

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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board of directors (the “Directors”) of Concord New Energy Group Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016, together with the comparative figures for the corresponding period in 2015. These condensed consolidated interim financial statements are unaudited but have been reviewed by the Company’s audit committee.

** for identification purpose only*

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2016 – Unaudited

| | | 2016 | 2015 |
|---|-------------|------------------------|------------------------|
| | <i>Note</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenue | 3 | 1,052,071 | 2,174,462 |
| Other income | 3 | 38,692 | 20,044 |
| Other gains, net | 4 | 7,643 | 7,508 |
| Expenses | | | |
| Cost of construction and inventories sold | | (540,218) | (1,717,709) |
| Employee benefit expense | | (72,300) | (62,823) |
| Depreciation and amortisation | | (121,061) | (68,066) |
| Operating lease payments | | (15,352) | (12,155) |
| Other expenses | | (69,217) | (69,803) |
| Finance costs | 5 | (75,399) | (59,794) |
| Share of results | | | |
| — associates | | 13,813 | 7,329 |
| — joint ventures | | 67,754 | 58,055 |
| Profit before income tax | | 286,426 | 277,048 |
| Income tax expense | 6 | (6,196) | (24,125) |
| Profit for the period | | 280,230 | 252,923 |
| Profit attributable to: | | | |
| Owners of the Company | | 278,657 | 253,021 |
| Non-controlling interests | | 1,573 | (98) |
| | | 280,230 | 252,923 |
| Earnings per share attributable to owners of the Company during the period | 7 | | |
| Earnings per share: | | | |
| — Basic (HK cents) | | 3.24 | 2.83 |
| — Diluted (HK cents) | | 3.22 | 2.83 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016 – Unaudited

| | 2016 | 2015 |
|---|------------------|-----------------|
| | HK\$'000 | HK\$'000 |
| Profit for the period | 280,230 | 252,923 |
| Other comprehensive (loss)/income: | | |
| <u>Items that may be reclassified to profit or loss</u> | | |
| Currency translation differences | (108,096) | 1,114 |
| Total comprehensive income for the period , net of tax | 172,134 | 254,037 |
| Total comprehensive income/(loss) attributable to: | | |
| Owners of the Company | 172,998 | 254,101 |
| Non-controlling interests | (864) | (64) |
| | 172,134 | 254,037 |

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2016 – Unaudited

| | 30 June 2016 | 31 December 2015 |
|---|-------------------------|---------------------|
| | (Unaudited) | (Audited) |
| Note | HK\$'000 | HK\$'000 |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 5,484,704 | 4,659,114 |
| Leasehold land and land use rights | 382,014 | 340,014 |
| Intangible assets | 1,249,220 | 1,276,035 |
| Interests in associates | 335,930 | 329,032 |
| Interests in and advances to joint ventures | 1,509,550 | 1,598,475 |
| Available-for-sale financial assets | 3,600 | 3,672 |
| Prepayments, deposits and other receivables | 472,647 | 384,051 |
| Deferred tax assets | 24,982 | 18,920 |
| | 9,462,647 | 8,609,313 |
| Current assets | | |
| Inventories | 82,541 | 178,321 |
| Trade and bill receivables | 9 2,066,382 | 1,549,835 |
| Prepayments, deposits and other receivables | 1,215,710 | 811,942 |
| Amounts due from associates | 142,820 | 173,093 |
| Amounts due from joint ventures | 929,570 | 1,147,947 |
| Available-for-sale financial assets | — | 26,451 |
| Financial assets at fair value through profit or loss | 46,119 | 18,292 |
| Cash and cash equivalents | 1,480,840 | 1,905,131 |
| | 5,963,982 | 5,811,012 |
| Total assets | 15,426,629 | 14,420,325 |
| Liabilities | | |
| Non-current liabilities | | |
| Borrowings | 3,959,665 | 3,347,841 |
| Bonds payable | 234,008 | — |
| Deferred tax liabilities | 5,160 | 5,538 |
| Deferred government grants | 20,845 | 22,178 |
| Loans from a joint venture | 43,814 | 43,234 |
| | 4,263,492 | 3,418,791 |

CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)*
As at 30 June 2016 – Unaudited

| | | 30 June 2016 | 31 December 2015 |
|--|-------------|-------------------------|---------------------|
| | | (Unaudited) | (Audited) |
| | <i>Note</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Current liabilities | | | |
| Trade and bill payables | 10 | 3,588,316 | 3,965,835 |
| Payables for construction in progress, other payables and accruals | | 1,014,937 | 592,098 |
| Amounts due to associates | | — | 2,498 |
| Amounts due to joint ventures | | 127,746 | 223,612 |
| Borrowings | | 544,237 | 459,235 |
| Current income tax liabilities | | 1,378 | 2,681 |
| | | 5,276,614 | 5,245,959 |
| Total liabilities | | 9,540,106 | 8,664,750 |
| Net current assets | | 687,368 | 565,053 |
| Total assets less current liabilities | | 10,150,015 | 9,174,366 |
| Net assets | | 5,886,523 | 5,755,575 |
| Equity | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 11 | 87,341 | 89,462 |
| Reserves | | 5,677,357 | 5,545,800 |
| | | 5,764,698 | 5,635,262 |
| Non-controlling interests | | 121,825 | 120,313 |
| Total equity | | 5,886,523 | 5,755,575 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016 – Unaudited

