



STOCK CODE 182

CHINA WINDPOWER GROUP LIMITED
www.cwpgroup.com.hk

2014 INTERIM REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

I. Operating Environment

In the first half of 2014, China maintained a moderate economic growth and the structural reform progressed steadily with growth directed more towards resources and consumptions. Development of renewable energy is also a big focus. To resolve haze pollution and improve air quality, the National Development and Reform Commission (NDRC), National Energy Administration (NEA), and Ministry of Environmental Protection of the PRC jointly issued the “Energy Industry to Strengthen Air Pollution Control Work Program” proposing to improve air quality through increasing renewable energy proportion in the energy consumption structure. According to the national energy conference held in January 2014, the newly installed capacity target for the year is 18GW for wind power and 14GW for solar power.

In addition, the NEA announced the “Notice on Accelerating the Atmospheric Pollution Prevention Action Plan Construction of the 12 Major Transmission Lines” to address power transmission issues. The NEA jointly signed the “Missions to Construct Power Transmission Lines for Air Pollution Control” with State Grid Corporation and China Southern Power Grid Company, which specified the target construction and operation timetable of power transmission lines; including West Inner Mongolia – Tianjin, Ximeng – Jiangsu Taizhou and other power transmission lines planned purposely for renewable energy transmission.

(1) Wind Power Generation

In March 2014, the NEA issued the “Notice for Wind Power Grid Connection and Utilization in 2014” which called for efforts to ensure wind energy consumption in key regions, strengthen construction for wind power infrastructure, actively promote diversification of wind resources development and optimize wind power grid connections and power load management.

In June 2014, the NDRC announced the “Notice on Offshore Wind Power Tariff Policy” which set the feed-in tariff rates for offshore wind power plants. The feed-in tariff rate for the coastal offshore wind power plants in operation before 2017 is RMB0.85/kWh and the feed-in tariff rate for intertidal wind power plants is RMB0.75/kWh.

During the first half of 2014, the newly added grid connected wind power capacity was 6.32GW and the total cumulative grid connected wind power capacity reached 82.77GW, a 23% increase compared to the same period last year. The national average wind curtailment rate was 8.5%, down 5.14% from the same period last year. However, during the reporting period, wind resources across regions generally decreased which led to a negative impact in the wind power plants power generation. Due to the poor wind resources, the national average utilization hours of the wind power plants in China during the reporting period were 979 hours, decreased by 10.34% compared to the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)***I. Operating Environment** *(Continued)***(2) Solar Power Generation**

In January 2014, the NEA issued the "Notice on Annual Target for Scale of Construction of PV Power Generation in 2014" stating that from 2014 onwards, the NEA would manage and guide the solar power implementation annually. China's newly installed solar power capacity target for 2014 is 14GW, of which 8GW is distributed generation and 6GW is ground mounted projects. Such capacity targets are assigned to the provincial level. The State Grid Corporation, China Southern Power Grid Company and provincial government have also each issued policy documents to promote the development of solar power. In addition, Shandong, Hebei, Jiangsu, Shanghai and other provinces offered to provide an additional subsidy on top of the feed-in tariff.

During the first half of 2014, newly installed solar capacity was 3.3GW, an increase of approximately 100% compared to same period last year and solar power generation was 11,000 million kWh, an increase of over 200% compared to same period last year. During the reporting period, the national average utilization hours of the solar power plants were 632 hours, decreased by 5.39% compared to same period last year.

II. Business Review

During the reporting period, the Group's consolidated revenue amounted to HK\$1,194,334,000 (1H 2013: HK\$436,498,000), increased by 173.62% compared to the same period last year, profit attributable to equity holders of the Company totaled to HK\$122,596,000 (1H 2013: HK\$39,066,000), increased by 213.82% compared to the same period last year. The Group's basic earnings per share were 1.43 HK cents (1H 2013: 0.53 HK cents). The Group's fully diluted earnings per share were 1.43 HK cents (1H 2013: 0.53 HK cents).

At the end of the reporting period, the Group's net asset value totaled to HK\$5,429,131,000 (31 December 2013: HK\$4,993,886,000). The Group repaid the CNY750,000,000 bond on 4 April 2014 and its cash and cash equivalents as of the end of the reporting period were HK\$1,403,121,000 (31 December 2013: HK\$1,850,209,000).

During the reporting period, the Group's consolidated revenue and profit increased significantly due to growing number of new EPC projects and rise in solar power generation.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)***II. Business Review** *(Continued)***(1) Power Plant Investment Development and Operation Business****1. Power Plant Generations**

During the reporting period, the Group's power plants generated electricity output of 1,197.71 million kWh (1H 2013: 1,227.00 million kWh), down 2.39% compared to the same period last year, of which wind power generation was 1,061.35 million kWh (1H 2013: 1,182.18 million kWh), down 10.22% compared to last year and solar power generation was 136.36 million kWh (1H 2013: 44.82 million kWh), up 204.24% compared to the same period last year.

During the reporting period, the generation output attributable to the Group was 548.00 million kWh (1H 2013: 572.04 million kWh), down 4.20% compared to the same period last year, of which wind power generation was 424.62 million kWh (1H 2013: 529.93 million kWh), down 19.83% and solar power generation was 123.38 million kWh (1H 2013: 42.11 million kWh), up 192.99% compared to last year.

During the reporting period, the revenue from controlling power plants were HK\$108,877,000 (1H 2013: HK\$48,333,000). The Group recorded share of results in associates and jointly ventures of HK\$34,730,000 (1H 2013: HK\$38,569,000).

During the reporting period, the availability rate of wind turbines achieved 95.84% (1H 2013: 96.05%) and the weighted average utilization hours of the Group's wind power plants were 837 hours (1H 2013: 929 hours). The availability rate of the Group's solar power plants was 99.77% (1H 2013: 99.42%). The weighted average utilization hours of the Group's solar power plants were 815 hours (1H 2013: 847 hours). The average grid curtailment rate was 15.2% (1H 2013: 25.2%).

