

Concord New Energy Group Ltd. (0182.hk)

- An Experienced and Integrated Wind & Solar Developer and Operator

2015 Interim Results Presentation

10th Aug 2015



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2015 Financial Summary

		As at 30 st Jun 15	As at 31 th Dec 14	Change %	
Balance Sheet	Net assets	HK\$ 5,963.13mil	HK\$ 5,755.62mil	+3.61%	
	Cash and cash equivalent	HK\$ 1,685.30mil	HK\$ 1,105.34mil	+52.47%	
	Gearing ratio	0.57	0.47	+21.28%	
	<i>(Total Liabilities divided by Total Assets)</i>				
		1H 2015	1H 2014	Change %	FY 2014
Consolidated P&L	Revenue	HK\$ 2,174.46mil	HK\$ 1,194.33mil	+82.07%	HK\$ 3,549.64mil
	Profit	HK\$ 252.92mil	HK\$ 122.61mil	+106.28%	HK\$ 318.11mil
	Fully diluted EPS	2.83cents	1.43cent	+97.90%	3.62 cents
Segment Revenue	Power generations ¹	HK\$ 250.58mil	HK\$ 108.88mil	+130.14%	HK\$ 239.1mil
	EPC	HK\$ 1,865.40mil	HK\$ 1,020.65mil	+82.77%	HK\$ 3,187.2mil
	O&M	HK\$ 58.48mil	HK\$ 64.81mil	-9.77%	HK\$ 123.3mil
Segment Profit²	Power generations	HK\$ 163.31mil	HK\$ 57.6mil	+185.26%	HK\$ 92.28mil
	EPC	HK\$ 59.94mil	HK\$ 52.89mil	+13.33%	HK\$ 43.47mil
	O&M	HK\$ 8.42mil	HK\$ 23.11mil	-63.57%	HK\$ 34.41mil
	Core business profit overall	HK\$ 231.67mil	HK\$ 133.6mil	+74.15%	HK\$ 170.16mil
	Other gains, net	HK\$ 0.20mil	HK\$ 6.09mil	- 96.72%	HK\$ 152.46mil

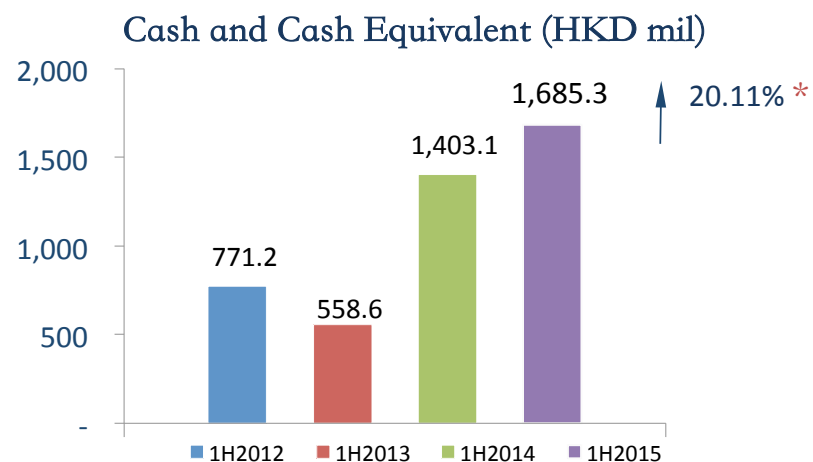
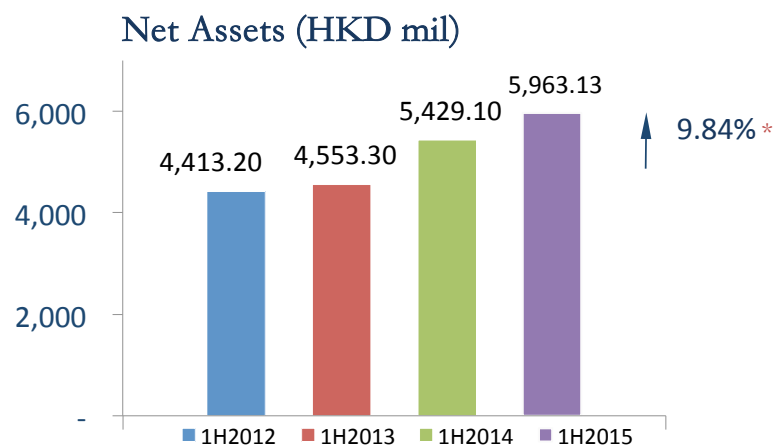
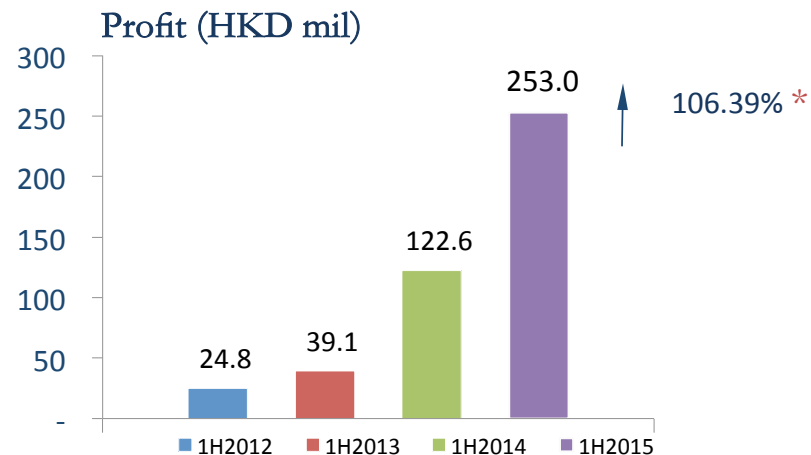
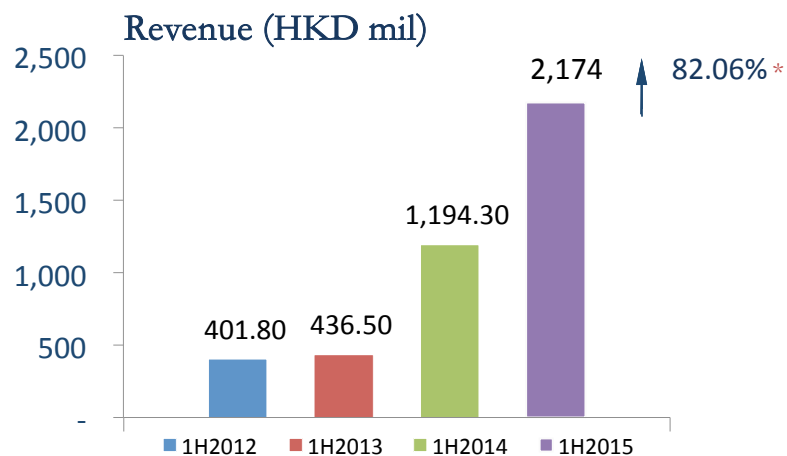
1. Power generation revenue from consolidated power plants