| | Attributable to owners of the Company | | | | | | | | | | |
|--|---------------------------------------|------------------|-----------------|---------------------|---|------------------|----------------|-------------------|------------------|---------------------------|------------------|
| | Share capital | Treasury share | 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 | HK\$'000 |
| Balance at 1 January 2016 | 89,462 | (115,997) | 655,435 | 2,675,788 | (35,481) | 90,120 | 124,859 | 2,151,076 | 5,635,262 | 120,313 | 5,755,575 |
| Comprehensive income | | | | | | | | | | | |
| Profit for the period | — | — | — | — | — | — | — | 278,657 | 278,657 | 1,573 | 280,230 |
| Other comprehensive loss | | | | | | | | | | | |
| Currency translation differences | — | — | — | — | — | (105,659) | — | — | (105,659) | (2,437) | (108,096) |
| Total other comprehensive loss, net of tax | — | — | — | — | — | (105,659) | — | — | (105,659) | (2,437) | (108,096) |
| Total comprehensive (loss) /income for the six months ended 30 June 2016 | — | — | — | — | — | (105,659) | — | 278,657 | 172,998 | (864) | 172,134 |
| Total contributions by and distributions to owners of the Company recognised directly in equity | | | | | | | | | | | |
| Repurchase of ordinary shares for cancellation | — | (47,994) | — | — | — | — | — | — | (47,994) | — | (47,994) |
| Repurchase and cancellation of ordinary shares | (2,121) | 80,796 | (78,675) | — | — | — | — | — | — | — | — |
| Share-based compensation | — | 13,472 | — | — | — | — | (9,040) | — | 4,432 | — | 4,432 |
| Total contributions by and distributions to owners of the Company | (2,121) | 46,274 | (78,675) | — | — | — | (9,040) | — | (43,562) | — | (43,562) |
| Contributions by non-controlling interests | — | — | — | — | — | — | — | — | — | 2,376 | 2,376 |
| Total transactions with owners | (2,121) | 46,274 | (78,675) | — | — | — | (9,040) | — | (43,562) | 2,376 | (41,186) |
| Balance at 30 June 2016 | 87,341 | (69,723) | 576,760 | 2,675,788 | (35,481) | (15,539) | 115,819 | 2,429,733 | 5,764,698 | 121,825 | 5,886,523 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2016 – Unaudited*

| | 2016 | 2015 |
|---|--------------------|-----------------|
| | HK\$'000 | HK\$'000 |
| Cash flows from operating activities | | |
| Cash generated from operations | 116,921 | 196,258 |
| Income tax paid | (14,273) | (45,148) |
| Net cash generated from operating activities | 102,648 | 151,110 |
| Cash flows from investing activities | | |
| Net cash used in investing activities | (1,376,203) | (1,017,582) |
| Cash flows from financing activities | | |
| Net cash generated from financing activities | 876,374 | 1,440,373 |
| Net (decrease)/increase in cash and cash equivalents | (397,181) | 573,901 |
| Cash and cash equivalents at beginning of the period | 1,905,131 | 1,105,341 |
| Exchange (loss)/gain on cash and cash equivalents | (27,110) | 6,059 |
| Cash and cash equivalents at end of the period | 1,480,840 | 1,685,301 |
| Analysis of balances of cash and cash equivalents | | |
| Cash and bank balances | 1,480,840 | 1,685,301 |

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 2016 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 2015.

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 2015, 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 2016. 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 Renminbi (“RMB”), the currency of the primary economic environment in which the entity operates (“the functional currency”). As the Company is listed on the Main Board of the Hong Kong Stock Exchange, the directors consider that it will be more appropriate to adopt Hong Kong Dollars (“HK\$”) as the Group’s and the Company’s presentation currency. Accordingly, the consolidated financial statements are presented in HK\$.

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. 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, providing the funding in a form of sale and leaseback arrangement, and manufacturing of tower tube and gear box equipment for power business;
- Power plant operation and maintenance — providing operation and maintenance services to power plants; and
- Investment in power plants — investing in power plants.

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

Segment assets comprise goodwill, interests in associates, interests in and advances to joint ventures, property, plant and equipment, leasehold land and land use rights, other intangible asset, available-for-sale financial assets, financial assets at value through profit or loss, inventories, receivables and cash and cash equivalents which are related to the segments.

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

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

2. Segment information (Continued)

(a) Business segments (Continued)

For the six months ended 30 June 2016

| | Engineering, procurement, construction and equipment manufacturing | Power plant operation and maintenance | Investment in power plants | Total |
|-----------------------------|--|---|-------------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Segment revenue | | | | |
| Inter-segment sales | 403,280 | 13,115 | (416,395) | — |
| Sales to external customers | 584,101 | 39,220 | 428,750 | 1,052,071 |
| Segment results | 12,729 | 7,397 | 322,303 | 342,429 |
| Finance income | 10,092 | 15 | 335 | 10,442 |
| Other gains, net | (740) | — | 5,961 | 5,221 |
| Unallocated income | | | | 14,379 |
| Unallocated expenses | | | | (10,646) |
| Finance costs | (3,509) | — | (71,890) | (75,399) |
| Profit before income tax | | | | 286,426 |
| Income tax expense | (9,077) | (3,835) | 6,716 | (6,196) |
| Profit for the period | | | | 280,230 |
| Segment assets | 3,866,553 | 391,709 | 11,125,364 | 15,383,626 |
| Unallocated assets | | | | 43,003 |
| Total assets | | | | 15,426,629 |
| Segment liabilities | (3,955,180) | (11,147) | (5,569,976) | (9,536,303) |
| Unallocated liabilities | | | | (3,803) |
| Total liabilities | | | | (9,540,106) |

2. Segment information (Continued)

(a) Business segments (Continued)

