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

Concord New Energy Group Limited
協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 182)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

The board of directors (the "Board") of Concord New Energy Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017, together with the comparative figures for the year ended 31 December 2016. The consolidated results have been reviewed by the Company's audit committee.

**for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	**2017**	2016
		RMB'000	*RMB'000*
Revenue	*3*	**1,035,967**	1,785,166
Cost of sales and services rendered		**(643,752)**	(1,266,974)
Gross profit		**392,215**	518,192
Other income	*3*	**43,593**	49,189
Other gains and losses, net	*4*	**72,023**	130,839
Distribution and selling expenses		**(530)**	(6,992)
Administrative expenses		**(179,018)**	(167,728)
Finance costs	*5*	**(184,903)**	(141,677)
Share of profit of joint ventures, net		**102,940**	73,445
Share of profit of associates, net		**24,246**	19,366
Profit before income tax		**270,566**	474,634
Income tax expense	*6*	**(63,948)**	(13,018)
Profit for the year		**206,618**	461,616
Profit attributable to:			
Owners of the Company		**200,036**	457,815
Non-controlling interests		**6,582**	3,801
		206,618	461,616
Earnings per share attributable to owners of the Company during the year			
		RMB cents	*RMB cents*
Basic earnings per share	*7(a)*	**2.33**	5.32
Diluted earnings per share	*7(b)*	**2.33**	5.30

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	RMB'000	*RMB'000*
Profit for the year	**206,618**	461,616
Other comprehensive (expense)/income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**(11,239)**	6,654
Other comprehensive (expense)/income for the year, net of tax	**(11,239)**	6,654
Total comprehensive income for the year	**195,379**	468,270
Total comprehensive income attributable to:		
Owners of the Company	**188,816**	464,593
Non-controlling interests	**6,563**	3,677
	195,379	468,270

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	**2017** *RMB'000*	2016 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,171,794**	4,259,254
Land use rights		**355,001**	232,948
Intangible assets		**1,004,608**	1,067,511
Interests in associates		**281,386**	280,975
Interests in joint ventures		**1,396,107**	1,294,357
Available-for-sale financial assets		**4,726**	4,826
Trade and bill receivables	*9*	**140,377**	-
Prepayments, deposits and other receivables		**692,334**	496,868
Finance lease receivables		**19,100**	-
Deferred tax assets		**33,256**	24,791
		11,098,689	7,661,530
Current assets			
Inventories		**50,269**	81,447
Trade and bill receivables	*9*	**1,227,743**	1,157,909
Prepayments, deposits and other receivables		**897,837**	884,401
Finance lease receivables		**5,100**	-
Amounts due from associates		**28,250**	99,204
Amounts due from joint ventures		**354,167**	782,893
Financial assets at fair value through profit or loss		**34,280**	43,948
Cash and cash equivalents		**1,011,294**	1,891,277
Restricted deposits		**99,509**	-
		3,708,449	4,941,079
Assets of a disposal company classified as held for sale	*10*	**-**	1,736,740
		3,708,449	6,677,819
Total assets		**14,807,138**	14,339,349
LIABILITIES			
Non-current liabilities			
Bank borrowings		**3,575,599**	3,060,785
Other borrowings		**1,380,555**	-
Bonds payable		**299,324**	199,451
Loans from a joint venture		**-**	40,500
Deferred tax liabilities		**3,900**	4,463
Deferred government grants		**24,136**	20,267
Payables for construction in progress		**652,033**	-
		5,935,547	3,325,466

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
AS AT 31 DECEMBER 2017

	Note	**2017** *RMB'000*	2016 *RMB'000*
Current liabilities			
Trade and bill payables	*11*	**1,644,387**	3,600,452
Payables for construction in progress, other payables and accruals		**1,409,986**	729,183
Amounts due to associates		**3,502**	12,632
Amounts due to joint ventures		**13,471**	79,132
Bank borrowings		**513,246**	365,875
Other borrowings		**28,120**	-
Current income tax liabilities		**3,733**	11,321
		3,616,445	4,798,595
Liabilities directly associated with a disposal company classified as held for sale	*10*	**-**	989,538
		3,616,445	5,788,133
Total liabilities		**9,551,992**	9,113,599
Net current assets		**92,004**	889,686
Total assets less current liabilities		**11,190,693**	8,551,216
Net assets		**5,255,146**	5,225,750
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**75,164**	75,645
Reserves		**5,082,632**	4,994,632
		5,157,796	5,070,277
Non-controlling interests		**97,350**	155,473
Total equity		**5,255,146**	5,225,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

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

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2 Segment information

(a) Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision makers ("CODM"), for strategic decision making.

The CODM considers the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided. The CODM reviews operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments.

- Power generation segment - operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;

- Engineering, procurement, construction and equipment manufacturing segment - providing technical and consultancy services, securing power resources in renewable energy industry, undertaking electrical engineering and construction of power plant projects; and

- Others segment - provision of power plant operation and maintenance services, provision of finance lease services and energy internet services.

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

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

For the year ended 31 December 2017

	Power generation *RMB'000*	Engineering, procurement, construction and equipment manufacturing *RMB'000*	Others *RMB'000*	Segment Total *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Segment revenue						
Sales to external customers*	**717,548**	**235,817**	**82,602**	**1,035,967**	**-**	**1,035,967**
Inter-segment sales	**-**	**1,386,271**	**46,306**	**1,432,577**	**(1,432,577)**	**-**
	717,548	**1,622,088**	**128,908**	**2,468,544**	**(1,432,577)**	**1,035,967**
Segment results	**467,153**	**(107,703)**	**10,486**	**369,936**		**369,936**
Unallocated other gains and losses, net						**72,023**
Unallocated income						**6,438**
Unallocated expenses						**(15,565)**
Finance income						**22,637**
Finance costs						**(184,903)**
Profit before income tax						**270,566**
Income tax expense						**(63,948)**
Profit for the year						**206,618**
At 31 December 2017						
Segment assets	**12,210,238**	**2,172,713**	**360,602**	**14,743,553**		**14,743,553**
Unallocated assets						**63,585**
Total assets						**14,807,138**
Segment liabilities	**(6,369,865)**	**(3,123,334)**	**(48,240)**	**(9,541,439)**		**(9,541,439)**
Unallocated liabilities						**(10,553)**
Total liabilities						**(9,551,992)**

** Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB 366,295,000 and RMB 351,253,000, respectively.*

For the year ended 31 December 2016

	Power generation *RMB'000*	Engineering, procurement, construction and equipment manufacturing *RMB'000*	Others *RMB'000*	Segment Total *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Segment revenue						
Sales to external customers*	674,032	1,043,685	67,449	1,785,166	-	1,785,166
Inter-segment sales	-	1,633,471	26,916	1,660,387	(1,660,387)	-
	674,032	2,677,156	94,365	3,445,553	(1,660,387)	1,785,166
Segment results	425,308	37,198	17,083	479,589		479,589
Unallocated other gains and losses, net						130,839
Unallocated income						7,842
Unallocated expenses						(18,915)
Finance income						16,956
Finance costs						(141,677)
Profit before income tax						474,634
Income tax expense						(13,018)
Profit for the year						461,616
At 31 December 2016						
Segment assets	10,704,210	3,272,461	329,310	14,305,981		14,305,981
Unallocated assets						33,368
Total assets						14,339,349
Segment liabilities	(5,207,945)	(3,888,437)	(14,683)	(9,111,065)		(9,111,065)
Unallocated liabilities						(2,534)
Total liabilities						(9,113,599)

** Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB 88,100,000 and RMB 585,932,000, respectively.*

For the year ended 31 December 2017
Other segment information

	Power generation *RMB'000*	Engineering, procurement, construction and equipment manufacturing *RMB'000*	Others *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or segment assets:					
Additions to non-current assets (including property ,plant and equipment and land use rights)	**3,295,579**	**5,027**	**4,402**	**-**	**3,305,008**
Depreciation of property, plant and equipment	**213,740**	**13,770**	**3,979**	**-**	**231,489**
Amortisation of other intangible asset and land use rights	**9,207**	**4,648**	**-**	**319**	**14,174**
Share-based compensation	**945**	**315**	**105**	**1,787**	**3,152**
Interests in joint ventures and associates	**1,677,493**	**-**	**-**	**-**	**1,677,493**
Share of profit/(loss) of joint ventures and associates, net	**127,451**	**(265)**	**-**	**-**	**127,186**
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:					
Write-down of inventories	**3,518**	**13,353**	**-**	**-**	**16,871**
Loss on disposal of property, plant and equipment, net	**4,462**	**1,598**	**-**	**-**	**6,060**
Impairment loss on goodwill	**-**	**62,584**	**-**	**-**	**62,584**
Impairment loss on trade receivables	**-**	**8,590**	**1,002**	**-**	**9,592**
Impairment loss on other receivables	**19,386**	**-**	**-**	**-**	**19,386**
Reversal of impairment loss on amounts due from joint ventures	**-**	**(3,641)**	**-**	**-**	**(3,641)**
Gain from a bargain purchase	**-**	**-**	**1,213**	**-**	**1,213**
Finance income	**(6,968)**	**(15,614)**	**(55)**	**-**	**(22,637)**
Finance costs	**172,838**	**12,065**	**-**	**-**	**184,903**
Income tax expense	**37,190**	**22,250**	**4,508**	**-**	**63,948**

For the year ended 31 December 2016
Other segment information

	Power generation *RMB'000*	Engineering, procurement, construction and equipment manufacturing *RMB'000*	Others *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets (including property, plant and equipment and land use rights)	2,455,516	3,417	2,714	-	2,461,647
Depreciation of property, plant and equipment	191,228	15,577	4,116	-	210,921
Amortisation of other intangible asset and land use rights	10,420	4,648	-	319	15,387
Share-based compensation	554	2,611	123	4,309	7,597
Interests in joint ventures and associates	1,567,630	7,702	-	-	1,575,332
Share of profit of joint ventures and associates, net	92,289	522	-	-	92,811
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:					
Write-down of inventories	-	6,886	-	-	6,886
Gain on disposal of property, plant and equipment, net	(395)	(16)	(3)	-	(414)
Impairment loss on other receivables	-	1,050	-	-	1,050
Impairment loss on amounts due from joint ventures	-	25,024	-	-	25,024
Finance income	(2,512)	(14,427)	(17)	-	(16,956)
Finance costs	137,259	4,418	-	-	141,677
Income tax expense /(credit)	(5,974)	13,236	5,756	-	13,018

(b) Geographical segments

The Group's operations are mainly located in the PRC and the remaining operations are located in the United States of America and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets (excluding deferred tax assets and financial instruments) is presented based on the geographical location of the assets.

The Group's revenue from external customers and non-current assets (excluding deferred tax assets and financial instruments) are analysed as follows:

	Revenue		**Non-current assets**	
	2017	2016	**2017**	2016
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**1,012,096**	1,757,919	**10,025,511**	6,568,727
Others	**23,871**	27,247	**763,333**	826,015
	1,035,967	1,785,166	**10,788,844**	7,394,742

(c) Major customers

Three (2016: three) external customers contribute individually more than 10% of the total revenue of the Group. The revenue of these customers is summarised below:

	2017	2016
	RMB'000	*RMB'000*
Customer A	**195,227**	N/A*
Customer B	**112,969**	N/A*
Customer C	**109,038**	N/A*
Customer D	**N/A***	316,588
Customer E	**N/A***	229,751
Customer F	**N/A***	205,312

Except for revenue from customers D and F which are attributable to engineering, procurement, construction and equipment manufacturing segment, revenue from other customers above are attributable to power generation segment.

**The corresponding revenue did not contribute over 10% of total revenue of the Group.*

3 Revenue and other income

Revenue represents consultancy, construction and electricity income, the net invoiced value of goods sold and other services rendered during the year. An analysis of revenue and other income is as follows:

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Sale of electricity:		
Basic electricity price	**347,918**	261,909
Renewable energy subsidy	**369,630**	412,123
Engineering, procurement, construction and equipment manufacturing	**235,817**	1,043,685
Power plant operation and maintenance services	**79,461**	67,449
Finance lease income	**3,035**	-
Others	**106**	-
	1,035,967	1,785,166
Other income		
Interest income	**22,637**	16,956
Rental income	**5,051**	5,724
Government grants	**1,908**	1,529
Tax refunds	**2,412**	23,921
Guarantee income	**8,364**	-
Others	**3,221**	1,059
	43,593	49,189

4 Other gains and losses, net

An analysis of other gains and losses, net is as follows:

	2017	2016
	RMB'000	*RMB'000*
Gain on disposal/de-registration of subsidiaries, associates and joint ventures, net	**172,198**	160,808
Fair value gains on financial assets at fair value through profit	**16,644**	5,168
(Loss)/gain on disposal of property, plant and equipment	**(6,060)**	414
Impairment loss on goodwill	**(62,584)**	-
Reversal/(provision) of impairment loss on amounts due from joint ventures	**3,641**	(25,024)
Write-down of inventories	**(16,871)**	(6,886)
Impairment loss on trade receivables	**(9,592)**	-
Impairment loss on deposits, prepayments and other receivables	**(19,386)**	(1,050)
Gain from a bargain purchase	**1,213**	-
Exchange (loss)/gain, net	**(88)**	103
Others	**(7,092)**	(2,694)
	72,023	130,839

5 Finance costs

	2017	2016
	RMB'000	*RMB'000*
Interest expenses:		
— Bank borrowings	**203,599**	138,606
— Other borrowings	**27,450**	40,087
— Loans from a joint venture	**585**	4,435
— Bonds payable	**12,695**	9,400
	244,329	192,528
Less: Interest capitalised	**(59,426)**	(50,851)
	184,903	141,677

6 Income tax expense

	2017	2016
	RMB'000	*RMB'000*
Current tax		
- PRC corporate Income tax	**49,658**	27,689
- PRC dividend withholding tax	**15,861**	3,181
Underprovision/(overprovision) in prior years:		
PRC corporate Income tax	**7,441**	(5,278)
Deferred tax	**(9,012)**	(12,574)
	63,948	13,018

7 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of RMB 200,036,000 (2016: RMB 457,815,000) by the weighted average number of 8,574,740,000 (2016: 8,607,151,000) ordinary shares in issue during the year, after adjusting the effect of shares repurchased and held by the Company's share award scheme.

(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 share award scheme as dilutive potential ordinary shares. For the years ended 31 December 2017 and 2016, dilutive effects arose from share award scheme adopted during both years. The weighted average number of ordinary shares is adjusted for the diluted number effect of the shares granted to employees under share award scheme.

The diluted earnings per share for the years ended 31 December 2016 did not consider the exercise of those share options as the exercise prices are above average market price. All share options under the Company's share option scheme were expired during the year ended 31 December 2016.

	2017	2016
Earnings：		
Profit used to determine diluted earnings per share *(RMB'000)*	**200,036**	457,815
Number of shares:		
Weighted average number of ordinary shares in issue *(thousands)*	**8,574,740**	8,607,151
Adjustment for:		
— effect of dilutive potential shares issuable under the Company's share award scheme *(thousands)*	**20,584**	34,458
Weighted average number of ordinary shares for the purpose of diluted earnings per share *(thousands)*	**8,595,324**	8,641,609

8 Dividend

	2017	2016
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2017 Interim – Nil (2016: HK$0.01 cents per share)	**-**	75,188
2016 Final – HK$0.01(2016: Nil) per share	**74,758**	-
	74,758	75,188

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2017 of HK$0.01per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming general meeting (2016: final dividend in respect of the year ended 31 December 2016 of HK$0.01 per ordinary share in an aggregate amount of RMB 74,758,000).