During the reporting period, the weighted average tariff rate of the Group's wind power plants was RMB0.5556/kWh (including VAT) (1H 2013: RMB0.5692/kWh). The weighted average tariff rate of the Group's solar power plants was RMB1.099/kWh (including VAT) (1H 2013: RMB1.312/kWh).

2. Disposal of Equity Interests in Power Plants

The Group achieved disposal gain through disposing equity interests in operating power plants, as well as through providing integrated EPC services, which include disposing equity interest in under development or construction power projects. During the reporting period, the Group achieved gains of HK\$6,555,000 (1H 2013: HK\$54,804,000).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

II. Business Review *(Continued)*

(1) Power Plant Investment Development and Operation Business *(Continued)*

3. *Newly Added Installed Capacity*

During the reporting period, there were 6 continued projects and 4 new projects under construction with capacity of 292MW and 308MW, respectively. The total capacity under construction was 600MW, among which 7 were wind power with capacity of 340MW and attributable capacity of 216MW and 3 were solar power with capacity of 260MW and attributable capacity of 260MW. The Group did not have any new power plants commencing operation this period.

As at the end of the reporting period, the Group had 35 grid-connected wind and solar power plants, with a total capacity of 1,526MW and attributable capacity of 702MW; of which 25 were wind power plants with total capacity of 1,355MW and attributable capacity of 548MW and 10 were solar power plants with total capacity of 171MW and attributable capacity of 154MW.

4. *Project Development and Resource Reserves*

During the reporting period, the Group obtained 7 final project approvals with total capacity of 306MW from the provincial energy authorities, including 6 wind power projects with total capacity of 276MW and 1 solar power project with total capacity of 30MW.

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

During the reporting period, the Group signed 950MW of wind power and 1,370MW of solar power exclusive development right agreements. At the end of the period, the Group's wind resources amounted to over 28GW and solar power resources totaled to 7.5GW, which ensure the sustainable development of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)***II. Business Review** *(Continued)***(2) Renewable Energy Service Business****1. Engineering, Procurement, Construction & Manufacturing (EPC&M)**

During the reporting period, the number of projects undertaken by EPC segment increased significantly. The Group's EPC company undertook 16 external and internal integrated EPC projects with a total capacity of 1,144MW. As these projects progress along, the revenue and profit for the segment grow meaningfully.

During the reporting period, the Group's EPC company undertook China Power Investment Group's Huolinhe recycling economy demonstration wind power project, Huaneng New Energy Co. Limited's Liaoning Yixian wind power project, Huadian Fuxin Energy Corporation Limited's Inner Mongolia Siziwangqi, Wulatezhongqi, Damaoqi and other wind power projects, and Shenzhen Energy Group Company Limited's Jiangsu Sihong wind power project, which are all progressing smoothly.

The Group's design company, as a member of the integrated EPC group, in addition to providing various design consultancy services for the integrated EPC projects, also provided assessment and consulting services for the Group and external renewable energy investors. During the reporting period, the Group completed 34 wind or solar resource assessment and technical advisory reports, 31 feasibility studies and 4 construction designs.

During the reporting period, the Group's EPC&M companies generated total revenue of HK\$1,020,648,000 (1H 2013: HK\$324,243,000).

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

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

During the reporting period, the Group's O&M unit had provided services to 44 wind and solar power plants. In addition, 12 scheduled inspection service contracts were signed with turbine manufacturers, and 14 service contracts for preventive tests, technical renovation overhaul and wind power forecast were signed with wind power plants.

During the reporting period, this business segment contributed revenue of HK\$64,809,000 (1H 2013: HK\$63,922,000) to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)***III. Liquidity and Financial Resources**

As at 30 June 2014, the Group had cash and cash equivalents of HK\$1,403,121,000 (31 December 2013: HK\$1,850,209,000). As at that date, the current ratio was 1.31 times (31 December 2013: 1.18 times), and gearing ratio (long term liabilities divided by owner's equity) was 0.26 times (31 December 2013: 0.26 times). At the end of the reporting period, the Group's borrowings amounted to HK\$1,522,194,000 (31 December 2013: HK\$2,330,192,000), and the consolidated net assets of the Group stood at HK\$5,429,131,000 (31 December 2013: HK\$4,993,886,000).

Foreign Exchange Risk

During the reporting period, the Group's principal businesses including capital expenditures are dominated in Renminbi. The Group did not engage in the use of any financial instruments for hedging purpose.

Charge of Asset

As at end of 30 June 2014, equipment of the Group was pledged as security for outstanding loan of RMB1,074,000,000.

Contingent Liability

As at 30 June 2014, the Group has pledged its 49% equity interest of Erlanhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. ("Erlian"), with total value of its share of registered capital amounted to HK\$46,917,000 (2013: HK\$47,365,000) as the security for the outstanding bank borrowing of Erlian as at 30 June 2014 of RMB75,225,000 (2013: RMB87,832,000).

The Group has also provided a corporate guarantee and has pledged its 49% equity interest of Gansu Guazhou Century Concord Wind Power Co., Ltd. ("Guazhou"), with total value of its share of registered capital of HK\$413,063,000 (2013: HK\$417,014,000) for a loan facility of Guazhou of up to US\$140,000,000. As at 30 June 2014, the outstanding amount of such loan was approximately US\$73,517,000 (2013: US\$78,725,000).

Save as mentioned above, the Group did not have any significant contingent liabilities as at 30 June 2014.

Commitments

As at end of 30 June 2014, the Group had capital commitments of HK\$2,127,101,000 (31 December 2013: HK\$841,973,000) which were not accounted for in the financial statements. The amount was mainly the capital committed for investment in power plants of HK\$1,147,778,000 (31 December 2013: HK\$582,590,000) and capital committed for the payment for equipment purchased by subordinate project companies of HK\$979,323,000 (31 December 2013: HK\$259,383,000).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)***IV. Staff and Remunerations**

As of 30 June 2014, the Group had 1,080 (31 December 2013: 1,148) full-time employees — 93 for the Group's headquarter, 318 for project development and management, 226 for EPC&M and 443 for O&M.