For the six months ended 30 June 2015

| | Engineering, procurement, construction and equipment manufacturing | Power plant operation and maintenance | Investment in power plants | Total |
|-----------------------------|--|---|-------------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Segment revenue | | | | |
| Inter-segment sales | 358,359 | — | (358,359) | — |
| Sales to external customers | 1,865,403 | 58,482 | 250,577 | 2,174,462 |
| Segment results | 82,429 | 16,637 | 198,064 | 297,130 |
| Finance income | 3,278 | 10 | 355 | 3,643 |
| Other gains, net | — | — | 199 | 199 |
| Unallocated income | | | | 25,209 |
| Unallocated expenses | | | | (5,160) |
| Finance costs | (5,313) | — | (38,660) | (43,973) |
| Profit before income tax | | | | 277,048 |
| Income tax expense | (20,451) | (8,226) | 4,552 | (24,125) |
| Profit for the period | | | | 252,923 |
| Segment assets | 3,966,569 | 426,971 | 9,982,903 | 14,376,443 |
| Unallocated assets | | | | 43,882 |
| Total assets | | | | 14,420,325 |
| Segment liabilities | (4,303,238) | (19,603) | (4,335,513) | (8,658,354) |
| Unallocated liabilities | | | | (6,396) |
| Total liabilities | | | | (8,664,750) |

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. The Group's engineering, procurement, construction and equipment manufacturing and power plant operation maintenance activities are operated in the Peoples' Republic of China (the "PRC"), while investment in power plants is operated in the PRC and the United States of America (the "US"). There are no sales between geographical segments.

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

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

| | 2016 | | | 2015 | | |
|---------|---------------------|--------------------------|-------------------------------------|---------------------|--------------------------|-------------------------------------|
| | Revenue HK\$'000 | Total assets HK\$'000 | Capital expenditures HK\$'000 | Revenue HK\$'000 | Total assets HK\$'000 | Capital expenditures HK\$'000 |
| The PRC | 1,037,435 | 13,683,381 | 951,386 | 2,163,124 | 12,867,427 | 1,307,556 |
| Others | 14,636 | 1,743,248 | 109,746 | 11,338 | 1,552,898 | 7,948 |
| | 1,052,071 | 15,426,629 | 1,061,132 | 2,174,462 | 14,420,325 | 1,315,504 |

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 | |
|-----------------|--------------------------|------------------|
| | 2016 HK\$'000 | 2015 HK\$'000 |
| Revenue | 1,052,071 | 2,174,462 |
| Other income | | |
| Interest income | 11,104 | 15,300 |
| Others | 27,588 | 4,744 |
| | 38,692 | 20,044 |

4. Other gains, net

An analysis of other gains, net is as follows:

| | Six months ended 30 June | |
|--|--------------------------|--------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| (Loss)/gain on disposal of subsidiaries (<i>Note 12</i>) | (740) | 447 |
| Loss on disposal of an associate | — | (248) |
| Gain on disposal of joint ventures (<i>Note 12</i>) | 5,961 | — |
| Exchange gain/(loss), net | 36 | (380) |
| Others | 2,386 | 7,689 |
| | 7,643 | 7,508 |

5. Finance costs

| | Six months ended 30 June | |
|-----------------------------------|--------------------------|-----------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| Interest expenses: | | |
| — Bank borrowings | 100,511 | 78,024 |
| — Guaranteed bond | 3,431 | — |
| | 103,942 | 78,024 |
| <i>Less:</i> Interest capitalised | (28,543) | (18,230) |
| | 75,399 | 59,794 |

6. Income tax expense

| | Six months ended 30 June | |
|---|--------------------------|----------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| Current tax | | |
| — PRC corporate income tax | 11,206 | 20,312 |
| — Withholding tax | 1,899 | 8,395 |
| — (Over)/under-provision in prior years | (374) | 125 |
| Deferred tax | (6,535) | (4,707) |
| | 6,196 | 24,125 |

PRC corporate income tax is provided for at the rate of 25% (2015: 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 two years exemption followed by three years of a 50% tax reduction and 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 owners of the Company HK\$278,657,000 (2015: HK\$253,021,000) by the weighted average number of 8,609,412,000 (2015: 8,944,531,000) 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.

The Company has two categories of dilutive potential ordinary shares: share options and share award scheme. For the period ended 30 June 2016, dilutive effects arose from share award scheme adopted during the current year. The weighted average number of ordinary shares calculated is compared with the number of shares granted to employees that would have been transferred at the date of grant during 2015.

| | Six months ended 30 June | |
|---|---------------------------------|-----------|
| | 2016 | 2015 |
| Profit attributable to owners of the Company (HK\$'000) | 278,657 | 253,021 |
| Weighted average number of ordinary shares in issue (thousands) | 8,609,412 | 8,944,531 |
| Adjustments for: | | |
| — effect of dilutive potential shares issuable under the Company's share award scheme (thousands) | 50,716 | — |
| Weighted average number of ordinary shares used to determine diluted earnings per share (thousands) | 8,660,128 | 8,944,531 |

8. Interim dividend

The Directors recommends to declare an interim dividend of 1.0 HK cent (2015: 1.0 HK cent) per ordinary share in respect of the period ended 30 June 2016. Based on the number of issued ordinary shares as of the date of approving these condensed consolidated financial statements, the proposed interim dividend amounting to HK\$87,329,000 (2015: HK\$89,462,000). These condensed consolidated financial statements have not reflected this dividend payable as at 30 June 2016.