2. The Segment Profit are calculated based on Notes2 of financial report, and single out the other gains. The net profit of power generation includes the power generation, URP release, deferred tax contribution and shared profits of joint ventures.

2015 Operational Summary

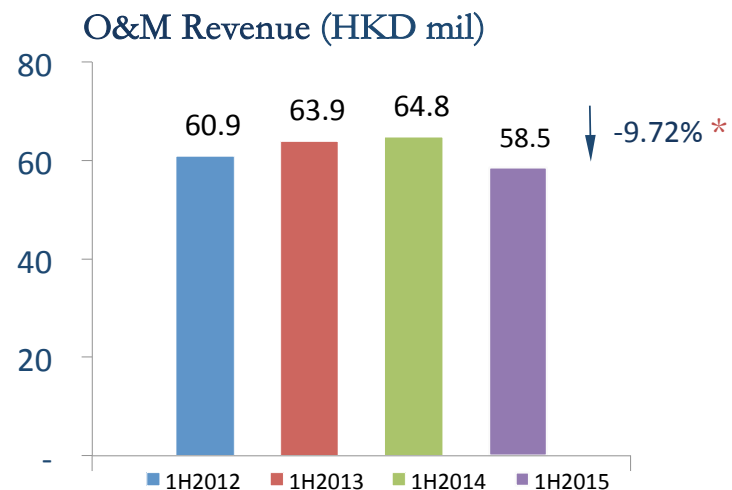
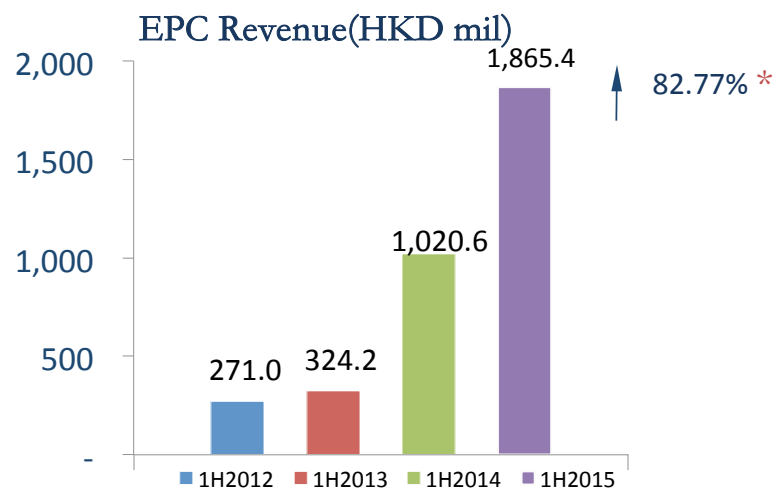
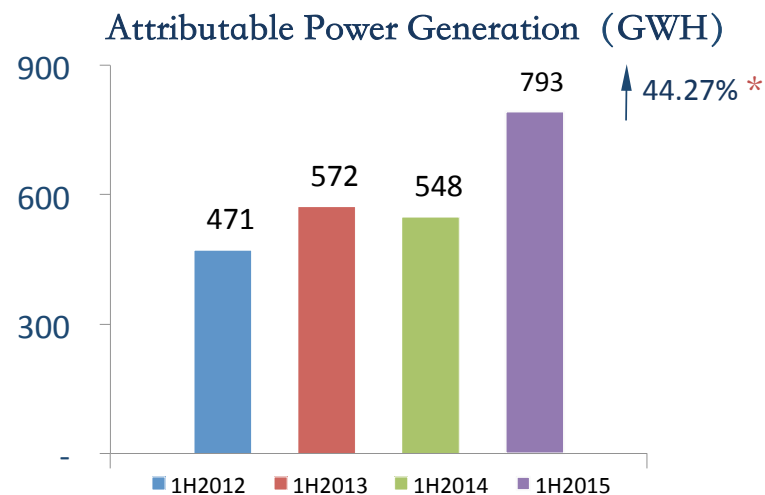
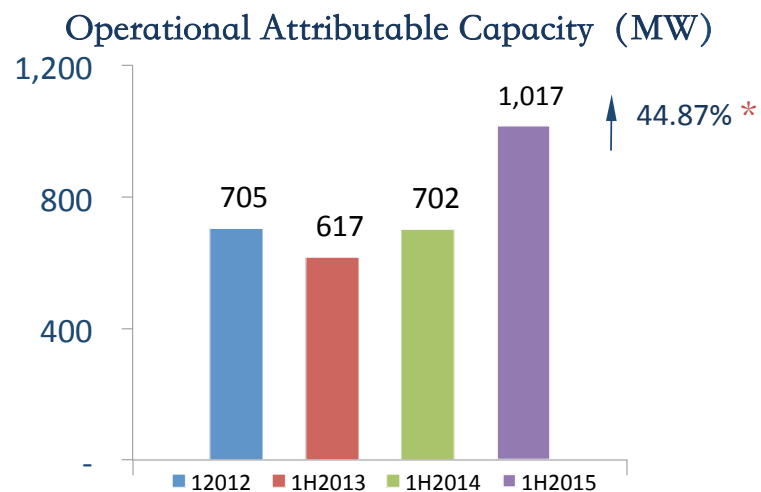
		As at 30 th Jun 15		As at 30 th Jun 14		Change	
		Total	Equity	Total	Equity	Total	Equity
Power Investment	Total capacity in operation	1,964MW	1,017MW	1,526MW	702MW	+28.70%	+44.87%
	-Wind	1,599MW	671MW	1,355MW	548MW	+18.00%	+22.44%
	- Solar	365MW	346MW	171MW	154MW	+113.45%	+124.67%
	Total newly added capacity	132MW	59MW	0MW	0MW	-	-
	- Wind	98MW	39MW	0MW	0MW	-	-
	- Solar	34MW	20MW	0MW	0MW	-	-
Power Generation	Total wind power generation	1334mil kWh		1061mil kWh		+25.71%	
	Total attributable wind power generation	554mil kWh		425mil kWh		+30.42%	
	Weighted average wind farm capacity factor	918hours		837hrs		+9.67%	
	Total solar power generation	256mil kWh		136mil kWh		+88%	
	Total attributable solar power generation	239mil kWh		123mil kWh		+93.48%	
	Weighted average solar farm capacity factor	818hours		815hrs		+0.36%	
	Weighted average tariff						
	-Wind	RMB0.5586/kWh		RMB 0.5556/kWh		+0.53%	
	-Solar	RMB1.054/kWh		RMB 1.099/kWh		-4.09%	
	Turbines availability rate	95.07%		95.84%		-0.80%	
EPC and O&M	No. of projects constructed	19		16		+18.75%	
	No. of design & consultancy reports provided	63		69		-8.69%	
	No. of O & M service projects	39		44		-11.36%	
Human Resources	Total no. of employees	1,016		1,080		-5.92%	
Emission Reduction	Total tons of CO2 emission reduction	1,500,000 tons		1,240,000 tons		+20.97%	