9 Trade and bill receivables

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**853,640**	981,576
Tariff adjustment receivables	**448,480**	175,083
Bill receivables	**75,592**	1,250
	1,377,712	1,157,909
Impairment loss on trade receivables	**(9,592)**	-
	1,368,120	1,157,909
Analysed for reporting purposes as follows:		
Current assets	**1,227,743**	1,157,909
Non-current assets	**140,377**	-
	1,368,120	1,157,909

The Group's credit terms granted to customers ranging from 30 to 180 days, except for tariff adjustment receivables recognised by the power plants which have not been included in the Catalogue. On certain construction revenue and equipment sales projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the sales agreements signed between the Group and customers.

As at 31 December 2017, the aging analysis of the trade receivables net of allowance for doubtful debts presented based on invoice date, was as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**141,505**	163,592
3 to 6 months	**26,645**	224,941
6 to 12 months	**81,281**	296,843
1-2 years	**304,972**	234,947
Over 2 years	**289,645**	61,253
	844,048	981,576

At 31 December 2017, the aging analysis of the tariff adjustment receivables, based on the revenue recognition date, was as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**127,841**	64,890
3 to 6 months	**91,758**	32,279
6 to 12 months	**132,776**	63,013
Over 1 year	**96,105**	14,901
	448,480	175,083

10 Assets/liabilities of a disposal company classified as held for sale

On 28 December 2016, the Group entered into a disposal agreement with Shaanxi Hydro Development Co., Ltd ("Shaanxi Hydro"), an independent third party to the Group, pursuant to which the Group has agreed to dispose of its entire equity interest in Yulin Century Concord Ecology New Energy Co., Ltd ("Yulin Ecology") to Shaanxi Hydro at a consideration of RMB 573,925,000 (the"Disposal"). The principal activities of Yulin Ecology are solar power plant investment and operation.

As at 31 December 2016, the assets and liabilities attributable to Yulin Ecology have been classified as held for sale and were presented separately in the consolidated statement of financial position (see below). The Disposal was completed during the year of 2017 and the resulting gain of disposal of RMB 170,409,000 was recorded.

The major classes of assets and liabilities of Yulin Ecology as at 31 December 2016, which have been presented separately in the consolidated statement of financial position, are as follows:

	2016
	RMB'000
Property, plant and equipment	1,152,092
Land use rights	108,844
Inventories	429
Trade and bill receivables	257,439
Prepayments, deposits and other receivables	174,933
Cash and cash equivalents	43,003
Assets of a disposal company classified as held for sale	1,736,740
Finance lease liabilities	902,778
Amounts due to a joint venture	36,221
Trade payables	243
Payables for construction in progress, other payables and accruals	50,296
Liabilities directly associated with a disposal company classified as held for sale	989,538

The above assets/liabilities classified as held for sale excluded the net amounts due to entities under the Group as at 31 December 2016 totalling RMB 350,911,000. A deposit of RMB 114,785,000 has been received from Shaanxi Hydro as at 31 December 2016 in respect of the disposal.

11 Trade and bill payables

	2017	2016
	RMB'000	*RMB'000*
Trade payables	**1,240,592**	2,866,523
Bill payables	**403,795**	733,929
	1,644,387	3,600,452

As at 31 December 2017, the aging analysis of the trade payables, based on invoice date, was as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**1,091,970**	873,570
3 to 6 months	**1,657**	284,014
6 to 12 months	**37,767**	405,717
1-2 years	**72,243**	619,718
Over 2 years	**36,955**	683,504
	1,240,592	2,866,523

Apart from the retention money which is normally repayable after 1 year, the average credit period on purchase of goods is approximately "1 year" (2016: "1 year").

As at 31 December 2017, the maturity date of bill payables was "within 6 months" (2016: "within 6 months").

12 Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	**Nominal value**
	000's	*RMB'000*
As at 1 January 2016	8,946,235	77,449
Cancellation of ordinary share*(Note(i))*	(73,530)	(616)
Repurchase and cancellation of ordinary shares *(Note(ii))*	(141,740)	(1,188)
As at 31 December 2016	8,730,965	75,645
Cancellation of ordinary share*(Note(ii))*	(19,370)	(173)
Repurchase and cancellation of ordinary shares *(Note(iii))*	(34,800)	(308)
As at 31 December 2017	8,676,795	75,164

Notes:

(i) During the year ended 31 December 2015, the Group repurchased 73,530,000 of the Company's ordinary shares from the market at a price of approximately HK$0.45 per share for a total consideration of approximately HK$33,298,000 (equivalent to approximately RMB 27,896,000) which were held as treasury shares and cancelled in 2016.

(ii) During the year ended 31 December 2016, the Group repurchased a total of 161,110,000 of the Company's ordinary shares from the market at a price of approximately HK$0.35 per share, for a total consideration of HK$56,545,000 (equivalent to approximately RMB 47,834,000). 141,740,000 ordinary shares at consideration of RMB 40,887,000 were cancelled in 2016 and 19,370,000 ordinary shares at consideration of RMB 6,947,000 were cancelled in February 2017.

(iii) During the current year, the Group repurchased a total of 34,800,000 of the Company's ordinary shares from the market at a price of approximately HK$0.38 per share, for a total consideration of HK$13,322,000 (equivalent to approximately RMB 11,784,000). These shares were cancelled before 31 December 2017.

13 Events after the end of the reporting period

On 16 January 2018, the Company issued 7.9% senior notes due 2021 in the aggregate principal amount of US$200,000,000 ("the Notes"). The estimated net proceeds of the issue of the Notes, after deduction of the underwriting discounts and commissions and other expenses, amounted to approximately US$196,400,000 and the Company intends to use the net proceeds of the issue of the Notes to repay existing debts and for general corporate purposes in compliance with applicable laws and regulations.

The Notes bear interest at a rate of 7.9% per annum, payable semi-annually in arrears on 23 January and 23 July of each year, commencing on 23 July 2018. The Notes will mature on 23 January 2021 unless earlier redeemed in accordance with the terms thereof.

The Notes are listed on the Hong Kong Stock Exchange on 24 January 2018.

Please refer to the Company's announcements dated 17 January 2018 and 23 January 2018 for further details of the issue of the Notes.

MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATING ENVIRONMENT

In 2017, the operation environment was conducive to the Group's strategic transformation and development. The world continued to prize renewable energies and environmental protection with great concerns. With wind power and solar power still the cleanest energies and popular around the world, various countries introduced measures beneficial to the development of new energies, promoting the rapid development of wind and solar power industries. During the year, the Chinese government pushed forward with energy conservation and emissions reduction to counter the construction of traditional fuel fossil power, such as coal power, generation plants, in a bid to encourage the development of renewable energies. As China's economy develops steadily, the total amount of energy consumption grows faster. China's GDP for 2017 was 6.9% higher year-on-year. China’s total electricity consumption for the year was 6.3077 trillion kWh, representing year-on-year growth of 6.6%, 1.6 percentage points higher than the growth of last year. China's wind power and solar power generation machine numbers continued to rise steadily whereas distributed solar power development in the country showed explosive growth. The newly installed grid-connected wind power capacity was 15.03GW, while the total installed grid-connected capacity reached 164GW, representing a year-on-year increase of 10.5%. The newly installed solar power generation capacity was 53.06GW, of which, the newly installed solar power generation capacity from centralised power stations was 33.62GW, representing a year-on-year increase of 11%, while that of distributed power stations was 19.44GW, representing a year-on-year increase of 3.7 times. As of 31 December, the national installed solar power capacity reached 130GW.