9. Trade and bill receivables

| | 30 June 2016 | 31 December 2015 |
|-------------------------------|-------------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| Trade receivables | 1,393,624 | 1,178,867 |
| Tariff adjustment receivables | 620,684 | 368,165 |
| Bill receivables | 52,074 | 2,803 |
| | 2,066,382 | 1,549,835 |

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

| | 30 June 2016 | 31 December 2015 |
|-----------------|-------------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| Within 3 months | 565,973 | 413,322 |
| 3 to 6 months | 175,364 | 228,750 |
| 6 to 12 months | 250,808 | 455,626 |
| Over 1 year | 367,186 | 44,220 |
| Over 2 years | 34,293 | 36,949 |
| | 1,393,624 | 1,178,867 |

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 2016, trade receivables of HK\$258,270,000 (2015: HK\$359,147,000) 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

| | 30 June 2016 | 31 December 2015 |
|----------------|-------------------------|---------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Trade payables | 2,996,464 | 2,910,400 |
| Bill payables | 591,852 | 1,055,435 |
| | 3,588,316 | 3,965,835 |

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

| | 30 June 2016 | 31 December 2015 |
|-----------------|-------------------------|---------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Within 3 months | 592,061 | 515,130 |
| 3 to 6 months | 323,981 | 544,885 |
| 6 to 12 months | 570,197 | 912,284 |
| Over 1 year | 803,972 | 665,673 |
| Over 2 years | 706,253 | 272,428 |
| | 2,996,464 | 2,910,400 |

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 2015 and 30 June 2016: 10,000,000,000 ordinary shares of HK\$0.01 each | 10,000,000 | 100,000 |
| Issued and fully paid: | | |
| As at 31 December 2015: 8,946,234,965 ordinary shares of HK\$0.01 each | 8,946,235 | 89,462 |
| Repurchase and cancellation of ordinary shares of HK\$0.01 each (<i>Note</i>) | (212,140) | (2,121) |
| As at 30 June 2016: 8,734,094,965 ordinary shares of HK\$0.01 each | 8,734,095 | 87,341 |

Note:

Further to the repurchase of 73,530,000 of the Company's ordinary shares during the year ended 31 December 2015, the Company acquired 139,810,000 of its own ordinary shares with a par value of HK\$0.01 each through purchases on the Hong Kong Stock Exchange at a market price of approximately HK\$0.343 during the period.

Of the total 213,340,000 shares above, 212,140,000 shares had been cancelled before 30 June 2016, and the remaining 1,200,000 shares also had been cancelled in July 2016.

12. Disposal of equity interests in subsidiaries and joint ventures

On 1 February 2016, the Group entered into a sale and purchase agreement with an individual, pursuant to which the Group disposed of its entire equity interests in Jiangsu Huize Power Engineering Co., Ltd. ("Huize"), a wholly-owned subsidiary of the Group, for a consideration of RMB20,000,000 (equivalent to approximately HK\$23,762,000). Upon the completion of the transaction, Huize ceased to be a subsidiary of the Group. The Group recorded an unaudited loss of approximately HK\$740,000 as a result of the disposal.

12. Disposal of equity interests in subsidiaries and joint ventures (Continued)

On 5 April 2016, the Group entered into a sale and purchase agreement with Huadian Fuxin Energy Corporation Limited (“Huadian Fuxin”), pursuant to which the Group disposed of its entire 51% equity interests in Hubei Jinquan Wind Power Co., Ltd. (“Jinquan”), for a consideration of RMB44,130,000 (equivalent to approximately HK\$52,430,000). Upon the completion of the transaction, Jinquan ceased to be a joint venture of the Group. An unaudited gain of approximately HK\$317,000 was recognized in the consolidated income statement.

On 19 May 2016, the Group entered into a sale and purchase agreement with Huadian Fuxin, pursuant to which the Group disposed of its entire 49% equity interests in Yiyang Century Concord Wind Power Co., Ltd. (“Yiyang”), for a consideration of RMB37,298,000 (equivalent to approximately HK\$44,314,000). Upon the completion of the transaction, Yiyang ceased to be a joint venture of the Group. An unaudited gain of approximately HK\$5,644,000 was recognized in the consolidated income statement.

13. 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:

| | 30 June 2016 | 31 December 2015 |
|---|-------------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| No later than 1 year | 961 | 867 |
| Later than 1 year and no later than 5 years | 882 | 40 |
| | 1,843 | 907 |

Capital commitments

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

| | 30 June 2016 | 31 December 2015 |
|-------------------------------|-------------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| Property, plant and equipment | | |
| No later than 1 year | 2,030,848 | 2,031,842 |

(b) The Group has entered into a number of arrangements to develop power projects in the PRC. As at 30 June 2016, total equity contributions contracted but not provided for were HK\$1,027,971,000 (2015: HK\$757,641,000).

13. Commitment (Continued)

Other commitments

As at 30 June 2016, 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.

14. 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 | |
|---|---------------------------------|-----------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| Sales of goods and services to joint ventures and associates (Note) | 69,639 | 249,714 |
| Loan interest income | 674 | 2,469 |

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 five (2015: five) of the Executive Directors and five (2015: four) members of Senior Management Group. The total remuneration of the key management personnel is shown below:

| | Six months ended 30 June | |
|---|---------------------------------|-----------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| Salaries and other short-term employee benefits | 6,871 | 5,512 |
| Share-based compensation | 4,136 | 7 |
| | 11,007 | 5,519 |

15. 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 3 August 2016.

Management Discussion and Analysis

I. OPERATING ENVIRONMENT

In the first half of 2016, the global economic growth showed a trend of slowdown, while China's economy maintained a stable growth.

According to the data released by the National Development and Reform Commission ("NDRC") of the PRC, in the first half of 2016, the electricity consumption of the whole society in the PRC grew by 2.7% year on year, wherein the first, second and tertiary industries and residential electricity consumption increased by 7.7%, 0.5%, 9.2% and 7.7% year on year, respectively. The electricity consumption of the whole society grows steadily, meanwhile, the consumption structure is optimizing with the tertiary industry and residential electricity consumption making greater contribution to the growth of the electricity consumption of the whole society than the second industry. In terms of power generation, the consumptive policy for clean energy was better implemented and the structure of power generation is optimizing. The installed capacity of coal-fired power increased year on year, however, the coal-fired power generation fell year on year.