1H2012 to 1H2015 Historical Performance



* Change% between 1H2015 & 1H2014

1H2012 to 1H2015 Historical Performance (Continued)



* Change% between 1H2015 & 1H2014

Company Overview

Concord New Energy Group Limited (0182.hk)

- Total share outstanding: 8.946bn
- Total assets: HK\$ 13.75bn
- Total net assets: HK\$ 5.96bn
- 1H 2015 Revenue: HK\$ 2.174bn
- 1H2015 Profit: HK\$ 253mil (* as of 30 Jun 2015)

Solar Power

- Expanded into solar power since 2010
- Currently owns and operates 12 solar power plants (total capacity: 365MW, attributable capacity: 346MW)
- 157MW projects are under construction and expected to be connected to the grid by the end of 2015
- Over 8GW of exclusive solar resources in the pipeline
- Prioritize solar power development to become one of CNE's core business

Wind Power

- 9 years of development and operational experiences since 2006
- Currently owns and operates 30 wind power plants (total capacity: 1599MW, attributable capacity: 671MW); in the future will focus on investment in southern China.
- Total of 3.59GW listed in 1st to 5th batch of NEA approved project lists
- 274MW projects are under construction and most of the projects are expected to be connected to the grid by the end of 2015
- Over 28GW of exclusive wind resources in the pipeline

Investment



EPC&M Business

Design & Development

Engineering, Procurement, Construction & Manufacturing (EPC&M)

Operation & Maintenance (O&M)



**An experienced and integrated SOLAR & WIND developer and operator,
with rich resources and solid qualifications**

Latest Industry Outlook

1. The target install capacity of solar power in 2015 is 17.8GW, increased 68% compared with 10.6GW installed capacity in 2014. In the 1st half of 2015, China's newly installed solar power capacity reached 6.69GW ground and 1.04GW distributed.
2. NEA approved the 5th batch of wind power projects of 34GW. In the 1st half of 2015, China's newly installed wind power capacity reached 9.16GW.
3. The national average utilization hours of wind power was 933 hours, 15 hours more than the same period last year; in State Grid region, the average utilization hours of solar power was 642 hours, 7 hours more than the same period last year.
4. The electricity reform policy confirmed to continue support the development of renewable energy.
5. The industry forecast that the medium-term (up to 2020) target for wind and solar power are expected to be adjusted to over 300GW.
6. Ultra-high voltage (UHV) transmission lines construction experienced accelerated development in the 1st half of 2015. The "two A/C, two D/C Projects" have obtained approvals to commence construction; the 12 major transmission lines are required to put into operation between 2016 and 2017, which will improve consumption of renewable energy and ease curtailment issues; Solar thermal power and energy storage technology have been also improved.
7. Financial institutes will continue to support the wind and solar power industry.
8. The People's Bank of China cut the RMB benchmark loan and deposit interest rates for financial institutions for three times, reduced a total of 0.75 percentage which benefit the industry financing, lower the loan interest and to increase investment return.