In 2017, the operating environment of renewable energy in China displayed the following characteristics:

(1) Macro-economic Policies Pushing Forward the Sustainable Development of Wind Power and Solar Power Generation

In 2017, the Chinese government continued to give strong support to the development of renewable energy and proposed a non-fossil energy consumption proportion target at 14.3% for 2017, representing 1% increase from last year. During the year, the Chinese government launched a series of policies aimed at resolving problems relating to wind power and solar power curtailment, including: a power generation priority plan to protect the existing clean energies in the national development plan such as wind power and solar energy, a policy that required coal power capacity be eliminated, ceased and suspended, thereby providing priority for connecting renewable energy power generation to power grids and pushing forward with measures for clean heating supply to northern China in winter, thus generating development room for clean energies and effectively alleviate the curtailment of wind power and solar power. Additionally, the power consumption growth in society for 2017 has provided a beneficial condition for the alleviation of renewable energy curtailment.

(2) Rapid Improvement in Renewable Energy Technology

In 2017, renewable energy technology continued its rapid development. The efficiencies of renewable energy facilities have been increasing year by year. The longer wind turbine blade, higher turbine towers, heightened wind energy conversion efficiency, and the ability to handle low wind speed much better, with largely bolstered turbine quality and operating stability. In respect of solar power generation, both the conversion efficiency of PV modules and solar thermal power and energy storage technology have improved. These factors make it possible to increase the development of wind and solar resources. The purchase cost of wind turbines and the price of solar power modules have both decreased as compared with the same period in the previous year.

Advancement in renewable energy power generation technology constantly drove down the Levelized Cost Of Electricity (“LCOE”) and enhanced the competitiveness of renewable energy commercialisation and operations. In the age of grid parity, the advantages of renewable energy development are increasingly evident.

(3) General Reduction in Wind Power and Solar Power Curtailment Rates in Northern China in 2017

According to the statistics for 2017 released by the National Bureau of Energy, China's wind power curtailment rate stood at 12%, a year-on-year decline of 5.2 percentage points, and the situations have mostly improved for areas with high wind power curtailment rates. The solar power curtailment rate stood at 6%, a year-on-year decrease of 4.3 percentage points. Solar power popularity has increased in areas with severe curtailment, like Xinjiang and Gansu. In 2017, China's average utilisation hours’ consumption reached 1,948 hours, a year-on-year increase of 203 hours.

(4) Sweeping Power System Reform Heightened

In 2017, China's power system reform deepened in all areas. The incremental power distribution network reform was carried out in an orderly manner, and the cap on the construction of power distribution networks has been heightened in the national mixed ownership reform. As domestic electricity markets emerged, electricity transaction centres in 18 provinces ran pilot schemes for power sale reform. Except for Tibet, all provincial electricity transmission tariff proposals were approved, an initial scientific mechanism was established for provincial electricity transmission tariffs. The verification work for cross-provincial and cross-district power transmission tariffs were fully started, paving the way for future national transactions. The power system reform will be conducive to the rapid development of renewable energy. Market transaction means can increase the competitiveness of renewable energies in the era of grid parity, so as to solve the fundamental problems encountered in the development of renewable energy.

(5) Further Promote Green Power Certificates and Carbon Market Development

In 2017, the Renewable Energy Green Power Certificate ("Green Licence") policy was implemented. Renewable energy power generation companies can choose to undergo green power certification and enter the market, in order to make up for the government's issue that renewable energy subsidies are not timely issued. At present, the green power certification is still a voluntary subscription trading scheme. It can be foreseen that in the future, the compulsory restriction system will be promoted for emission companies.

In December 2017, the National Development and Reform Commission of the People's Republic of China formally issued the "National Carbon Emission Trading Market Development Plan (Power Generation Industry)". This indicates that China has officially commenced the construction of a nationwide carbon emissions trading system. With the construction of a nationwide carbon emissions trading market, certified voluntary emission reduction of Chinese Certified Emission Reduction (CCER) and other trading products will gradually be allowed for trading.

Green licence trading and carbon market transactions will become a form of subsidy for renewable energy prices, providing strong support for grid parity of renewable energy power generation.

(6) Continuance of Stable Financing Environment

In 2017, China's monetary policy remained sound and neutral and financing costs for renewable energy projects increased slightly, yet still remained at relatively low levels. The support from the financial system for the renewable energy industry remained unchanged.

II. BUSINESS REVIEW

In 2017, the Group continued to implement a strategic transformation and increase investment in power plants, successfully transformed itself into a renewable energy power generation company. The installed capacity of the Group's power plants increased significantly, and the operating power plants recorded remarkable growth in power generation capacities. The proportion of power generation business revenue and profit also increased considerably. Concurrently, the Group continued to reduce the scale of its external the Engineering, Procurement and Construction (EPC) business, actively adjusted the structure of its power generation assets, reduced its installed capacity in power-restricted regions, and optimised the quality of its assets.

Regarding its power generation business, the Group aimed to reduce LCOE. Through such measures as the adoption of the latest wind turbine, multiple times of optimized designs optimisation of designs, and acceleration of project construction, the Group effectively controlled the power generation costs of its new power plants and strived to reduce LCOE for new construction projects. Through the application of the Group's self-developed energy internet product, the "POWER+" system in its power plants, it realised dynamic remote monitoring, reduced the failure rates and enhanced the operation and maintenance of the power plants, effectively ensured safe operation of power plants, largely increased the power generation efficiency and reduced LCOE for established power plants.

During the year, the Group performed goodwill impairment review due to significant reduction in its external EPC business. The Group also conducted a comprehensive assessment of its historical accounts receivable and made provision of RMB104,792,000 (2016: RMB32,960,000) for the goodwill impairment and accounts receivable written-off, and recognised the previous years' EPC business settlement loss of RMB84,339,000.

During the reporting period, the Group's revenue amounted to RMB1,035,967,000 (2016: RMB1,785,166,000), decreased by 41.97% as compared with the same period last year; profit attributable to equity holders of the Group amounted to RMB200,036,000 (2016: RMB457,815,000), decreased by 56.31% as compared with the same period last year. The basic earnings per share were RMB2.33 cents (2016: RMB5.32 cents); and the fully diluted earnings per share were RMB2.33 cents (2016: RMB5.30 cents).

As at the end of the year, the net assets of the Group amounted to RMB5,255,146,000 (31 December 2016: RMB5,225,750,000) and its net assets per share RMB0.61 (2016: RMB0.58).

(1) Significantly Increased Power Generation Output, Improved Power Plant Efficiency, and Stable and Safe Production

In the current year, the Group focuses on safe production and strives to enhance the efficiency of its power plants. With the application of the "POWER+" system independently developed by the Group, the Group increased the amount of its power generated and reduced LCOE.

i. Attributable Power Generation Output Growth; Significant Increase in Power Generation of Wholly-owned Wind Power Projects

In 2017, power generation output attributable to the Group increased steadily, an increase of 17.79% over the previous year. The Group's wholly-owned and controlled wind farms showed significant increase of 310.85% in power generation compared to last year. Mainly owing to the sale of its Shaanxi Solar Power Plant, the Group's sole-owned and controlled solar power plants saw a substantial decrease in its installed operating capacity and a decline in its solar power generation. During the year, the Group's share of power generation from its joint ventures and joint ownership enterprises grew by 6.07% over the previous year, benefiting from reduced curtailment and improved operating efficiency. Power generation output attributable to the Group's wind power plants increased by 6.04% over the previous year whereas that of solar power rose by 7.66% from last year.