As mentioned in the "Outline of the 13th Five-Year Plan for the National Economic and Social Development of the PRC", by 2020, the proportion of non-fossil energy to China's total primary energy consumption will reach 15% and the carbon dioxide emission per unit of GDP will decrease by 18% as compare of 2015. To achieve this target, during the period of the "13th Five-Year", China will substantially increase the proportion of non-fossil energy consumption. According to the preliminary plan, by 2020, Mainland China will have installed capacity of wind power and solar power reaching 250GW and 150GW, respectively. As such, during the period of 13th Five-Year, the renewable energy will develop at top speed in China, with planned generation of wind power and solar power keeping 30GW and 20GW, respectively.

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

1. The Development of Wind Power and Solar Power Continue to be a High Priority

At the beginning of 2016, the National Energy Administration ("NEA") formulated "Guiding Opinions on Energy Related Work for 2016" to make "Stable Growth on Wind Power, Full Development on Solar Power" one of the guidelines in 2016.

In March, NEA issued the "Notice on Issuing the 2016 Programme for the Nationwide Development and Construction of Wind Power" stating the development and construction capacity of wind power in Mainland China this year will reach 30.83GW, which continuously maintained a strong development trend.

In June, NEA also issued the "Notice on Issuing the 2016 Plan for the Construction and Implementation of Photovoltaic Power", pursuant to which, the construction capacity of new photovoltaic power station in Mainland China targets to 18.1GW in 2016, representing 20% higher than actual installed capacity in 2015. In addition, NEA decided to fully implement photovoltaic poverty alleviation and energy livelihood projects in the year, of which the capacity of photovoltaic poverty alleviation projects shall be no less than 15GW in the period of "13th Five-Year".

Facing the new economic normal and the pressure from air pollution and reduction of emissions, renewable energy industry in China finds unprecedented opportunities. Meanwhile, with the progress of technologies, the optimisation of construction layout and the adjustment of energy structure, renewable energy is transforming its role from "substitution" to "replacement".

2. “Quotas” and “Protective Buyouts” Escort the Development of Renewable Energy

In March 2016, NEA issued “the Guiding Opinions on the Establishment of Renewable Energy Development and Utilization Objective Guidance System”, which required the consumption proportion of non-hydro renewable energy to the total electricity consumption in each province (region and city) by 2020, proposed concrete indicators for the proportion of non-hydropower renewable energy to whole power generation and suggested the establishment of Trading Mechanism for Green Certificate of Renewable Energy Power.

In the same month, NDRC issued “Administrative Measures for Protective Buyouts of Renewable Energy Power Generation” clearly confirming the priority generation rights for renewable energy and requiring generation output of the renewable energy within a buyout plan. NDRC and NEA jointly issued “Notice on the Management of the Protective Buyout of Wind Power and Photovoltaic Power Generation” in May clearly setting out minimum annual utilisation hour of protective buyout in some areas: wind power not less than 1,800 hours and photovoltaic power not less than 1,300 hours.

3. Multiple Measures to Promote the Consumption of Clean Energy

Solving the grid curtailment of wind power and solar power will be one of the key jobs for China’s renewable energy development in 2016. Apart from accelerating the construction on cross-province-and-region electricity transmission, especially the transmission channels for hydropower, wind power and photovoltaic power, NEA will also improve the capacity for power grid and system peak load regulation, optimise the operation of system dispatching, construct the ancillary peak regulation power station, and raise the utilisation efficiency of cross-province-and-region electricity transmission channels in order to solve the significant problems in development of the industry caused by grid curtailment of wind power, solar power and hydropower and to explore a new business model for local consumption.

In June, NEA selected regions with poor consumption of renewable energy to commence demonstration pilot work on improving the flexibility of coal power to improve its system peak load regulation capacity, promote consumption of new energy and boost the construction of efficient smart power system by fully utilising the flexibility of coal power.

4. Significant Improvement in Renewable Energy Technology

During the reporting period, renewable energy technology was further enhanced. The turbine blade length further increased and wind energy conversion efficiency was further improved, with great progress in quality of turbine and operating stability. Meanwhile, focus of wind power construction has shifted from the Northeast China, North China and Northwest China with poor consumption and serious curtailment to Central and East China with dense population and commercial activities and large power shortage, in which low-wind-speed wind farm became a new investment hotspot in wind power sector by virtue of its large expansion room, short distance to load centre, high electricity rates and low operation and maintenance costs. In terms of solar power, economic benefits of solar power projects increased, due to continuously improving conversion efficiency of battery modules and the declining costs of raw materials. Meanwhile, big strides have also been made in solar thermal power and energy storage technology.

5. Continuous Decline in Required Reserve Ratio with Favourable Financing Environment

In the reporting period, the People’s Bank of China cut the required reserve ratio of RMB deposit for financial institutions by 0.5 percentage point to keep a favourable financing environment while maintaining a low level of financing costs for projects.

II. BUSINESS REVIEW

During the reporting period, the Group's revenue amounted to HK\$1,052,071,000 (1H 2015: HK\$2,174,462,000), decreased by 51.62% as compared with the same period last year; profit attributable to equity holders of the Group amounted to HK\$278,657,000 (1H 2015: HK\$253,021,000), increased by 10.13% as compared with the same period last year. The basic earnings per share were 3.24 HK cents (1H 2015: 2.83 HK cents) increased by 14.49% as compared with the same period last year; and the fully diluted earnings per share were 3.22 HK cents (1H 2015: 2.83 HK cents).