During the reporting period, the staff cost were HK\$58,370,000 (1H 2013: HK\$58,562,000), a decrease of HK\$192,000 compared to the same period last year.

V. Social Responsibility and Environmental Protection

The Group strived to improve the energy structure and reduce air pollution through its wind and solar power projects investment, construction and operation. The Group has also increased investment in environmental protection and soil & water conservation to achieve harmony with the environment and friendly development.

During the reporting period, the Group's wind and solar power plants reduced carbon dioxide emission by 1,240,000 tons, sulfur dioxide emission by 12,258 tons, and nitrogen oxide emission by 1,087 tons. Moreover, in contrast to coal-fired thermal plants, the Group's wind and solar power plants saved 427,800 tons of standard coal and 3,470,100 tons of water. At the end of the reporting period, the Group's wind and solar power plants had cumulatively reduced carbon dioxide emission by 9,460,000 tons, sulfur dioxide emission by 93,880 tons, and nitrogen oxide emission by 8,311 tons. They had saved 3,207,300 equivalent tons of standard coal and 26,525,700 tons of water.

VI. Prospect

The International Energy Agency (IEA) released "2014 Special Report: Global Energy Investment Outlook" which suggests up till 2035, global energy sector investment of US\$48 trillion would be required to meet the world's energy demand. Global energy investment needs to rise from US\$1.6 trillion annually to US\$2 trillion. Before 2035, global energy will add 5,660GW, of which, 1,850 GW will be used to replace obsolete power plants and the rest to meet the electricity demand growth. Renewable energy generation capacity will add 2,930GW, of which 64% will be wind and solar power. China will add 1,400GW power generation capacity, of which 37% will be wind and solar energy and 28% will be coal power. Renewable energy investment has a broad spectrum for development and will be a main focus of the global energy development.

Economic development in China is expected to maintain rapid economic growth; electricity demand will continue to increase. China will continue to suffer from global warming and atmospheric pollution caused by traditional coal-fired power generation; thus, renewable energy development will continue to receive ample support and attention. Wind and solar power, the most commercialized renewable energy, will be the two major forces in the renewable energy development.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

VI. Prospect *(Continued)*

In the second half of 2014, with anticipated increase in earnings from solar power plants and the continuous progress on EPC projects, we expect the performance of the Group will continue to improve throughout the year. To achieve the Group's business objectives, the Group will persist on the following operational strategies in 2014:

- 1) Increase investment in solar power projects to seize the favourable opportunity of relatively high solar power tariff and declining investment costs.
- 2) Strengthen project development capabilities, increase project approvals and prioritizes development of solar power projects and southern wind power projects without curtailment.
- 3) Strengthen our EPC companies' construction capability, to ensure construction schedule and quality, and cost controls. To take full advantage of our integrated EPC companies to expand into external business and build brand recognition.
- 4) Strengthen production safety management, increase economic efficiency of power plants, control management costs and improve management efficiency.
- 5) Continue to optimize and adjust the Group's assets structure by disposing inefficient and northern assets with curtailment.
- 6) Cooperate with our JV partners to increase the Group's investment ability and to leverage on our early developing projects to capture greater economic benefits.

The Group restored strong growth in the first half of 2014 and has laid a solid foundation for the second half. The Group, along with all our employees, will strive and make every possible effort to deliver the best return to the shareholders and the society.

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 30 June 2014, 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 and the underlying shares of the share options of the Company as at 30 June 2014

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

Name of the Director	Number of shares held and nature of interest				Total	Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate			
Liu Shunxing	—	—	2,138,479,387 ¹	2,138,479,387	23.90	
Ko Chun Shun, Johnson	—	—	2,000,000,000 ²	2,000,000,000	22.36	
Yang Zhifeng	—	—	2,023,469,387 ³	2,023,469,387	22.62	
Wang Xun	—	—	2,023,469,387 ³	2,023,469,387	22.62	
Liu Jianhong	1,210,000	—	2,023,469,387 ³	2,024,679,387	22.63	
Ko Wing Yan, Samantha	—	—	20,000,000 ⁴	20,000,000	0.22	
Dr. Wong Yau Kar, David, BBS, JP	400,000	—	—	400,000	0.004	
Yap Fat Suan, Henry	200,000	—	—	200,000	0.002	

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION *(Continued)*

Interests and short positions in the shares and the underlying shares of the share options of the Company as at 30 June 2014 *(Continued)*

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

Notes:

1. 2,023,469,387 shares are held by China Wind Power Investment Limited, 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. Yang Zhifeng, Mr. Wang Xun and Ms. Liu Jianhong held as to 88.02% of the issued shares of Concord International, and the above four directors of the Company are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited. 115,010,000 shares are held by Guangfeng International Holdings Limited which is wholly owned by Beijing Guangfeng Energy Technology Limited. Mr. Liu Shunxing held as to 99% of the issued shares of Beijing Guangfeng Energy Technology Limited.
2. 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.
3. 2,023,469,387 shares are held by China Wind Power Investment Limited, 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. Yang Zhifeng, Mr. Wang Xun and Ms. Liu Jianhong held as to 88.02% of the issued shares of Concord International, and the above four directors of the Company are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited.
4. Ms. Ko Wing Yan, Samantha is deemed to be interested in 20,000,000 shares held by Pine Coral Limited ("Pine Coral"). Pine Coral is wholly owned by Ms. Ko Wing Yan, Samantha.

(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 12 to the financial statement.