Attributable Power Generation Output (GWh)

	The Group's Invested Power Plants			the Group's Wholly-owned and Controlled Power Plants		
Business Segments and Regions	**2017**	**2016**	**Conversion Rate**	**2017**	**2016**	**Conversion Rate**
Wind Power Generation	**1,997.17**	**1,335.39**	**49.56%**	**783.22**	**190.63**	**310.85%**
Northeastern China	269.73	245.56	9.84%	-	-	-
Northern China	430.02	374.06	14.96%	-	-	-
North-western China	126.29	90.84	39.02%	-	-	-
Eastern China	457.47	288.71	58.46%	217.90	33.56	549.28%
Central and Southern China	563.59	324.84	73.50%	415.26	145.70	185.02%
Western and Southern China	150.06	11.38	1218.39%	150.06	11.38	1218.39%
Solar Power Generation	**450.29**	**742.41**	**-39.35%**	**432.16**	**725.57**	**-40.44%**
Northern China	25.64	12.03	113.17%	12.57	-	-
Northwestern China	63.89	376.00	-83.01%	63.89	376.00	-83.01%
Eastern China	59.31	56.42	5.13%	54.26	51.60	5.14%
Western and Southern China	285.59	275.78	3.56%	285.59	275.78	3.56%
Overseas Regions	15.85	22.18	-28.56%	15.85	22.18	-28.56%
Total	**2,447.46**	**2,077.80**	**17.79%**	**1,215.38**	**916.20**	**32.65%**

ii. High Power Generation Efficiency in Wholly-owned Power Plants; Significant Improvement in Jointly-owned Power Plants

By fully advancing the application of the "POWER+" system, the operational indicators of the Group's invested power plants have significantly improved.

In 2017, thanks to the new high-quality wind power projects, reduced power curtailment and improved operational efficiency, the weighted average utilisation hours of the wind power plants invested by the Group have increased significantly to 1,921 hours. The weighted average utilisation hours of wholly-owned and controlled wind farms was 2,072 hours, significantly higher than the national average. The weighted average utilisation hours of solar power plants invested by the Group was 1,367 hours, whereas that of the Group's wholly-owned and controlled solar power plants was 1,313 hours.

Weighted Average Utilization Hours of Power Plants (Hour)

	The Group's Invested Power Plants			The Group's Wholly-owned and Controlled Power Plants		
Business Segments	**2017**	**2016**	**Conversion Rate**	**2017**	**2016**	**Conversion Rate**
Average Utilisation Hours of Wind Power	**1,921**	**1,692**	**13.53%**	**2,072**	**1,785**	**16.09%**
Average Utilisation Hours of Solar Power	**1,367**	**1,432**	**-4.54%**	**1,313**	**1,422**	**-7.66%**

In 2017, by improving the Group's operation and maintenance level and the promotion and application of the "POWER+" system, the availability rates of the wind turbines in the Group's invested wind power plants continued to increase, reaching 97.19%, of which the availability rate of the wind turbines in its wholly-owned and controlled wind power plants was 98.53%. The availability rate of the solar power plants invested by the Group was 98.73% whereas that of the Group's wholly-owned and controlled solar power plants was 98.50%.

Availability Rates of Wind Turbines and Solar Power Plants (%)

	The Group's Invested Power Plants			The Group's Wholly-owned and Controlled Power Plants		
Business Segments	**2017**	**2016**	**Conversion Rate**	**2017**	**2016**	**Conversion Rate**
Availability Rates of Wind Turbines	**97.19%**	**96.14%**	**1.05%**	**98.53%**	**98.34%**	**0.20%**
Availability Rates of Solar Power Plants	**98.73%**	**98.89%**	**-0.16%**	**98.50%**	**98.65%**	**-0.14%**

In 2017, the average wind power curtailment rate of the wind power plants invested by the Group was 9.10%, which was lower than the national average. The average solar power curtailment rate of the solar power plants invested by the Group was 7.49%. The Group's wholly-owned and controlled wind power projects abounded in southern China, where were no electricity curtailment areas. These projects didn't Influenced by electricity curtailment problems.

Solar and Wind Power Curtailment Rates of Power Plants (%)

	The Group's Invested Power Plants			The Group's Wholly-owned and Controlled Power Plants		
Business Segments	**2017**	**2016**	**Conversion Rate**	**2017**	**2016**	**Conversion Rate**
Wind Power Curtailment Rate	**9.10%**	**19.31%**	**-10.21%**	**0.19%**	**0.50%**	**-0.31%**
Solar Power Curtailment Rate	**7.49%**	**9.44%**	**-1.95%**	**8.31%**	**9.88%**	**-1.57%**

iii. Average On-grid Tariffs Dipped Slightly; Tariffs of Wholly-owned Projects Maintained at Relatively High Levels

In 2017, impacted by the decreasing tariffs for power transactions, the weighted average on-grid power tariff rate of wind power plants invested by the Group dipped to RMB0.5582/kWh (including VAT) (2016: RMB0.5636/kWh). For solar power plants, the rate was RMB0.9698/kWh (including VAT) (2016: RMB0.9703/kWh). The weighted average tariff rate of wind power from wind power plants wholly-owned and controlled by the Group was RMB0.5830/kWh (including VAT) (2016: RMB0.6074/kWh). For solar power plants, the rate was RMB0.9357/kWh (including VAT) (2016: RMB0.9509/kWh).

In 2017, the traded power of the Group’s wholly-owned and controlled power plants amounted to 171.29 million kWh, accounting for 14.09%. Traded wind power reached 63.74 million kWh, which accounted for 8.14% of wholly-owned and controlled wind power generation and the average reduction in wind power tariffs was RMB0.0275/kWh; traded solar power amounted to 107.55 million kwh, accounting for 24.89% of wholly-owned and controlled solar power generation, and the average reduction in solar power tariffs is RMB0.079/kWh.

iv. Income of Wholly-owned Power Plants Increased; Efficiency of Jointly-owned Power Plants Improved

In 2017, the Group’s wholly-owned and controlled power plants achieved a total income of RMB717,548,000 (2016: RMB674,032,000), an increase of 6.46% over the same period last year, accounting for 69.27% of the Group's revenue (the same period of 2016: 37.75%).

During the year, the Group's wholly-owned and controlled power plants achieved a total net profit of RMB233,871,000, and the Group shared net profits totalling RMB127,186,000 from its joint ventures and jointly-owned enterprises.

In the current year, the Group adjusted the assets structure of its power plants and sold the Shaanxi Yulin Solar Power Plant, which was subject to the risk of power curtailment. As a result, the installed capacity, revenue and net profit of the Group's wholly-owned solar power plants declined.

Revenue and Net Profit of Power Plants (RMB)

	2017	2016	Conversion Rate
Revenues of Wholly-owned and Controlled Power Plants	**717,548,000**	**674,032,000**	**6.46%**
Wind Power	366,295,000	88,100,000	315.77%
Solar Power	351,253,000	585,932,000	-40.05%
Net Profit of Wholly-owned and Controlled Power Plants	**233,871,000**	**252,345,000**	**-7.32%**
Wind Power	145,630,000	27,079,000	437.79%
Solar Power	88,241,000	225,266,000	-60.83%
Net Profit of Jointly-invested Power Plants	**127,186,000**	**92,811,000**	**37.04%**
Wind Power	121,222,000	86,894,000	39.51%
Solar Power	5,964,000	5,917,000	0.79%

(2) Investment and Construction of Power Plants

In 2017, the Group increased the scale of its wholly-owned and constructed power plants. The invested power plants were mainly high-quality wind power plants in regions with no power curtailment in southern China. The Group’s installed capacity increased and assets quality improved significantly. This year, the Group effectively controlled the construction costs of new power plants, increased the amount of power generation, adopted the latest wind turbine, optimised designs and accelerated project construction, whereby the Group achieved its goals of reducing LCOE, and readied itself for the arrival of the era of grid parity.

i. Increase Scales of Power Plant Investment and Construction, Focus on investing Wholly-owned Wind Projects

During the year, the total installed capacity of the Group's invested power plants was 1,006 MW (2016: 816 MW), all of which were wholly-owned projects. Among them, 7 continued construction projects, with an installed capacity of 308 MW; 15 new construction projects were started with an installed capacity of 698 MW. They also included 19 wind power plants with an installed capacity of 951MW and 3 solar power plants with an installed capacity of 55MW.

During the year, the Group added a total of 11 wind power and solar power plants into operation, with a total installed capacity of 439 MW (2016: 470 MW), all of which were wholly-owned projects. They also included 8 wind power plants with an installed capacity of 384MW, all located in southern China with no power curtailment, and 3 solar power plants with an installed capacity of 55MW.