As at the end of the reporting period, the Group's net asset value was HK\$5,886,523,000 (31 December 2015: HK\$5,755,575,000). As at the end of the reporting period, the Group's cash and cash equivalents were HK\$1,480,840,000 (31 December 2015: HK\$1,905,131,000).

During the reporting period, the Group's revenue derived from power generation business was significantly improved enabling a growth in our overall profit of the Group. The Group adapts changes from national policy by proactively adjusting business model, expanding the ration of "build and sell" business and cutting the scale of EPC business, resulting a substantially decrease in revenue and profit from EPC sector during the reporting period and the Group's consolidated revenue.

1. Power Plant Investment in Development and Operation

i. Power Generation Output Surged with Improved Power Plant Efficiency

In the reporting period, the Group's generation output attributable to the Group was 1,096.85 million kWh (1H 2015: 792.53 million kWh), up 38.40% as compared with the same period last year, of which wind power generation output attributable to the Group was 679.46 million kWh (1H 2015: 553.81 million kWh), up 22.69% as compared with the same period last year, while solar power generation attributable to the Group was 417.39 million kWh (1H 2015: 238.72 million kWh), up 74.85% as compared with last year.

During the reporting period, the Group's power plants generated aggregate electricity output of 1,990.07 million kWh (1H 2015: 1,590.54 million kWh), up 25.12% as compared with the same period last year, of which wind power generation was 1,554 million kWh (1H 2015: 1,334.18 million kWh), up 16.48% as compared with the same period last year and solar power generation was 436.07 million kWh (1H 2015: 256.36 million kWh), up 70.10% as compared with the same period last year.

During the reporting period, the power plants controlled by the Group achieved revenue amounting to HK\$428,750,000 (1H 2015: HK\$250,577,000), achieving net profit of HK\$207,272,000 (1H 2015: HK\$114,617,000) from power generation. The revenue of power plants which were associates and joint ventures of the Group in aggregate amounted to HK\$871,206,000 (1H 2015: HK\$811,176,000), the net profit in aggregate amounted to HK\$189,925,000 (1H 2015: HK\$140,371,000), and the Group's share of results of associates and joint ventures amounted to HK\$81,567,000 (1H 2015: HK\$65,384,000).

ii. Power Plant Operation Indicators and Average Tariff Rates

During the reporting period, the wind turbines of the Group's wind farms recorded 95.94% of availability rate (1H 2015: 95.07%) and 908 hours of equivalent full-load utilization hours (1H 2015: 918 hours). The Group's solar power plants recorded availability rate of 99.22% (1H 2015: 99.85%) and equivalent full-load utilization hours of 813 hours (1H 2015: 818 hours). The average grid curtailment rate of the Group's wind farms was 24.1% (1H 2015: 23.2%) and 3.2% (1H 2015: 0.5%) for the Group's solar power plants.

During the reporting period, the weighted average tariff rate of the Group's wind farms was RMB0.5638/kWh (including VAT) (1H 2015: RMB0.5586/kWh). The weighted average tariff rate of the Group's solar power plants was RMB0.980/kWh (including VAT) (1H 2015: RMB1.054/kWh).

iii. Power Plant Capacity Achieved Steady Growth

During the reporting period, the total installed capacity of power projects that the Group invested in and held equity interests was 788MW (1H 2015: 563MW), among which there were 6 continued projects with installed capacity of 298MW and 10 new construction projects with installed capacity of 490MW. In particular, 13 were wind farms with capacity of 708MW and attributable capacity of 684MW, and 3 were solely-funded solar power plants with capacity of 80MW.

During the reporting period, the Group added 3 new wind and solar power plants to production, with total capacity of 146MW (1H 2015: 132MW) and attributable capacity of 122MW (1H 2015: 59MW), of which 2 were wind farms with capacity of 96MW and attributable capacity of 72MW and 1 was solely-funded solar power plant with capacity of 50MW.

As at the end of reporting period, the Group held interests of 52 grid-connected wind and solar power plants, with a total capacity of 2,372MW and attributable capacity of 1,401MW, of which 34 were wind farms with total capacity of 1,777MW and attributable capacity of 824MW, and 18 were solar power plants with total capacity of 595MW and attributable capacity of 577MW.

iv. Early Development was Mainly in Non-Curtailed Region and Abundant Resource Reserves

During the reporting period, 11 of the Group's wind power projects with a total capacity of 728MW have been included in the construction programme list "2016 Programme for the Nationwide Development and Construction of Wind Power" issued by NEA, all of which were located in the regions with good access to the grid and no curtailment.

During the reporting period, the Group entered into new agreements in relation to wind power resources of 1,800MW, and solar power resources of 350MW. 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 have provided the assurance of the Group's sustainable development.

v. Financing Capacity Sharply Increased

During the reporting period, Century Concord Wind Power Investment Co., Ltd. ("Concord Wind Power"), a wholly-owned subsidiary of the Group, successfully registered the first Green Note in the PRC with National Association of Financial Market Institutional Investors with registered capital of RMB500 million, which became the first Green Note from non-financial enterprises in the domestic market. At the corresponding period, Concord Wind Power also completed the registration of short-term debentures in aggregate of RMB600 million.

During the reporting period, the Group's investment projects see a satisfactory progress with 7 new financing contracts worth RMB1,806 million were signed and the project financing costs remained at the benchmark rates of the corresponding period.

2. Renewable Energy Service Sector

i. EPC Business Scale Remained Stable and Obtained Awards for Construction and Design

The Group's company in the EPC sector can provide Engineering, Procurement and Construction (EPC) services for our internal and external market. During the reporting period, we undertook 20 external and internal EPC projects with a total capacity of 942MW (1H 2015: 909MW), representing an improvement in business scale compared to the same period last year.