Saved as disclosed above, as at 30 June 2014, 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 period was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors of the Company (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 30 June 2014, 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 ⁽¹⁾	2,023,469,387	22.62
Gain Alpha Finance Limited ⁽²⁾	2,000,000,000	22.36
Huadian Fuxin ⁽³⁾	880,000,000	9.84

Notes:

- (1) The shares are held by China Wind Power Investment Limited, 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 of the Company, namely Mr. Liu Shunxing, Mr. Yang Zhifeng, Mr. Wang Xun and Ms. Liu Jianhong held as to 88.02% of the issued shares of Concord International, and the above four directors of the Company are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited.
- (2) Gain Alpha is wholly owned by Mr. Ko Chun Shun, Johnson.
- (3) The subscription of the 880,000,000 shares of the Company by Huadian Fuxin was completed on 19 March 2014. Details of the Huadian's subscription can refer to the circular dated 23 January 2014.

Saved as disclosed above, as at 30 June 2014, 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.

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

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2014, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the provisions of the relevant Corporate Governance Code (the "CG Code") from time to time, as set out in Appendix 14 to the Listing Rules.

All other information on the Corporate Governance Code of the Company have been disclosed in the Corporate Governance Report contained in the 2013 annual report of the Company issued in April 2014.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 six months ended 30 June 2014.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, Dr. Wong Yau Kar, David, BBS, JP and Mr. Yap Fat Suan, Henry, and Ms. Huang Jian. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2014 have been reviewed by the Audit Committee.

For and on behalf of
China WindPower Group limited
Liu Shunxing
Chairman

Hong Kong, 20 August 2014

CONDENSED CONSOLIDATED INCOME STATEMENT*For the six months ended 30 June 2014 — Unaudited*

		2014	2013
	Note	HK\$'000	HK\$'000
Revenue	3	1,194,334	436,498
Other income	3	16,297	15,754
Other gains, net	4	13,426	52,173
Exchange gains, net		3,790	275
Expenses			
Cost of construction and inventories sold		(890,966)	(302,261)
Employee benefit expense		(58,370)	(58,562)
Depreciation and amortisation		(48,681)	(24,732)
Operating lease payments		(1,948)	(3,034)
Other expenses		(56,092)	(52,634)
Finance costs	5	(60,330)	(52,736)
Share of results			
— associates		1,276	5,260
— joint ventures		33,454	33,309
Profit before income tax		146,190	49,310
Income tax expense	6	(23,584)	(10,957)
Profit for the period		122,606	38,353
Profit attributable to:			
Equity holders of the Company		122,596	39,066
Non-controlling interests		10	(713)
		122,606	38,353
Earnings per share attributable to the equity holders of the Company during the period	7		
Basic earnings per share		1.43 HK cents	0.53 HK cents
Diluted earnings per share		1.43 HK cents	0.53 HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2014 — Unaudited*

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	122,606	38,353
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss		
Currency translation differences	(61,955)	53,882
Total comprehensive income for the period	60,651	92,235
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	60,810	92,937
Non-controlling interests	(159)	(702)
	60,651	92,235

CONDENSED CONSOLIDATED BALANCE SHEET*As at 30 June 2014 — Unaudited*

	As at 30 June 2014	As at 31 December 2013
	(Unaudited)	(Audited)
<i>Note</i>	HK\$'000	HK\$'000
Assets		
Non-current assets		
Property, plant and equipment	2,341,625	2,238,277
Leasehold lands and land use rights	143,372	147,699
Intangible assets	1,350,985	1,361,973
Interests in associates	365,602	369,950
Interests in joint ventures	1,514,324	1,486,510
Prepayments and deposits	83,414	22,931
Deferred tax assets	15,101	15,168
	5,814,423	5,642,508
Current assets		
Inventories	504,666	449,450
Trade and bill receivables	625,310	524,103
Prepayments, deposits and other receivables	878,535	806,825
Amounts due from associates	95,920	66,580
Amounts due from joint ventures	891,503	511,524
Cash and cash equivalents	1,403,121	1,850,209
	4,399,055	4,208,691
Total assets	10,213,478	9,851,199
Liabilities		
Non-current liabilities		
Borrowings	1,405,673	1,262,479
Deferred tax liabilities	4,829	4,875
Deferred government grant	16,414	16,952
	1,426,916	1,284,306

CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)**As at 30 June 2014 — Unaudited*

		As at 30 June 2014	As at 31 December 2013
	<i>Note</i>	(Unaudited) HK\$'000	(Audited) HK\$'000
Current liabilities			
Trade and bill payables	10	1,763,572	1,304,735
Other payables and accruals		1,206,425	823,359
Amounts due to associates		111,437	79,848
Amounts due to joint ventures		132,677	270,867
Borrowings		116,521	1,067,713
Current income tax liabilities		26,799	26,485
		3,357,431	3,573,007
Total liabilities		4,784,347	4,857,313
Net current assets		1,041,624	635,684
Total assets less current liabilities		6,856,047	6,278,192
Net assets		5,429,131	4,993,886
Equity			
Equity attributable to the owners of the Company			
Share capital	11	89,462	80,187
Reserves		5,336,712	4,891,264
		5,426,174	4,971,451
Non-controlling interests		2,957	22,435
Total equity		5,429,131	4,993,886

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2014 — Unaudited*

	Attributable to equity holders of the Company									
	Share capital	Share premium	Contributed surplus	Premium arising on acquisition of non-controlling interests	Exchange reserve	Other reserves	Retained earnings	Total	Non-controlling Interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2013	73,936	2,341	2,675,788	(35,481)	354,569	118,673	1,264,180	4,454,006	992	4,454,998
Comprehensive income/(loss)										
Profit/(loss) for the period	—	—	—	—	—	—	39,066	39,066	(713)	38,353
Other comprehensive income										
Currency translation differences	—	—	—	—	53,871	—	—	53,871	11	53,882
Total other comprehensive income, net of tax	—	—	—	—	53,871	—	—	53,871	11	53,882
Total comprehensive income/(loss) for the six months ended 30 June 2013	—	—	—	—	53,871	—	39,066	92,937	(702)	92,235
Total contributions by and distributions to equity holders of the Company recognised directly in equity										
Exercise of share options	15	438	—	—	—	—	—	453	—	453
Share-based compensation	—	—	—	—	—	5,659	—	5,659	—	5,659
Total transactions with owners	15	438	—	—	—	5,659	—	6,112	—	6,112
Balance at 30 June 2013	73,951	2,779	2,675,788	(35,481)	408,440	124,332	1,303,246	4,553,055	290	4,553,345