Latest Company News

1. On 3 March 2015 CWP changes company name to Concord New Energy Group Limited (CNE), and company actively involvement in solar power business.
2. The major shareholder of company increased the shareholding to the shareholding cap of 29.5%. The former second largest shareholder, Mr. Ko Chun Shun, sold most of the holding shares to major shareholder and mid-long term investors. Mr. Ko, as the vice chairman of board, made invaluable contributions to the development of company. The stock selling of Mr. Ko reduced the concerns on the main financial investor by the capital market and after the adjustment the ownership structure is more clear and stable. After the share transfer, the major shareholder has 29.5% and second largest shareholder Huadian Fuxin has 9.84% of company shares.
3. Company has planned the new development strategy for 2015-2017 and began to implement.
4. The attributable power generation was dramatically increased compared with last year.
5. Power generation has been the main part of net profit of CNE.

CNE Three-Year Operational Strategy and Development Target

Operational Strategy (2015-2017)	Development Target (2015-2017)
1. Rapidly invest in wholly-owned or majority owned wind and solar power projects with low cost in the area without grid curtailment, aimed to make the power generation business become the major profit source and provide the stable profit to the company.	1. 500-600MW attributable capacity of new added wholly-owned and majority owned wind and solar projects each year, not less than 2.5GW attributable capacity of wind and solar power plants by the end of 2017 and wind and solar are expected to 2/3 and 1/3 respectively. Most of the newly added projects are in southern China without grid curtailment to ensure the projects quality and minimize the uncertainty of investment return caused by curtailment. By the end of 2015, the power generation business will be the main source of the profit, over 2/3 profit will be contributed by power generation. The CNE's core profit will keep steady increasing in the next 3 years.
2. Actively promote the reform of service business, enhance the technical ability and market competitiveness of service business, to mobilize the enthusiasm of the staff and to share the fruits of development. Continue to promote the EPC business cooperation with Huadian Fuxin and other major wind power enterprises.	2. EPC&M business keep stable and steady improvement based on the existing scale (400MW/year of wind power) and to provide the stable cash flow for the projects investment.
3. To further optimize the assets structure, improve the rate of return on assets, continue to sell down the power plants with severe curtailment in north China and to recycle the funds into profitable new projects.	3. According to the market opportunity, actively dispose the wind power plants in north China and 100MW in the average each year.
4. Continue to enhance the core strength of projects development ability, ensure the stable pipeline increasing and approved projects scale.	4. 800-1000MW projects approval each year, continue to increase the profitable pipeline of wind and solar projects, especially in the area without curtailment.
5. Actively develop the financial services business (finance lease) to support the main business.	
6. Actively seek for the new technology to improve the efficiency of renewable energy, such as wind and solar power.	

2015 Annual Target and 1H Performance

Sections	Annual Target	1 st half Performance
Power generation	<p>1300MW attributable installed capacity by the end of 2015, in which, 500MW of solar power</p> <p>Attributable power generation:</p> <p style="padding-left: 40px;">Wind power 1140GWH (year to year growth: 31%)</p> <p style="padding-left: 40px;">Solar power 500GWH (year to year growth: 100%)</p> <p>Power generation profit strongly increased compared with last year.</p> <p>Availability rate of equipment over 95%</p> <p>The average utilization hours of wind power no less than 1800 hours/year, except for the provinces with severe curtailment(Gansu, Jilin, Liaoning).</p> <p>The average utilization hours of solar power no less than 1500 hours/year.</p>	<p>The 1st half of 2015, the attributable power generation was 792.53 GWh (1H 2014: 548 GWh), up 44.62% compared to the same period last year, of which wind power generation output was 553.81 GWh (1H 2014: 424.62 GWh), up 30.42%, while solar power generation was 238.72 GWh (1H 2014: 123.38 GWh), up 93.48% compared to last year.</p>
Project Development	Obtain >800MW wind and solar project approvals (wind and solar)	200MW wind power and 70MW solar power projects are newly approved this year. 860MW wind power projects are in 5 th batch released by NEA.
Project Construction	600MW of new construction projects will be launching this year, of which 400MW attributable capacity will be in operation, including 230MW of wind power and 170MW of solar power. On the second half, many projects will be in construction preparation phase to lay the groundwork for the increase of the installed capacity of 2016.	5 projects have been in operation with 59MW attributable capacity, in which 39MW of wind power and 20MW of solar power projects. 274MW of wind power and 157MW of solar power projects are under construction.
EPC Business	The EPC profit will be strongly increased compare with last year.	The EPC cooperation projects are working closely with Huadian Fuxin(0816.hk). The new cooperation projects, in southern and northern China, are steadily moving forward.
O&M	Actively explore the external market and keep steady development	Actively implement the restructuring and reform
Others	Actively preparing the financial leasing service platform construction	
Overall	The core business (power generation, EPC&M) contribution substantially increase compare 2014	

Solar Power Projects in Operation and Under Construction

Operating Solar Power Plants:

365MW – total capacity;