During the reporting period, the "Economic Exemplar Project for Loop of Huolin River 300MW Wind Power Construction" was undertaken by the Group's Jilin CWP Power Engineering Co., Ltd. and Concord Power Consulting & Design (Beijing) Corp., Ltd., acted as the chief contracting unit and design unit for wind power construction, which received "2016 Premium Quality Power Construction in China" awarded by China Electric Power Construction Association.

In addition to providing construction design services for the EPC projects, the Group's design company, as a member of the integrated EPC group, also provided resources assessment and consulting services for the Group and external renewable energy investors. During the reporting period, the Group completed 98 wind or solar resources assessment and technical advisory reports, 35 feasibility studies, 8 preliminary design and 2 construction designs.

During the reporting period, the Group's design company has submitted the application to National Equities Exchange and Quotations Co. Ltd.* (全國中小企業股份轉讓系統有限責任公司) for a quotation and open transfer of its shares on the National Equities Exchange and Quotations* (全國中小企業股份轉讓系統) ("New Third Board"). The Group has submitted an application in relation to the Potential Quotation to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for approval pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange.

Given the changes of the Group's operation policy, the Group transform certain EPC projects provided for external parties into our investment construction, which will be sold at a selected time after its commencement of operation ("build and sell" business model). During the reporting period, there was an increase in the Group's internal projects and a decrease in external projects, therefore, revenue generated by EPC section show a massive decline. During the reporting period, the Group's design, procurement and construction companies achieved revenue in aggregate of HK\$584,101,000 (1H 2015: HK\$1,865,403,000).

ii. Actively Expanded the Operation and Maintenance Business and Increase Scientific and Technological Innovation

Power plant operation and maintenance (O&M) is a business area prioritized by the Group for the development. The Group's O&M companies provided full O&M services, preventive tests, technical renovation and overhaul, wind power prediction and other services to internal and external power plants, as well as carried out maintenance engineering and regular inspection services for turbine manufacturers during the warranty period. The Group's O&M companies used big data, cloud computing, internet of things, Internet and other information technology means to actively create new cloud O&M model. By researching and developing big data operation and maintenance platform system with independent intellectual property rights, the Group's O&M companies offered customers with personalized and precise operation and maintenance services.

During the reporting period, Beijing Century Concord Operation and Maintenance Co., Ltd. ("Concord Operation and Maintenance") owned by the Group, obtained the National High-tech Enterprise certification renewal, and passed the assessment on wind power generating units operation and maintenance capability by China General Certification Centre, being the third wind power generating units operation and maintenance enterprise passed the assessment by the Centre, which represented that the Group's wind power operation and maintenance capability reached a high standard in the industry. In the contest for "2016 China's Top 50 Innovative Enterprises in Wind Power Industry" jointly held by China Institute of Energy Economy Research and China Renewable Energy Enterprise Development Association, Concord Operation and Maintenance was successfully nominated in the contest and finally won the honorary title of "2016 China's Top 10 Wind Turbine Operation and Maintenance Enterprises in Wind Power Industry", with the development and innovation of various patented technologies and good reputation in the industry.

During the reporting period, the Group's O&M companies jointly undertook the operation and maintenance business for 52 wind farms and solar power plants, entered into contracts with turbine manufacturers for 6 projects in respect of regular inspection service; and signed 5 contracts with power plants in respect of preventive tests, technical renovation and overhaul as well as wind power prediction services.

During the reporting period, the business segment contributed a revenue of HK\$39,220,000 (1H 2015: HK\$58,482,000) for the Group.

III. ENVIRONMENTAL POLICY AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Environmental Protection

In addition to financial performance, the Group believes that high standard of corporate social responsibility is critical in establishing good corporate and social relations, motivating employees and creating sustainable returns for the Group. The Group is committed to active contributions to the environment and the development of community sustainability in the regions where the Group operates and the stakeholders reside.

The Group is engaged in the business of renewable energy power generation such as wind power and solar power generation; it focuses on the investments in environmental protection and conservation of water and soil. It is required to obtain approvals for environmental protection and water and soil conservation scheme before the project commences, and to acquire acceptance for environmental protection and soil and water conservation from the relevant government departments after the project goes into operation. The Group also strives to maintain the sustainable development of the environment as well as the human race, and commits to its responsibilities in improving the energy structure and reducing greenhouse gas emissions and haze.

During the reporting period, the electricity generated by the wind and solar power plants invested by the Group was equivalent to the reduction of 1,760,000 tons of carbon dioxide emission, 17,384 tons of sulfur dioxide emission and 1,542 tons of nitrogen oxide emission. Moreover, as compared with the electricity generated by coal-fired power plants, the abovementioned wind and solar power plants saved 590,000 tons of standard coal and 4,920,000 tons of water. As at the end of the reporting period, the Group's invested wind and solar power plants had cumulatively reduced carbon dioxide emission by 15,290,000 tons, sulfur dioxide emission by 151,459 tons, and nitrogen oxide emission by 13,418 tons. 5,150,000 tons of standard coal and 42,820,000 tons of water have been saved cumulatively. The reduction of emissions of pollutants has made a contribution to the reduction of PM10 and PM2.5 concentration in the atmosphere to reduce haze.

Compliance with Laws and Regulations

During the year, to the best knowledge of the management, the Group has complied with the relevant standards, laws and regulations that have a significant impact to our businesses. At the same time, the Group always maintains a safe working environment for staff in accordance with relevant safety policies.

Employment and Labour Practices

The Quality of Work Environment

Human resources is the main force of the Group's sustainable development. We have firmly established the concept of people-oriented and comprehensively harmonised sustainable development, and built a platform for the promotion employee development. We strive to build a congenial enterprise by stimulating positive energy and enhancing cohesiveness among the employees. The Group puts emphasis on staff training such as assessing the professional competence of the staff and developing career development plans for employees. The Group attaches great importance to safeguarding the legitimate rights and interests of employees and has established a mutual fund to help the employees and their families who are in need.