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2014 — Unaudited

	Attributable to equity holders of the Company									
	Share capital	Share premium	Contributed surplus	Premium arising on acquisition of non-controlling interests	Exchange reserve	Other reserves	Retained earnings	Total	Non-controlling Interests	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2014	80,187	264,881	2,675,788	(35,481)	448,094	122,685	1,415,297	4,971,451	22,435	4,993,886
Comprehensive income										
Profit for the period	—	—	—	—	—	—	122,596	122,596	10	122,606
Other comprehensive loss										
Currency translation differences	—	—	—	—	(61,786)	—	—	(61,786)	(169)	(61,955)
Total other comprehensive loss, net of tax	—	—	—	—	(61,786)	—	—	(61,786)	(169)	(61,955)
Total comprehensive (loss)/ income for the six months ended 30 June 2014	—	—	—	—	(61,786)	—	122,596	60,810	(159)	60,651
Total contributions by and distributions to equity holders of the Company recognised directly in equity										
Subscription of new ordinary shares	8,800	369,600	—	—	—	—	—	378,400	—	378,400
Exercise of share options	475	13,867	—	—	—	—	—	14,342	—	14,342
Share-based compensation	—	—	—	—	—	1,171	—	1,171	—	1,171
Total contributions by and distributions to equity holders of the Company	9,275	383,467	—	—	—	1,171	—	393,913	—	393,913
Non-controlling interests arising on business combination	—	—	—	—	—	—	—	—	(19,319)	(19,319)
Total transactions with owners	9,275	383,467	—	—	—	1,171	—	393,913	(19,319)	374,594
Balance at 30 June 2014	89,462	648,348	2,675,788	(35,481)	386,308	123,856	1,537,893	5,426,174	2,957	5,429,131

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2014 — Unaudited*

	2014	2013
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from operations	202,206	93,169
Income tax paid	(23,095)	(39,761)
Net cash generated from operating activities	179,111	53,408
Cash flows from investing activities		
Net cash used in investing activities	(145,728)	(460,340)
Cash flows from financing activities		
Net cash generated from financing activities	(454,886)	199,913
Net (decrease) in cash and cash equivalents	(421,503)	(207,019)
Cash and cash equivalents at beginning of the period	1,850,209	731,167
Exchange (loss)/gain on cash and cash equivalents	(25,585)	34,425
Cash and cash equivalents at end of the period	1,403,121	558,573
Analysis of balances of cash and cash equivalents		
Cash and bank balances	1,403,121	558,573

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group’s audited financial statements for the year ended 31 December 2013, except for adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are effective to the Group for accounting periods beginning on or after 1 January 2014. The adoption of the new HKFRSs has no material impact on the Group’s results and financial position for the current or prior periods.

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 Hong Kong dollars (“HK\$”) and the functional currency of the Company is Renminbi (“RMB”). The Company uses Hong Kong dollars as its presentation currency because the Company was incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited.

2. Segment information

(a) Business segments

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

The executive directors consider the business from a product and service perspectives. Since 31 December 2013, the executive directors restructured the organisation and transferred part of the business operations from “manufacture of equipment” segment to “engineering, procurement and construction” segment. The two operating segments were then merged to form the new segment “engineering, procurement, construction and manufacture of equipment”. In the new structure, the Group has reported on three operating segments as follows:

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

To ensure a consistent comparison to the new structure, the comparatives have been restated accordingly.

2. Segment information (Continued)

(a) Business segments (Continued)

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

Segment assets comprise goodwill, interests in associates, interests in joint ventures, property, plant and equipment, leasehold lands and land use rights, other intangible asset, inventories, receivables and cash and cash equivalents which are related to the segments.

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

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

For the six months ended 30 June 2014

	Engineering, procurement, construction and equipment manufacturing	Power plant operation and maintenance	Investment in power plants	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue				
Inter-segment sales	40,880	(12,111)	(28,769)	—
Sales to external customers	1,020,648	64,809	108,877	1,194,334
Segment results	74,181	26,724	94,816	195,721
Finance income	1,116	39	787	1,942
Other gains, net	—	—	6,088	6,088
Unallocated income				21,693
Unallocated expenses				(38,775)
Finance costs	(2,439)	(16)	(38,024)	(40,479)
Profit before income tax				146,190
Income tax expense	(19,968)	(3,635)	19	(23,584)
Profit for the period				122,606
Segment assets	3,099,548	495,085	6,537,094	10,131,727
Unallocated assets				81,751
Total assets				10,213,478
Segment liabilities	(2,872,951)	(11,195)	(1,894,229)	(4,778,375)
Unallocated liabilities				(5,972)
Total liabilities				(4,784,347)

2. Segment information (Continued)

(a) Business segments (Continued)

For the six months ended 30 June 2013

	Engineering, procurement, construction and equipment manufacturing	Power plant operation and maintenance	Investment in power plants	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue				
Inter-segment sales	77,360	3,166	(80,526)	—
Sales to external customers	324,243	63,922	48,333	436,498
Segment results	(12,851)	27,669	53,608	68,426
Finance income	1,890	32	391	2,313
Other gains, net	—	—	52,173	52,173
Unallocated income				13,440
Unallocated expenses				(34,306)
Finance costs	(4,056)	—	(48,680)	(52,736)
Profit before income tax				49,310
Income tax expense	(9,357)	(3,510)	1,910	(10,957)
Profit for the period				38,353
Segment assets	2,651,108	367,541	6,604,354	9,623,003
Unallocated assets				228,196
Total assets				9,851,199
Segment liabilities	(2,402,897)	(20,756)	(1,460,502)	(3,884,155)
Unallocated liabilities				(973,158)
Total liabilities				(4,857,313)

2. Segment information (Continued)

(b) Geographical segments

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

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

Total assets and capital expenditures are allocated based on the geographical location of the assets, mainly located in the PRC and the locations including the United States of America, Hong Kong, Ghana and Philippines.

