share of equity interests in five jointly controlled entities, with total value of HK$360,871,000.

As at 14 January 2010, pledges of interests in three of the jointly controlled entities were replaced by pledges of the assets held by those jointly controlled entities. The Group's interests in these three jointly controlled entities amounted to HK$250,432,000.

35. Commitment

Operating lease commitments

As lessee

The Group leases certain of its office and retail properties under operating lease arrangements.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	As at 31 December 2009	As at 31 March 2009
	HK$'000	*HK$'000*
No later than 1 year	**4,793**	4,453
Later than 1 year and no later than 5 years	**878**	4,034
	5,671	8,487

35. Commitment *(Continued)*

Operating lease commitments *(Continued)*

Capital commitments

		Group	
		As at 31 December 2009	As at 31 March 2009
		HK$'000	*HK$'000*
(a)	Plant, property and equipment		
	No later than 1 year	**35,891**	—
	Later than 1 year and no later than 5 years	**6,185**	—
		42,076	—

(b) The Group has entered into a number of arrangements to develop wind power projects in PRC. Equity contributions required and made by the Group under each project are summarised below:

Project name	Total equity contribution required	Amount contributed as at 31 December 2009	Remaining balance to be contributed	Expected year for last contribution
	HK$'000	*HK$'000*	*HK$'000*	
Fuxin Gangneng Wind Power Co., Ltd.	170,362	100,854	69,508	2011
Fuxin Xieli Wind Power Co., Ltd.	170,362	100,854	69,508	2011
Fuxin Taihe Wind Power Co., Ltd.	170,362	100,854	69,508	2011
Fuxin Concord Wind Power Equipment and Technology Service Co., Ltd.	100,000	50,000	50,000	2011
Tian Jin Century Concord Wind Power Investment Ltd.	295,293	59,059	236,234	2011
Jilin Province Zhanyu Wind Power Assets Management Co., Ltd.	139,015	27,803	111,212	2011
Meng Dong Century Concord New Energy Co., Ltd.	194,780	55,651	139,129	2011
	1,240,174	495,075	745,099	

35. Commitment *(Continued)*

Other commitments

As at 31 December 2009, the Group is committed to pledge its share of the equity interests in Fuxin Century Concord-Shenhua Wind Power Co., Ltd., Fuxin Union Wind Power Co., Ltd., Fuxin Huashun Wind Power Co., Ltd., "Fuxin Qianfoshan Wind Power Co., Ltd., and Taipusiqi Century Concord-Shenhua Wind Power Investment Co., Ltd. as security for bank loans.

36. Related party transactions

In the opinion of the Directors, the ultimate holding company is Gain Alpha Finance Limited, which is incorporated in the BVI.

(a) The following transactions were carried out with related parties, except for disclosed elsewhere in these consolidated financial statements:

	For the nine months ended 31 December 2009	For the year ended 31 March 2009
	HK$'000	*HK$'000*
Sales of goods and services to JCEs and associates *(Note i)*	**243,859**	289,218
Loan interest income *(Note ii)*	**597**	6,457
Interest on amount due from associates	**—**	1,115

Notes:

(i) The sales and purchases of goods were negotiated with related parties on normal commercial terms agreed by both parties.

(ii) The loans to JCEs were fully settled during the respective periods.

Notes to the Consolidated Financial Statements

36. Related party transactions *(Continued)*

(b) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. It comprises eight (31 March 2009: six) of the Executive Directors and four (31 March 2009: two) members of Senior Management Group. The total remuneration of the key management personnel is shown below:

	For the nine months ended 31 December 2009 *HK$'000*	For the year ended 31 March 2009 *HK$'000*
Salaries and other short-term employee benefits	**8,994**	6,756
Share-based compensation	**2,704**	2,003
	11,698	8,759

37. Events after the balance sheet date

Save from disclosure in note 28 and 34, there were no significant subsequent event after balance sheet date up to the date of approval of the financial statements.

38. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

Five Year Financial Summary

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial period/years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out below.

RESULTS

	Period for the nine months ended 31 December	Year ended 31 March			
	2009	2009	2008	2007	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**584,061**	423,160	324,936	59,483	49,323
Finance costs	**(1,729)**	(5,507)	(5,293)	(1,353)	(5,903)
Share of results					
— associates	**4,020**	4,779	3,032	—	—
— jointly controlled entities	**31,700**	10,461	(2,265)	—	—
Expenses, net	**(424,162)**	(312,850)	(212,323)	(24,532)	(34,007)
Profit before income tax	**193,890**	120,043	108,087	33,598	9,413
Income tax expense	**(12,654)**	(3,973)	—	—	—
Minority interests	**—**	696	(8,023)	—	—
Profit attributable to the equity share holders	**181,236**	116,766	100,064	33,598	9,413
ASSETS, LIABILITIES AND MINORITY INTERESTS					
Total assets	**3,505,805**	2,644,729	2,195,676	42,345	31,175
Total liabilities	**(237,962)**	(160,159)	(247,852)	(24,882)	(108,933)
Net assets/(liabilities)	**3,267,843**	2,484,570	1,947,824	17,463	(77,758)
Equity/(deficiency) attributable to equity holders of the Company	**3,267,843**	2,470,965	1,937,275	17,463	(77,758)
Minority interests	**—**	13,605	10,549	—	—
	3,267,843	2,484,570	1,947,824	17,463	(77,758)

中国风电集团有限公司
China WindPower Group Limited