As of the end of the year, the Group owned shares in 64 grid-connected wind power and solar power plants with a total installed capacity of 2,718 MW (2016: 2,547 MW) and an attributable installed capacity of 1,806 MW. Among them, 46 were wind power plants with an installed capacity of 2,387 MW (2016: 2,053 MW), an attributable capacity of 1,493 MW, and 18 solar power plants with an installed capacity of 331 MW (2016: 494 MW) and an attributable installed capacity of 313 MW.

As of the end of the year, the Group had 33 wholly-owned and controlled grid-connected wind power and solar power plants with a total installed capacity of 1140 MW. They also included 17 wind power plants with an installed capacity of 838MW and 16 solar power plants with an installed capacity of 302MW.

The attributable Installed Capacity of Power Plants (MW)

	The Group’s Invested Power Plants			The Group's Wholly-owned and Controlled Power Plants		
Business Segments and Regions	**2017**	**2016**	**Conversion Rate**	**2017**	**2016**	**Conversion Rate**
Installed Wind Power Capacity	**1,493**	**1,125**	**32.80%**	**838**	**454**	**84.58%**
North-eastern China	162	162	0.00%	-	-	-
Northern China	186	186	0.00%	-	-	-
North-western China	103	103	0.00%	-	-	-
Eastern China	248	215	15.31%	130	82	58.54%
Central and Southern China	714	378	88.82%	628	292	115.07%
Western and Southern China	80	80	0.00%	80	80	0.00%
Installed Solar Power Capacity	**313**	**476**	**-34.27%**	**302**	**465**	**-35.06%**
Northern China	26	6	310.95%	20	-	-
North-western China	9	227	-96.04%	9	227	-96.04%
Eastern China	44	44	0.00%	40	40	0.00%
Western and Southern China	215	180	19.44%	215	180	19.44%
Overseas Regions	18	18	0.00%	18	18	0.00%
Total	**1,806**	**1,601**	**12.86%**	**1,140**	**919**	**24.02%**

ii. Pre-Development Focus on Regions without Curtailment, and Reserve Abundant Resources

In 2017, the Group actively improved its development deployment, improved the development network and continued to enhance its development capabilities. In the areas without power curtailment in southern China, the Group maintains its competitive advantages in development, and developed projects through various means. At the same time, the Group is still increasing its resource reserves in order to maintain its sustainable development strength and prepare for the arrival of the era of grid parity.

In the "2017 Wind Power Development and Construction Plan" issued by the provincial energy bureaus, the Group has a total of 16 wind power projects (a total of 885 MW) listed in the annual development and construction plan, of which 14 wind power projects (a total of 735 MW) have been approved. The Group also has approved/registered 2 solar projects (50MW in total). All of them were located in regions with good grid access conditions and without power curtailment.

During the year, the Group signed contracts for wind resource of 2,650MW and solar energy resource of 300MW. The Group closely followed the development of renewable energy technologies, utilises advanced equipment such as high wind towers and laser anemometers to continuously track and evaluate the wind resources it held, selected wind resources with the best economic benefits under the current technology and cost levels for development and construction. As of the end of the reporting period, the Group's wind power resources reserve amounted to over 28GW and solar power resources reserve amounted to 8GW, which provided assurance for the Group's sustainable development.

(3) The Engineering, Procurement and Construction (EPC)

In order to implement its strategic transformation, in 2017, the Group actively reduced the scale of its external EPC business, resulting in a significant drop in revenue and profit from the EPC segment. During the year, the Group undertook 1 external EPC contracting project of 20MW. The project has been completed and put into production.

During the year, the Group's subsidiary Concord Power Consulting & Design (Beijing) Corp., Ltd. ("Design Company") has been publicly listed since 9 May, 2017 on the National Equities Exchange and Quotations, where it is known "Concord Power", with stock code 871484. Concord Power completed 202 wind (solar) resource assessments and technical advisory reports, 56 feasibility study reports, 25 microsite selection reports, 11 preliminary designs, 10 construction drawing designs and 10 record drawings.

During the year, the Group's affiliated design companies, equipment supply companies and engineering companies realised a total revenue of RMB235,817,000 (2016: RMB1,043,685,000).

(4) Other Businesses

While focusing on its core power generation business, the Group relied on its investments in the renewable energy industry to carry out energy internet business, operation and maintenance, and financial leasing services, applying emerging information technologies such as big data, internet of things, and artificial intelligence to such areas as investment, construction, operation and maintenance of its power plants, whereby achieving some results.

i. Research and Development of Energy Internet Technology

In 2017, the Group continued to vigorously develop its energy internet business, introduced talents, established a professional development team and increased product development and application efforts and achieved good results in the operation of the Group's power plants.

On 24 February, the Group released the industry-leading energy internet cloud platform "POWER+1.0", which has been applied in depth in all of the Group's wholly-owned wind farms and solar power plants. It covers the Group's 19 wind farms and 16 solar power stations (including US power stations) with a cumulative total installed capacity of 1,238 MW.

In the wind farms, through the diagnostic analysis by the "POWER+" platform of the operational data of the wind turbines, the sub-health status of multiple wind turbines with varying degrees of insufficient power was successfully diagnosed. Through online diagnosis and guidance to the on-site operation and maintenance personnel for early restoration, the power generation of these wind turbines increased more than 1% on average. In the solar power stations, the "POWER+"'s dust early-warning model and application of the inefficient string diagnosis algorithm guide on-site personnel in performing the solar power plant cleaning and handling abnormal power generation units in a cost-effective and timely manner; as a result, the power generation capacity is improved.

In 2017, the Group's "POWER+" products also received industry recognitions. At the 2nd China International Energy Internet Summit held on April 27-28, "POWER+" products won the "Best Product Breakthrough of the Year"; at the 2nd Energy Internet "the Belt and Road" decision-maker summit held on 21-22 September, "POWER+" products won the "Energy Internet Cloud Platform Innovation Award of the Year".

ii. Operation and Maintenance of Power Plants

In 2017, the Group's subsidiary Beijing Century Concord Operation and Maintenance Co., Ltd. ("Concord O&M") took advantage of energy internet technology to operate intelligently and strived to become a leading domestic and internationally advanced professional operation and maintenance company. With the Group's "POWER+" products and advanced operation and maintenance, Concord O&M has become the only professional domestic company specialising in wind power and solar industry that offers products and services including consultation, operation, maintenance, overhaul, spare parts and assets management. The Group can provide services such as overall operation and maintenance, preventive testing, technical renovation and overhaul, wind power forecasting, etc., for power plants within or outside the Group. They included maintenance and inspection services for wind turbine manufacturers during the warranty period. By taking advantage of its "POWER+" products, the Group actively builds a cloud-based operation and maintenance model, which provides clients with centralised management, personalised and precise operation as well as maintenance services unattended or less-attended.

During the year, Concord O&M successfully passed the new standard certification of the "Three-standard System", which encompasses quality, health and environmental protection. On December 15, 2017, it obtained the TÜV wind turbine operation and maintenance capability certification from Germany. Concord O&M became the first third-party independent operation and maintenance company that has passed TÜV International certification.

During the year, Concord O&M was in charge of a total of 61 wind power and solar power plants' overall operation and maintenance and signed 32 service contracts in areas such as scheduled inspection, preventive tests, technical renovation and overhaul and spare parts sales.

In 2017, Concord O&M actively expanded its operation and maintenance service business and received favourable comments from users and was awarded the first prize of the "Top Ten Wind Power Operation and Maintenance Enterprise of 2017".

During the year, other business segments contributed RMB82,602,000 to the Group (2016: RMB67,449,000).

III. ENVIRONMENTAL PROECTION, COMPLIANCE AND SOCIAL RESPONSIBILITY

(1) Environmental Protection

In addition to financial performance, the Group believed that high-standard corporate social responsibility is of significance in building a positive relationship between an enterprise and society, motivating its employees and achieving sustainable return for the Group. The Group is committed to making positive contributions to the environment and communities where the Group operates and its stakeholders reside.