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

	2014			2013		
	Revenue	Total assets	Capital expenditures	Revenue	Total assets	Capital expenditures
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC	1,190,052	8,857,417	219,602	419,912	8,351,171	316,241
Others	4,282	1,356,061	28,488	16,586	1,500,028	33,638
	1,194,334	10,213,478	248,090	436,498	9,851,199	349,879

3. Revenue and other income

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

An analysis of revenue and other income is as follows:

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Revenue	1,194,334	436,498
Other income		
Interest income	6,528	11,284
Others	9,769	4,470
	16,297	15,754

4. Other gains, net

An analysis of other gains, net is as follows:

	Six months ended 30 June	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain/(loss) on disposal of a subsidiaries (Note 13)	6,088	(3,217)
Gain on disposal of joint ventures	—	54,804
Others	7,338	586
	13,426	52,173

5. Finance costs

	Six months ended 30 June	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank borrowings, wholly repayable within five years	2,454	4,056
Interest on bank borrowings, not wholly repayable within five years	38,025	15,189
Interest on guaranteed bond, wholly repayable within five years	19,851	33,491
	60,330	52,736

6. Income tax expense

	Six months ended 30 June	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
— PRC corporate income tax	23,661	11,806
Deferred tax	(77)	(849)
	23,584	10,957

PRC corporate income tax is provided for at the rate of 25% (2013: 25%) for the period of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose. Certain subsidiaries of the Group are entitled to preferential tax treatments including three years exemption followed by three years of a 50% tax reduction.

7. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company HK\$122,596,000 (2013: HK\$39,066,000) by the weighted average number of 8,567,814,000 (2013: 7,394,349,000) ordinary shares in issue during the period.

(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.

For the period ended 30 June 2014, the Company has one dilutive potential ordinary share: share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The weighted average number of ordinary shares calculated is compared to the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30 June	
	2014	2013
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	122,596	39,066
Weighted average number of ordinary shares in issue (<i>thousands</i>)	8,567,814	7,394,349
Adjustments for:		
— effect of dilutive potential shares issuable under the Company's share option scheme (<i>thousands</i>)	2,411	—
Weighted average number of ordinary shares used to determine diluted earnings per share (<i>thousands</i>)	8,570,225	7,394,349

8. Interim dividend

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2014 (2013: Nil).

9. Trade and bill receivables

	As at 30 June 2014	As at 31 December 2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	607,231	516,281
Bill receivables	18,079	7,822
	625,310	524,103

At the balance sheet date, the ageing analysis of the trade receivables, based on invoice date, was as follows:

	As at 30 June 2014	As at 31 December 2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 3 months	353,041	286,917
3 to 6 months	38,738	32,374
6 to 12 months	35,950	94,741
Over 1 year	86,644	98,726
Over 2 years	92,858	3,523
	607,231	516,281

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

As at 30 June 2014, trade receivables of HK\$294,613,000 (2013: HK\$186,796,000) were past due but not impaired. These relate to a number of independent customers for whom there is no financial difficulty and based on past experience, the overdue amounts can be recovered.

10. Trade and bill payables

	As at 30 June 2014	As at 31 December 2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	1,638,526	1,304,735
Bill payables	125,046	—
	1,763,572	1,304,735

10. Trade and bill payables (Continued)

At the balance sheet date, the ageing analysis of the trade payables, based on invoice date, was as follows:

	As at 30 June 2014	As at 31 December 2013
	HK\$'000	HK\$'000
Within 3 months	973,315	402,631
3 to 6 months	199,517	323,216
6 to 12 months	40,984	154,609
Over 1 year	398,722	407,481
Over 2 years	25,988	16,798
	1,638,526	1,304,735

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

11. Share capital

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
	<i>000's</i>	<i>HK\$'000</i>
Authorised:		
As at 31 December 2013 and 30 June 2014: 10,000,000,000 ordinary shares of HK\$0.01 each	10,000,000	100,000
Issued and fully paid:		
As at 31 December 2013: 8,018,744,965 ordinary shares of HK\$0.01 each	8,018,745	80,187
Subscription of new ordinary shares of HK\$0.01 each (Note)	880,000	8,800
Issues of ordinary shares of HK\$0.01 each on exercise of share options	47,490	475
As at 30 June 2014: 8,946,234,965 ordinary shares of HK\$0.01 each	8,946,235	89,462

Note:

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

12. Share option schemes

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 December 2013	Number of share options granted during the period	Number of share options exercised during the period	Number of share options forfeited/lapsed during the period	Number of share options outstanding as at 30 June 2014	Weighted average closing before dates of exercise
<i>HK\$</i>							
Chairman							
Liu Shunxing	6 April 2009	6,000,000	—	6,000,000	—	—	0.68
	4 January 2010	10,000,000	—	—	—	10,000,000	N/A
	3 January 2011	15,000,000	—	—	—	15,000,000	N/A
Executive directors							
Ko Chun Shun, Johnson	6 April 2009	6,000,000	—	6,000,000	—	—	0.70
Yang Zhifeng	6 April 2009	2,250,000	—	2,250,000	—	—	0.68
	4 January 2010	6,600,000	—	—	—	6,600,000	N/A
	3 January 2011	10,000,000	—	—	—	10,000,000	N/A
Wang Xun	6 April 2009	4,500,000	—	4,500,000	—	—	0.68
	4 January 2010	6,600,000	—	—	—	6,600,000	N/A
	3 January 2011	10,000,000	—	—	—	10,000,000	N/A
Liu Jianhong	6 April 2009	2,250,000	—	2,250,000	—	—	0.68
	4 January 2010	6,600,000	—	—	—	6,600,000	N/A
	3 January 2011	10,000,000	—	—	—	10,000,000	N/A
Yu Weizhou	6 April 2009	2,000,000	—	2,000,000	—	—	0.68
	4 January 2010	6,600,000	—	—	—	6,600,000	N/A
	3 January 2011	10,000,000	—	—	—	10,000,000	N/A
Zhou Zhizhong	4 January 2010	6,600,000	—	—	—	6,600,000	N/A
	3 January 2011	10,000,000	—	—	—	10,000,000	N/A
Ko Wing Yan, Samantha	4 January 2010	3,000,000	—	—	—	3,000,000	N/A
	3 January 2011	4,000,000	—	—	—	4,000,000	N/A
Independent non-executive directors							
Yap Fat Suan, Henry	6 April 2009	800,000	—	800,000	—	—	0.70
	4 January 2010	800,000	—	—	—	800,000	N/A
	3 January 2011	800,000	—	—	—	800,000	N/A
Wong Yau Kar, David, BBS,JP	6 April 2009	600,000	—	600,000	—	—	0.70
	4 January 2010	800,000	—	—	—	800,000	N/A
	3 January 2011	800,000	—	—	—	800,000	N/A
Other employees							
In aggregate	6 April 2009	23,470,000	—	23,090,000	380,000	—	0.71
	4 January 2010	61,120,000	—	—	1,280,000	59,840,000	N/A
	3 January 2011	87,420,000	—	—	2,500,000	84,920,000	N/A
Total		314,610,000	—	47,490,000	4,160,000	262,960,000	

12. Share option schemes (Continued)

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 recognised the total expense of HK\$1,171,000 (2013: HK\$5,659,000) for the six months ended 30 June 2014 in relation to share options granted by the Company.

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

Grant date	Exercise period	Exercise price	Market price per share on date of grant of options	Share options granted	Share options outstanding	
					30 June 2014	31 December 2013
		HK\$	HK\$	(thousands)		
6 April 2009	6 April 2010 to 5 April 2014	0.302	0.295	100,000	—	47,870
4 January 2010	4 January 2011 to 3 January 2015	0.89	0.89	130,000	107,440	108,720
3 January 2011	3 January 2012 to 2 January 2016	0.80	0.80	200,000	155,520	158,020
				430,000	262,960	314,610

13. Disposal of equity interests in subsidiaries

On 13 January 2014, two wholly-owned subsidiaries of the Group, Fuxin Xieli Wind Power Co., Ltd. ("Fuxin Xieli") and Fuxin Gangneng Wind Power Co., Ltd. ("Fuxin Gangneng"), were de-registered. As a result of the de-registrations, Fuxin Xieli and Fuxin Gangneng ceased to be the subsidiaries of the Group and a loss of HK\$467,000 was recognised in the consolidated income statement.

On 8 May 2014, the Group entered into a sale and purchase agreement with an independent third party, Huaneng Renewable Co., Ltd., pursuant to which the Group disposed of its entire equity interests in Jinzhou Century Concord Xingda Wind Power Co., Ltd. ("Jinzhou"), a wholly-owned subsidiary of the Group, for a consideration of RMB5,000,000 (equivalent to approximately HK\$6,293,000). Upon the completion of the transaction, Jinzhou ceased to be a subsidiary of the Group. The Group recorded an unaudited gain of approximately HK\$184,000 as a result of the disposal.

13. Disposal of equity interests in subsidiaries *(Continued)*

During the period, the Group entered into sale and purchase agreements with Huadian Fuxin Energy Corporation Ltd. ("Huadian Fuxin"), a shareholder of the Company, pursuant to which the Group disposed of its entire equity interests in five subsidiaries, namely Damaoqi Century Concord Wind Power Co., Ltd. ("Damaoqi"), Siziwangqi Century Concord Xiari Wind Power Co., Ltd. ("Siziwangqi"), Wulate Zhongqi Century Concord Wind Power Co., Ltd. ("Wulate Zhongqi"), Kangbao Century Concord Wind Power Co., Ltd. ("Kangbao"), Guyuan Century Concord Wind Power Co., Ltd. ("Guyuan") for a total consideration of RMB45,000,000 (equivalent to approximately HK\$56,820,000). The Group also disposed of 51% equity interests in Yiyang Century Concord Wind Power Co., Ltd. ("Yiyang"), for a consideration of RMB1,530,000 (equivalent to approximately HK\$1,932,000). Upon the completion of the transaction, Yiyang became a joint venture of the Group and Huadian Fuxin. The Group recorded a total unaudited gain of approximately HK\$6,371,000 as a result of the above disposal transactions.

During the period, the Group entered into sale and purchase agreements with Huashi Joint Investment (Beijing) Co., Ltd., an independent third party, pursuant to which the Group disposed of its entire equity interests in three subsidiaries, namely Cangnan Century Concord Wind Power Co., Ltd. ("Cangnan"), Yongchang Juhe Wind Power Co., Ltd. ("Yongchang"), Fuzhou Linchuan Century Concord Qinglianshan Wind Power Co., Ltd. ("Qinglianshan"), for a total consideration of RMB4,000,000 (equivalent to approximately HK\$5,051,000). No gain on disposal of the subsidiaries was recognised in the consolidated income statement.