346MW – attributable capacity

Year	Project name	Province	Capacity (MW)	CWP's stake	Tariff (RMB/kWh)
2011	Suqian	Jiangsu	8.88	49%	2.4
2011	Wuwei	Gansu	9	100%	1.15
2012	HOKU SOLAR POWER I, LLC (USA)	US	0.9	100%	USD 0.39
2012	Urban Energy Solar LLC (USA)	US	1	100%	USD 42,928/month
2013	Yongren	Yunnan	50	97%	1
2013	GSE WI 1, LCC (USA)	US	1	80%	USD 0.80
2014	Nandong	Tibet	20	100%	1.15
2014	Yushen	Shanxi	200	100%	0.95
2014	Pingyuan	Shandong	40	100%	1.2
2015	Huaping	Yunnan	10	100%	0.95
2015	Eryuan	Yunnan	3.5	100%	0.95
2015	Zhaer	Inner Mongolia	20	32%	0.95

Under-construction Solar Power Projects:

157.43MW – total capacity;

157.43MW – attributable capacity

Project name	Province	Capacity (MW)	CWP's stake	Tariff (RMB/kWh)	Status
Huaping Phase II	Yunnan	40	100%	0.95	under construction
Eryuan Phase II	Yunnan	26.5	100%	0.95	under construction
Yuyang	Shanxi	50	100%	0.95	under construction
Shouguan	Shandong	10.93	100%	0.95	Under construction
Yanyuan	Sichuan	30	100%	0.95	Under construction

- Target to net increase **170MW** of new attributable capacity and reach around **510MW** of aggregate attributable capacity by end of 2015
- As at 30th June 2015, the attributable solar power capacity is 364MW, account 34% of CNE's total attributable power capacity.

Wind Power Projects in Operation and Under Construction

Operating Wind Power Plants:

1.6GW – total capacity; 671MW – attributable capacity

Year	Project name	Province	Capacity (MW)	CNE's stake	Tariff (RMB/kWh)
2006	Changtu Phase I	Liaoning	50.25	25%	0.64
2008	Taiqi Phase I	Inner Mongolia	49.5	49%	0.52
2008	Erlianhaote Phase I	Inner Mongolia	21	49%	0.52
2009	Linchang Phase I	Jilin	49.5	49%	0.61
2009	Mazongshan	Liaoning	49.5	24.50%	0.61
2009	Qujiagou	Liaoning	49.5	24.50%	0.61
2009	Zhaqi Phase I	Inner Mongolia	49.5	49%	0.54
2009	Heiyupao Phase I	Jilin	49.5	49%	0.61
2010	Wuchuan Yihemei	Inner Mongolia	49.5	46%	0.51
2010	Huadeng Phase I	Inner Mongolia	49.5	32%	0.54
2010	Huadeng Phase II	Inner Mongolia	49.5	32%	0.54
2010	Zhalute Phase II	Inner Mongolia	49.5	32%	0.54
2010	Zhalute Phase III	Inner Mongolia	49.5	32%	0.54
2010	Guazhou	Gansu	201	51.50%	0.52
2011	Kailu	Inner Mongolia	49.5	32%	0.54
2011	Touzhijian	Inner Mongolia	49.5	51%	0.51
2011	Maniuhu	Liaoning	49.5	30%	0.61
2011	Gulibengao	Liaoning	49.5	30%	0.61
2012	Heiyupao Phase III	Jilin	49.5	32%	0.58
2012	Heiyupao Phase IV	Jilin	49.5	32%	0.58
2012	Tianchang	Anhui	48	49%	0.62
2013	Chaoyang Wanjia	Liaoning	48	30%	0.61
2013	Jianghua Yaozu	Hunan	48	59%	0.61
2013	Xiaoxian Guanshan	Anhui	48	49%	0.61
2013	Suzhou Fuli	Anhui	48	49%	0.61
2014	Zilingpu	Hubei	48	59%	0.61
2014	Huolonggang	Henan	49.5	59%	0.61
2014	Gaotong	Shandong	48	49%	0.61
2015	Sihong	Jiangsu	50.4	30%	0.61
2015	Yiyang	Henan	48	49%	0.61

Under-construction Wind Power Projects:

274MW – total capacity;