The Group's renewable energy power generation projects such as wind power and solar power generation ones, focus on the investments in environmental protection and the conservation of water and soil. Prior to the commencement of such projects, the approvals for the environmental protection and conservation of water and soil are required, while the projects are put into production, they are subject to the inspection and acceptance regarding the environmental protection and conservation of water and soil by the relevant government regulators. The Group also strives to maintain sustainable development for the environment as well as for the human race, and commits to its responsibilities for improving the energy structure, mitigating air pollution and reducing greenhouse gas emissions and haze.

This year, the electricity generation by the Group's invested wind power and solar power plants achieved larger proportion of reduction in carbon dioxide, sulphur dioxide, and nitrogen oxide emissions compared with conventional power plants. Compared with coal-fired thermal power, the Group has achieved standard coal and water conservation. The reduction in pollutants contributed to the reduction in PM10 and PM2.5 emissions and smog.

Emissions Reduction by Power Plants

Pollutant	2017	Accumulated Amount
CO_2 (kilotons)	3,480	20,160
SO_2 (tons)	36,928	203,446
NO_X (tons)	3,276	18,029
Standard Coal Saving (kilotons)	1,250	6,910
Water Saving (kilotons)	10,450	57,530

(2) Compliance

During the year, to the best of management's belief, the Group has complied with the relevant standards, laws and regualtions that have a significant impact on its business, management and labour requirements.

(3) Community Responsibility

The Group actively fulfilled its social responsibilities and devoted itself to public welfare undertakings, focusing on the development of public welfare undertakings such as poverty alleviation and education.

The Group actively implements poverty alleviation work in power plant investment areas, combines measures such as poverty alleviation through projects, and assists local poverty reduction and economic development through various means. In the project in Yushan, Hubei Province, the Group cooperated with the Bureau of Land and Resources of Xiangzhou District in conducting poverty alleviation work in Caohe Village, Chenghe Town, Xiangzhou District, and donated money to the village for the construction of the village's infrastructure and improvement of people's production and life. The Group's 20MW solar poverty alleviation project in Hebei Province helps 666 local people living in poverty by providing each of the households RMB3,000 per year and contributes RMB1.998 million to poverty relief funds each year.

To jointly facilitate national renewable energy education, the Group subsidised professional education in universities, donated education and public infrastructure where the projects are located, and actively participated in community activities. The Group has established a scholarship in the School of Renewable Energy, North China Electric Power University, to reward outstanding students with excellent conduct, to help students whose families suffer from financial difficulties to complete their studies, to reward students with outstanding performance in technological innovation, invention and manufacturing, to reward outstanding teachers and management staff, and to inspire outstanding undergraduates to further their studies. In total, 1,110 people have benefited. Yanyuan Century Concord Solar Co., Ltd., a subsidiary of the Group, provided a donation to a village elementary school at Beishan Village, Dahe Town, Yanyuan County, Liangshan Prefecture in Sichuan Province.

(4) Customer and Supplier Relationships

During the year, the Group maintained a good relationship with customers and suppliers and there was no major dispute.

The Group's 5 largest customers accounted for 55% of the Group's total sales for the year, including 19% from the largest customer. The largest customer is Yunnan Power Grid Co., Ltd.

The Group's 5 largest suppliers accounted for 70% of the Group's total procurement amount for the year, including 39% from the largest supplier. The largest supplier is Xinjiang Goldwind Science & Technology Co., Ltd. It supplies wind turbine equipment for some of the wind power projects invested or EPC contracted by the Group.

IV. HUMAN RESOURCES

(1) Corporate Employees

As of 31 December 2017, the Group had 1,312 full-time employees (31 December 2016: 1,183), 166 of whom worked at the Group's headquarters, 387 in project development and management, 66 in engineering consultancy, design, engineering procurement and construction (EPC) and 693 in operation and maintenance.

(2) Employees' Development

The Group always upholds its core values of "people-orientation, value creation, striving for excellence, and harmonious development". We respect and are grateful to every employee for their hard work in the new energy business and strive to provide them with a good working environment and a broad development platform so as to achieve the common development of employees and enterprises. Human resources are the main force of the Group's sustainable development. We have firmly established the concept of sustainable development which is people-oriented and fully coordinated. Aside from that, we established platforms, inspired positive energy, enhanced cohesion and built a happy enterprise.

The Group pays attention to the growth and development of its employees. It provides different career development paths and promotion channels for different positions and individual capabilities. Employees can choose management, technical and professional development channels.

(3) Employee's Training

In order to help the development and promotion of employees, different curricula are designed for the management, middle managers, backup management cadres, and new employees. Every year, a variety of training courses are conducted based on an annual training plan. In addition, the Group focuses on building an internal team of part-time instructors, developing training courses independently and is mainly responsible for the induction of new employee induction training.

In 2017, the Group organised more than 20 training sessions for its mid-level and senior level managers, backup talents and new employees totalling more than 200 participants. The training content covers modern management knowledge, professionalism, leadership, communication skills, execution capabilities, team building, etc. The average per capita training time of the Group's employees is 72 hours, an increase of 4 hours compared with 2016.

(4) Health and Safety

The Group places high importance on its social responsibility and pays attention to employees' safety, health and work capability improvements. Health inspections are organised annually for employees. The Group has set up a number of sports and interest clubs and built fitness and sports facilities for its the employees. Sports events such as walking activities are organised regularly.

V. LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2017, the Group held cash and cash equivalents of approximately RMB1,110,803,000 (31 December 2016: RMB1,891,277,000); the gearing ratio was 64.51% (31 December 2016: 63.56%), the balance of bank loans and other borrowings of the Group was RMB5,497,520,000 (31 December 2016: RMB3,426,660,000), and the Group's net assets were RMB5,255,146,000 (31 December 2016: RMB5,225,750,000).

(1) Charge of Assets

As of 31 December 2017, the equipment of the Group was pledged as security for outstanding loan amount of RMB2,054,524,000 (31 December 2016: RMB781,150,000).

(2) Contingent Liability

As at 31 December 2017, the Group has pledged its 49% equity interest in Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. ("Erlian"), with the total value of its registered capital of approximately RMB37,240,000 (31 December 2016: RMB37,240,000). The outstanding balance of the pledged banking facilities of Erlian as at 31 December 2017 was RMB42,918,000 (31 December 2016: RMB53,941,000). Save for the information as mentioned above, the Group did not have any significant contingent liabilities as at 31 December 2017.

(3) Commitments

As at 31 December 2017, the Group had capital commitments of RMB1,960,602,000 (31 December 2016: RMB2,450,447,000), which were not accounted in the financial statements. The amount was mainly the capital committed to joint ventures and associates that contracted but not provided of RMB 105,050,000(2016: RMB185,049,000), and capital committed but unpaid for payment of equipment purchased of RMB1,855,552,000 (31 December 2016: RMB2,265,398,000) by the subsidiaries.

VI. RISK FACTORS AND RISK MANAGEMENT

(1) Risks Associated with Policies

Wind and solar energy companies are largely dependent on the policies of the state and the industry, laws and regulations and incentive schemes. Changes of policies, laws and regulations with respect to the power grid industry have a great impact on the wind and solar power enterprises. In recent years, the government introduced a series of policies and measures to protect and support the development of new energy industries and the conditions for connection to the grid are improving gradually. However, the problem of energy waste caused by the curtailment of wind power and solar power is still negatively affecting the industry's development. The provinces (cities and autonomous regions) may also promulgate regional policies for power tariff settlement. The risk of changes in various policy factors requires the Group to closely follow the policy orientation, strengthen its policy judgement, and make forward-looking estimates of possible unfavourable factors, formulate countermeasures to reduce risks and minimise the risks associated with changes in policy factors.