Health and Safety

The Group has great concerns over social responsibility and pays attention to employees' safety, health and improvements of work abilities. Health inspections are organised annually for employees. The Group has a number of sports and interest clubs for employees by building fitness and sports facilities and regularly organizing sports activities, such as Walking Activities.

Community Involvement

The Group actively fulfilled their social responsibilities, participated in social welfare undertakings, subsidized professional education of universities, donated education and public infrastructure where the projects locate, and actively participated in community activities.

IV. EMPLOYEES AND REMUNERATION

As of 30 June 2016, the Group had 1,091 full-time employees (31 December 2015: 1,068), 108 of which worked at the Group's headquarter, 308 for project development and management, 194 for engineering consultancy, design, procurement and construction (EPC) and 481 for operation and maintenance.

During the reporting period, the Group's staff costs amounted to HK\$72,300,000 (1H 2015: HK\$62,823,000), representing a year-on-year increase of HK\$9,477,000.

V. LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2016, the Group held cash and cash equivalents of approximately HK\$1,480,840,000 (31 December 2015: HK\$1,905,131,000), the current ratio was 1.13 times (31 December 2015: 1.11 times), gearing ratio (long term debt divided by owner's equity) was 0.72 (31 December 2015: 0.59). At the end of the reporting period, the balance of bank borrowings of the Group amounted to HK\$4,737,910,000 (31 December 2015: HK\$3,807,076,000), and the net assets of the Group stood at HK\$5,886,523,000 (31 December 2015: HK\$5,755,575,000).

Foreign Exchange Risk

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

Charge of Asset

As of 30 June 2016, equipment of the Group was pledged as security for outstanding loan amount of RMB 1,040,200,000 (31 December 2015: RMB 936,950,000).

Contingent Liability

As at 30 June 2016, the Group has pledged its 49% equity interest in Erlanhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. (“Erlan”), with total value of its share of registered capital amounted to HK\$43,572,000 (31 December 2015: HK\$44,451,000). The outstanding balance of banking facilities of Erlan as of 30 June 2016 was RMB53,941,000 (31 December 2015: RMB64,739,000).

Save for the information as mentioned above, the Group did not have any significant contingent liabilities as at 30 June 2016.

Commitments

As at 30 June 2016, the Group had capital commitments of HK\$3,058,819,000 (31 December 2015: HK\$2,789,483,000) which were not accounted for in the financial statements. The amount was mainly capital committed for investment in power plants of HK\$1,027,971,000 (31 December 2015: HK\$757,641,000) by the subsidiaries, and capital committed for payment of equipment purchased of HK\$2,030,848,000 (31 December 2015: HK\$2,031,842,000) by the subsidiaries.

VI. PROSPECTS

In 2016, the Group has entered the field of renewable energy for ten years. During this decade, rapid development of renewable energy occurred in China, even the world. For this decade, we have experienced various changes in the macroeconomic environment, went through the continuous advancement of technologies and witnessed the gradual maturity of the wind and solar power business model. We firmly believe that renewable energy technologies still have huge room for improvement, the trend of traditional fossil fuels replaced by renewable energy will never change, and this field still has a broad space for development in the future.

Although we are still faced with the impact of unfavourable factors such as subsidies for renewable energy lagging behind, electricity consumption problems in some areas and limitations to the condition of transmission, we are pleased to see that the situations are being constantly improved. In order to promote economic development, adjust energy structure, control air pollution, reduce haze and prevent global warming, countries around the world, including China, have spared no effort in promoting the development of renewable energy in the aspects of policy, fiscal, tax and finance.

Following the implementation of a series of measures including the south-bound development, solar energy development and optimization of capital structure in recent years, the Group's assets in power plants as well as its proportion of earnings from power generation business have been increasing. According to the changes in the macroeconomic situation, the Group will also appropriately adjust business strategy to achieve maximum of shareholders' interests and social benefits.

The Group will continue to carry out in the following operational strategies in the second half of 2016:

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

We believe that renewable energy has a broad space for development, and all employees of the Group, led by management team, will blaze new trails, struggle to forge ahead and create last superior returns for shareholders and for society.

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

During the six months ended 30 June 2016, Company had purchased 139,810,000 shares of the listed securities of the Company with the aggregate consideration of HK\$47,994,000 on the Stock Exchange of Hong Kong Limited, all of the purchased shares were subsequently cancelled by the Company among which 1,200,000 shares were cancelled in July 2016 and the issued share capital of the Company was reduced thereon.

Interim Dividend

The Board has resolved to declare an interim dividend of 1.0 HK cent per share for the six months ended 30 June 2016 (six months ended 30 June 2015: 1.0 HK cent per share) on the shares in issue amounting to an aggregate of approximately HK\$87,329,000 (six months ended 30 June 2015: HK\$89,462,000), to the shareholders whose names appear in the register of members on 24 August 2016. The dividend will be payable on or about 14 September 2016.

Closure of Register of Members

The Register of Members will be closed from Monday, 22 August 2016 to Wednesday, 24 August 2016, both days inclusive, during which period no transfer of shares will be registered. In order to determine members who are entitled to qualify for the proposed interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited of 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by not later than 4:30 p.m. on Friday, 19 August 2016.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2016, 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 has been disclosed in the Corporate Governance Report contained in the 2015 annual report of the Company issued in April 2016.

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 2016.

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 2016 have been reviewed by the Audit Committee.

For and on behalf of

Concord New Energy Group limited

Liu Shunxing

Chairman

Hong Kong, 3 August 2016

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