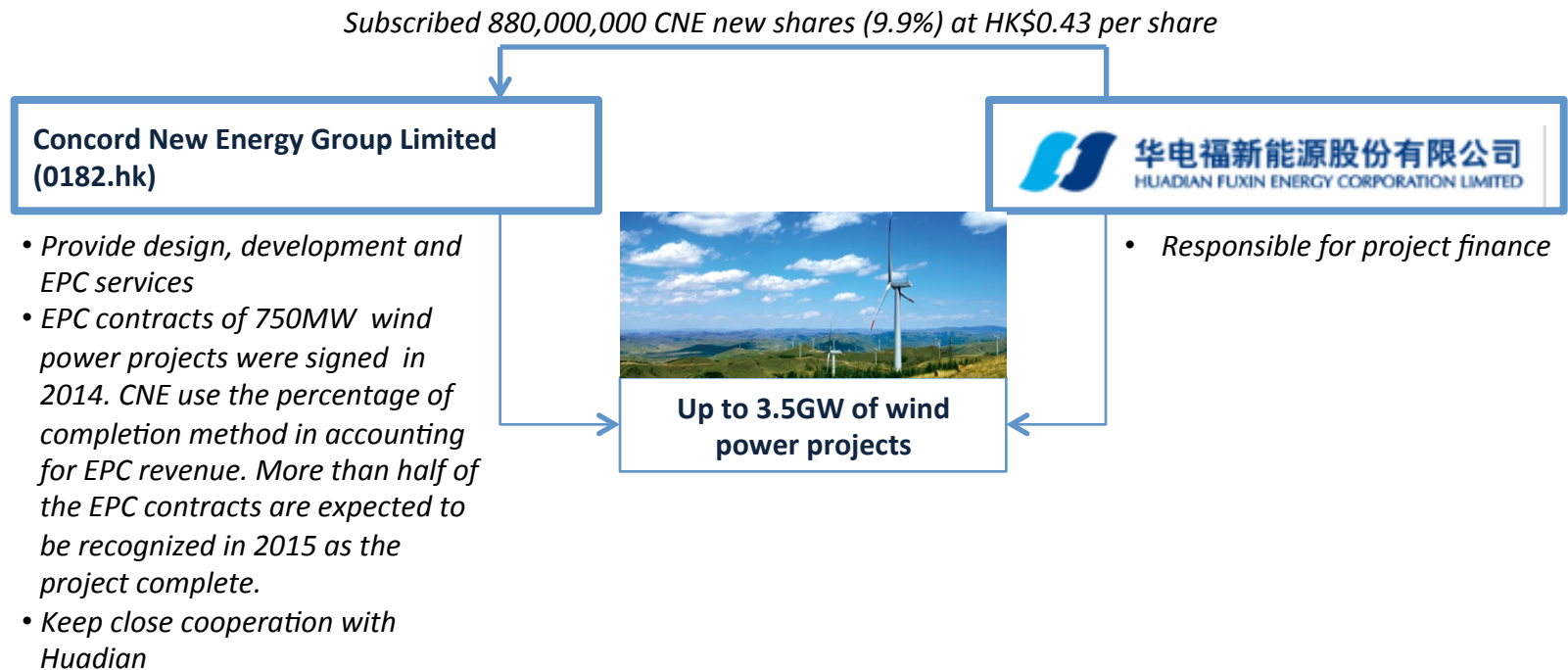
250.48MW – attributable capacity

Project name	Province	Capacity (MW)	CWP's stake	Tariff (RMB/kWh)	Status
Dongtian	Hunan	48	100%	0.61	under construction
Jinquan	Hubei	48	51%	0.61	under construction
Feixi	Anhui	34	100%	0.61	under construction
Jiepai	Hunan	48	100%	0.61	under construction
Tongdaolinkou	Hunan	48	100%	0.61	under construction
Cangfang	Yunnan	48	100%	0.61	under construction

- Target to net increase **230MW** of new attributable capacity and reach around **880MW** of aggregate attributable capacity by end of 2015


Co-operation with Huadian Fuxin

- In 2014, successfully brought in a **strong strategic partner** – **Huadian Fuxin** (0816.hk), subsidiary of Huadian Group



Early Mover in Solar Power Development

Solar Power Industry Development History in China

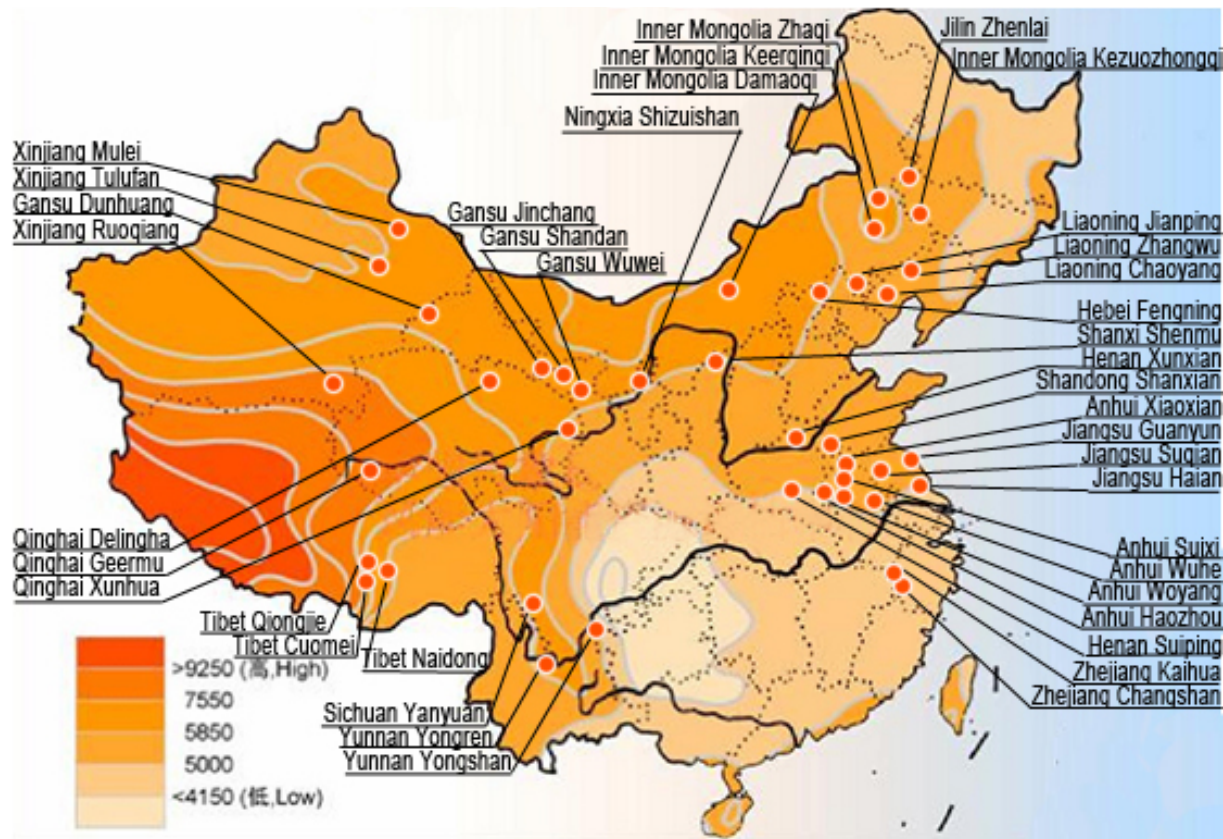
2010	2011	2012	2013	2014	2015
	<ul style="list-style-type: none"> July - NDRC introduced solar power FiT at RMB 1.15/kWh for solar power plants built before 31/12/2011 and RMB 1/kWh for solar power plants built afterwards 	<ul style="list-style-type: none"> Total installed solar capacity reached 7GW in China July-NEA issue the “12th Five-year” solar power industry development plan to encourage the solar power grid connection. Oct – State Grid published “Guidance of Grid Connection for Distributed Solar Power” ensuring grid connection and purchase of distributed solar power Dec – State Council set up localized FiT for solar power plants, and proposed to subsidize distributed solar power and halve the VAT Sharp decline in module prices due to European crisis and over capacity 	<ul style="list-style-type: none"> Total installed solar capacity reached 16.5GW July – State council increased solar power capacity target to over 35GW by 2015, growing at around 10GW per year Aug – NEA announced 3-tier solar power FiT at RMB 0.9/0.95/1 / kWh and the subsidy will last for 20 years Sep – halve the VAT until 31 Dec 2015 	<ul style="list-style-type: none"> The NEA, State Grid Corporation, China Southern Power Grid Company and provincial governments have each issued policy documents to promote the development of solar power. In addition, many provinces offered to provide additional subsidy on top of the feed-in tariff. Sep-the NEA issued the “notice of further implementation of related policies on distributed photovoltaic power generation” to demonstrate the government’s long-term support. 	<ul style="list-style-type: none"> NEA issued the “Notice on the 2015 Program for the Construction of Solar Power Generation” in March 2015 raising the national new solar capacity target to 17.8 GW in 2015, 70% higher than actual installed capacity in 2014. NDRC and NEA jointly issued the “Guidance on Improving Grid Operation and Promoting the Utilization of Clean Energy” in March 2015