14 Commitment***Operating lease commitments***

As lessee

The Group leases certain of its office and equipment 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:

	As at 30 June 2014 HK\$'000	As at 31 December 2013 HK\$'000
No later than 1 year	1,285	1,296
Later than 1 year and no later than 5 years	38	—
	1,323	1,296

14 Commitment (Continued)**Operating lease commitments** (Continued)*Capital commitments*

(a) At the balance sheet date, capital expenditure contracted for but not yet provided is as follow:

	As at 30 June 2014	As at 31 December 2013
	HK\$'000	HK\$'000
Property, plant and equipment no later than 1 year	979,323	259,383

(b) The Group has entered into a number of arrangements to develop power projects in the PRC. As at 30 June 2014, total equity contributions contracted but not provided for were HK\$1,147,778,000 (2013: HK\$582,590,000).

Other commitments

As at 30 June 2014, the Group, via its wholly-owned subsidiaries, has committed to pledge its share of the equity interests in Fuxin Century Concord-Shenhua Wind Power Co., Ltd., Fuxin Union Wind Power Co., Ltd., Taipusiqi Century Concord-Shenhua Wind Power Investment Co., Ltd. and Wuchuan County Yihe Wind Power Co., Ltd. as security for bank borrowings by the Group's joint ventures.

15. Contingent Liabilities

As at 30 June 2014, the Group has pledged its 49% equity interest of Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. ("Erlian"), with total value of its share of registered capital amounted to HK\$46,917,000 (2013: HK\$47,365,000) as the security for the outstanding bank borrowing of Erlian as at 30 June 2014 of RMB75,225,000 (2013: RMB87,832,000).

The Group has also provided a corporate guarantee and has pledged its 49% equity interest of Gansu Guazhou Century Concord Wind Power Co., Ltd. ("Guazhou"), with total value of its share of registered capital of HK\$413,063,000 (2013: HK\$417,014,000) for a loan facility of Guazhou of up to US\$140,000,000. As at 30 June 2014, the outstanding amount of such loan was approximately US\$73,517,000 (2013: US\$78,725,000).

Save as mentioned above, the Group did not have any significant contingent liabilities as at 30 June 2014.

16. Related party transactions

- (a) Save as disclosed elsewhere in these consolidated financial statements, the following transactions were carried out by the Group with related parties:

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Sales of goods and services to joint ventures and associates (<i>Note</i>)	524,820	205,550
Loan interest income	4,585	8,970

Note:

The sales of goods and services were mutually agreed by both parties.

- (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 (2013: nine) of the Executive Directors and five (2013: five) members of Senior Management Group. The total remuneration of the key management personnel is shown below:

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Salaries and other short-term employee benefits	6,199	7,945
Share-based compensation	1,012	3,335
	7,211	11,280

17. Events after the balance sheet date

On 13 June 2014, the Group entered into a sale and purchase agreement with Turpan State-owned Assets Investment Management Co., Ltd., an independent third party, pursuant to which the Group disposed of its entire equity interest in Turpan Century Concord Solar Power Co., Ltd. (“Turpan”), a wholly-owned subsidiary of the Group, for a consideration of RMB5,000,000 (equivalent to approximately HK\$6,293,000). Upon the completion of the transaction on 3 July 2014, Turpan ceased to be a subsidiary of the Group.

On 24 June 2014, Tianjin Green Energy International Leasing Co., Ltd. (“Tianjin Leasing”), a wholly owned subsidiary of the Group, entered into an agreement with ICBC Financial Leasing Co., Ltd. (“ICBC Leasing”), pursuant to which Tianjin Leasing has agreed to provide the financing to ICBC Leasing with a principal amount of US\$169,844,704.69 by way of an acquisition and disposal arrangement of interest in certain Equipment. Details of the transaction were disclosed in the Company’s announcement dated 24 June 2014. Tianjin Leasing has provided a loan of US\$163,000,000 (equivalent to approximately HK\$1,268,740,000) to ICBC Leasing on 9 July 2014.

On 16 July 2014, the Group deregistered Qinghai Geermu Century Concord Photovoltaic Power Co., Ltd. (“Geermu”), a wholly-owned subsidiary of the Group, with the registered capital of RMB10,000,000 (equivalent to approximately HK\$12,595,000). Upon the completion date of deregistration, Geermu ceased to be a subsidiary of the Group.

On 11 July 2014, the Group entered into a sale and purchase agreement with Beijing Hengyuan Tiantai Energy Technology Co., Ltd., an independent third party, pursuant to which the Group disposed of its entire equity interest in Jiayuguan Century Concord New Energy Co., Ltd. (“Jiayuguan”), a wholly-owned subsidiary of the Group, for a consideration of RMB23,000,000 (equivalent to approximately HK\$28,911,000). Upon the completion of the transaction on 5 August 2014, Jiayuguan ceased to be a subsidiary of the Group.

On 20 August 2014, Yulin Century Concord New Energy Co., Ltd., a wholly-owned subsidiary of the Group, entered into a finance lease agreement with ICBC Leasing for the lease of certain equipment for 10 years. The total lease consideration is approximately RMB587,100,000 (equivalent to approximately HK\$739,700,000), to be payable in 40 quarterly instalments.

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

18. Approval of the unaudited condensed consolidated interim financial statements

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Directors of the Company on 20 August 2014.

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Shunxing (*Chairman*)
Mr. Ko Chun Shun, Johnson (*Vice Chairman*)
Mr. Yang Zhifeng (*Chief Executive Officer*)
Mr. Wang Xun
Ms. Liu Jianhong
Mr. Yu Weizhou
Mr. Zhou Zhizhong
Ms. Ko Wing Yan, Samantha

Independent non-executive Directors

Dr. Wong Yau Kar, David, BBS, JP
Mr. Yap Fat Suan, Henry
Dr. Shang Li
Ms. Huang Jian

COMPANY SECRETARY

Mr. Chan Kam Kwan, Jason

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

BANKERS

China Development Bank
Agricultural Bank of China
Industrial and Commercial Bank of China
Standard Chartered Bank
Hang Seng Bank

SOLICITORS

Baker & McKenzie

REGISTERED OFFICE

Clarendon House
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Hamilton HM 11
Bermuda

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Suite 3901,
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Admiralty
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