(2) Risks Associated with Climate

The annual fluctuation of wind and solar resources is the primary climatic risk that is faced by the wind power and solar power industry. With a vast territory, there are great variations in the factors in different regions that affect their climates, such that different regions experience different climatic characteristics during a same period of time. In addition, extreme weather conditions such as typhoon, freezing, strong sandstorm, haze, and lightning strikes will bring greater risks to wind power and solar power generation companies.

In response to the risks brought about by climate, the Group has already completed wind power and solar power generation projects in 15 provinces (cities and autonomous regions) which are in production. We will continue to optimise the distribution to further counteract the impact caused by climatic risks. The Company will increase scientific research and improve design standards in terms of unit selection, development path program, etc., and fully assess and respond to the impact of climate factors on the safety and effectiveness of power plants.

(3) Risks Associated to Power Grids

The existence of wind and solar power curtailments in some areas is the result of the impact of a number of factors, including the fact that the on-grid power output of wind power and solar power plants is dependable on the whole society's electricity consumption, the situation of conventional power generation, as well as the layout structure of the power grids. The Group will continue to research on the characteristics of operation and methods of consumption for wind power and solar power and make good judgements on the trend of policy changes, so as to take advantage of government policies to mitigate the problem of power curtailment. The Group will proactively communicate with the government and grid companies, and take the initiative to capture market share in power generation. Internally, we will strengthen production and operation management, optimise means of operation, improve utilisation rates by arranging for proper inspection and maintenance of equipment, so as to minimise downtime.

(4) Interest Rate Risks

The Group is principally engaged in domestic investment in wind power and solar power plants, which requires enormous capital expenditure and has relatively high demand for borrowed funds. Changes in interest rates will certainly have an impact to the Group's cost of capital. With sound performance and credibility, a stable debt structure and diversified financing channels, the Group has consistently enjoyed financing interest rates that are lower than the average level of our peers. The Group will continuously pay attention to the financing market, expand the financing channels, bring forth new financing products and optimise capital structure to effectively prevent the interest rate risk.

(5) Exchange Rate Risks

The Group's business is primarily located in mainland China with most of its revenue and expenses denominated in Renminbi. The Group also has a small portion of its investments overseas and loans denominated in foreign currencies. Fluctuations in Renminbi exchange rate will result in foreign exchange losses or gains from the Group's overseas business. The Group will pay active attention to the fluctuations of exchange rates and take effective measures to prevent exchange rate risks.

VII. PROSPECTS

In recent years, China's renewable energy industry has developed rapidly and technological progress has progressed by leaps and bounds. The cost of renewable energy generation will continue to fall and become increasingly competitive. The trend of renewable energy replacing traditional fossil energy is becoming more and more obvious, and this field will have enormous room for development in the future.

We believe that China will continue to promote the reform of the power system, accelerate the pilot work of incremental power distribution reforms, and further expand the scale of power market transaction. The electricity industry will usher in new opportunities. At present, in areas with higher benchmark feed-in tariff in the south, the reliance on subsidies for wind power projects has been weakening. In areas with better northern wind resources, if without curtailment, grid parity for wind power can readily carry good economic benefits. With the decrease in LCOE, grid parity for renewable energy will be gradually realised, and renewable energy can rely on its own competitiveness to achieve advantageous development in market-oriented transactions.

In recent years, with the continuous improvement of the Group's strength, and the implementation of a series of measures such as optimising the Group's assets structure and transforming its business model, the installed capacities of the Group's wholly-owned and controlled power plants have been continuously on the increase, and the asset quality has improved significantly. During the year, the Group's goodwill acquired over the years and the accumulated non-performing accounts receivables of its EPC business were written off. At this point, the Group has shaken away its historical burden and successfully completed its strategic transformation. The Group will rely on the investment income of its power plants to achieve a healthy rolling development as an investor in the renewable energy field. To this end, we will strive to achieve the following:

1. Focus on the Main Business of Power Generation, Consolidate the Transformation Results, Actively Invest in Wind Power Projects, and Expand the Installed Capacities

It is necessary to seize the opportunity period before renewable energy is grid parity in 2020 to vigorously invest in and develop wind power projects in southern regions with no power curtailment, increase the investment and construction scales of wind power projects in areas with low impact on electricity tariffs. With good pre-development and project preparation work, we will accelerate the progress of project construction, ensure project power generation and achieve rapid growth in installed capacity. Over the next three years, the Group aims to add 500MW of net installed capacity annually, in order to realise rapid increase in its attributable capacity.

2. Pursue the Lowest LCOE; Welcome the Arrival of the Era of Grid Parity with a Positive Attitude

It is necessary to regard the lowest LCOE as the Group's core competitiveness, in order to adapt to the coming era of grid parity for renewable energy. It is necessary to actively track and apply new technologies, new wind turbine types, and new processes in the construction of the Group's invested projects and build high-quality, high-efficiency power plants. It is necessary to promote the application of energy internet in the production of power plants, implement refined management, reduce production and management costs, increase equipment availability rates and increase power generation output.

3. Actively Develop Energy Internet Business and Use Technological Means to Promote the Industrial Revolution in the Field of Power Plant Operation

We must increase investment in the field of energy internet, attract talents, and establish a world-class team. Continue to promote the development and application of the "POWER+" products, extensively apply energy internet technologies to various tasks such as safe production management, power plant operation and maintenance and power plant design, improve the effectiveness of our power plants through accurate operation and maintenance, error prediction and equipment defect diagnosis. Efforts should be made to promote the centralised management of our power plants and minimise required personnel in order to reduce the operating costs of our power plants.

4. Keep up with the Pace of Our Power System Reform and Plan for the Future

We must keep up with the pace of our power system reform, track all relevant policies of the country, grasp the opportunities created by the reform of the power market, and realise the continuous development of the Group in the renewable energy field. It is necessary to actively participate in the market of green electricity certificate as well as in the construction of a carbon market, and properly develop our distribution network business and electricity distribution business.

5. Unswervingly and Vigorously Maintain Safety in Production

We must firmly implement an accountability system for safe production, remove all potential safety hazards, conduct technological transformation and eliminate deficiencies. It is necessary to prepare for emergencies and adverse weather in advance, and ensure that the Group maintains a stable environment for safe production.

In 2018, the Group will further accumulate its strength, focus on its main business of power generation, timely respond to various changes and challenges, achieve rapid growth in the scale and efficiency of its main business, create benefits for shareholders, produce more clean energy for the society and strive to contribute to the monumental accomplishment of the mankind in replacing fossil fuels with renewable energies.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2017 have been agreed by the Group's independent auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Results Announcement.

DIVIDEND

The board of directors recommends to declare a final dividend of HK$0.01 per ordinary share in respect of the year ended 31 December 2017 (2016: HK$0.01), subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. Based on the number of issued ordinary shares as of the date of approving this consolidated financial information, the proposed final dividend amounted to HK$86,768,000 (equivalent to approximately RMB72,530,000). It is expected that the final dividend will be paid out before end of June 2018.The Company will make further announcement when the book close date is fixed.

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

During the year ended 31 December 2017, the Company repurchased a total of 34,800,000 ordinary shares of the Company for an aggregate consideration of HK$13,322,000 (equivalent to approximately RMB11,784,000) on The Stock Exchange of Hong Kong Limited, all of the purchased shares were subsequently cancelled by the Company and the issued share capital of the Company was reduced thereon.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2017, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rule.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2017.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Dr. Wong Yau Kar, David, GBS, BBS, JP and Mr. Yap Fat Suan, Henry, and Ms. Huang Jian. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2017 have been reviewed by the Audit Committee.

APPRECIATION

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

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

Hong Kong, 16 March 2018

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Yu Weizhou (Chief Executive Officer), Mr. Niu Wenhui, Mr. Gui Kai and Dr. Shang Li (all of above are executive Directors), Mr. Wu Shaohua (who is an non-executive Director) and Dr. Wong Yau Kar, David, GBS, BBS, JP, Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang and Ms. Huang Jian (who are independent non-executive Directors).