CNE’s Solar Power Development

<ul style="list-style-type: none"> Started solar power feasibility study and set solar development strategy Setup light measuring stations Secured 648MW exclusive solar resources 	<ul style="list-style-type: none"> Obtained 48MW solar power project approvals and 130MW initiation approvals Successfully developed 48MW solar power plants Signed 5GW of exclusive solar resources 	<ul style="list-style-type: none"> Obtained 320MW solar power project approvals and 800MW initiation approvals Added 52MW of solar power plants Gathered > 5GW of exclusive solar resources 	<ul style="list-style-type: none"> Total 420MW of solar power project approvals and 520MW of initiation approvals for near term development Gathered > 6.5GW of exclusive solar resources Added 71MW of solar power plants 	<ul style="list-style-type: none"> Added net 260MW of solar power plants 	<ul style="list-style-type: none"> 70MW projects were newly approved and 200MW of newly added reserves. Added 34MW of solar power plants > 8GW of exclusive solar resources
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Prioritized solar power development and investment to become CNE’s core business

Strong and Solid Solar Power Project Pipeline



- The feed-in tariff is divided into three tiers by NDRC, which is RMB0.90/kWh, RMB0.95/kWh and RMB1/kWh based on solar radiation levels where the plant locates
- 1H 2015 China's newly installed solar power capacity reached 6.69GW ground; 1.04GW distributed
- 2015 China's cumulative installed solar power capacity will reach 17.8GW

Expert in Wind Power Development and Operation

Wind Power Industry Development History in China

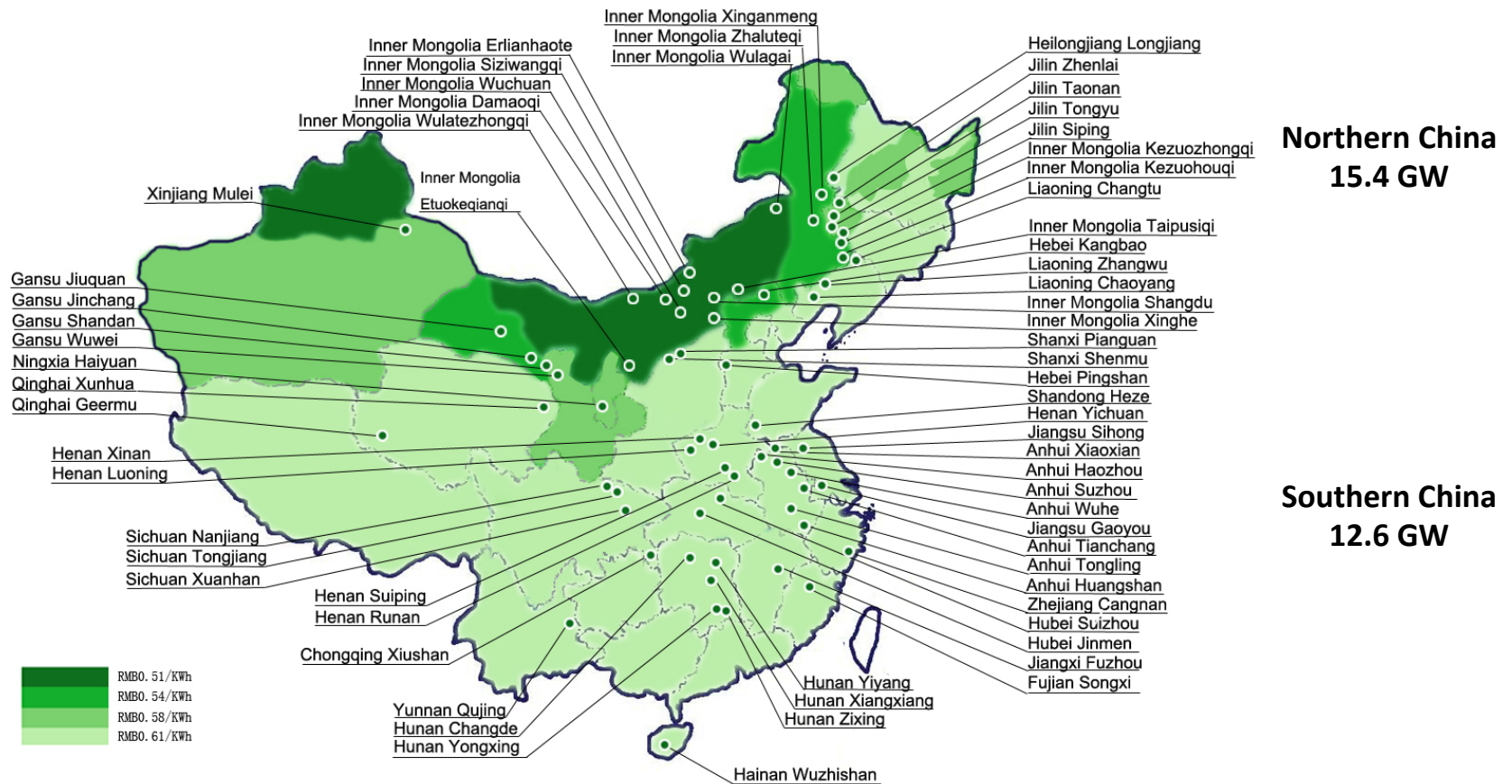
2007&2008	2009	2010	2011	2012	2013	2014	2015
<ul style="list-style-type: none"> • Wind power began to take off • Shortage in turbine and equipment supplies • Implementation of Renewable Energy Law in Sep. • Listed – first wind power company listed in HK, raised HKD 1bn • Secured abundant exclusive wind reserves 	<ul style="list-style-type: none"> • 4-zone wind power FiT (RMB 0.51/ 0.54/ 0.58/ 0.61/ kWh) were set • Overcapacity in turbines, sharp downward trend in turbine prices • China 4-trillion stimulus plan • China surpassed the US in terms of annual installed wind power capacity 	<ul style="list-style-type: none"> • NEA centralized the wind power plants approval • Turbine prices continued to drop • Grid connection and curtailment problem started to become prominent • Global lead on both annual installed wind power capacity and cumulative installed capacity 	<ul style="list-style-type: none"> • Implementation of LVRT and other technical requirements for wind power plants • NEA announced 1st batch of wind power approved projects of 26.8GW in Aug • Encourage divest wind power development to the South/ inland 	<ul style="list-style-type: none"> • Severe grid curtailment in the North • CDM prices collapsed • Wind power became the 3rd largest source of electricity in China • NEA announced 2nd batch of wind power approved projects of 25.5GW in Mar • Turbine prices stabilized 	<ul style="list-style-type: none"> • Gradual improvement in grid curtailment • NEA announced 3rd batch of wind power approved projects of 28.7GW in Mar 	<ul style="list-style-type: none"> • NEA announced 4th batch of wind power approved projects of 27.6GW in Mar. • Dec-NDRC issued the “Notice for the Adjustment to Onshore Wind Power FITs”, feed-in tariff in Class (I, II and III resource areas were reduced by RMB 0.2/kWh, while FIT for Class IV resource areas remains at RMB 0.61/kWh 	<ul style="list-style-type: none"> • Wind power projects with total capacity of 34GW were included in the fifth batch of the “12th Five-Year” wind power project pre-approval list issued by the NEA in April 2015. • NEA issued the “Notice on Further Perfecting the Administration of Annual Wind Power Development Plans”, requested that regions with curtailment rate over 20% are not allowed to schedule new projects.

CNE's Wind Power Development

<ul style="list-style-type: none"> • FiT entered into practice • Wind power continued to grow rapidly • Tight financing environment • Partnered with strong SOEs to leverage on the financing capacities 	<ul style="list-style-type: none"> • Expanded capacities and completed 8 grid connected wind power plants 	<ul style="list-style-type: none"> • Started our “Build- Sell” strategy • Completed 9 grid connected wind power plants • Received financing support from IFC 	<ul style="list-style-type: none"> • Diversify into the South • Received 400MW of approval from the 1st batch • First wind power company to issue CNH bond in HK 	<ul style="list-style-type: none"> • Received 1,150MW of approval from the 2nd batch • Start selling down equity stakes in northern wind power plants • Severe costs cutting 	<ul style="list-style-type: none"> • Received 880MW of approval from 3rd batch • More diversified and balanced portfolio • Less curtailment, higher average utilization hours • Prioritize southern wind power plants development 	<ul style="list-style-type: none"> • Received 300MW of approval from 4th batch • Work closely with SOE IPPs • Add 81MW net attributable capacity of wind power plants 	<ul style="list-style-type: none"> • 17 wind power projects(860MW) included in the 5th batch and all projects are located in regions with no subject to grid congestion. • Added 39MW attributable capacity.
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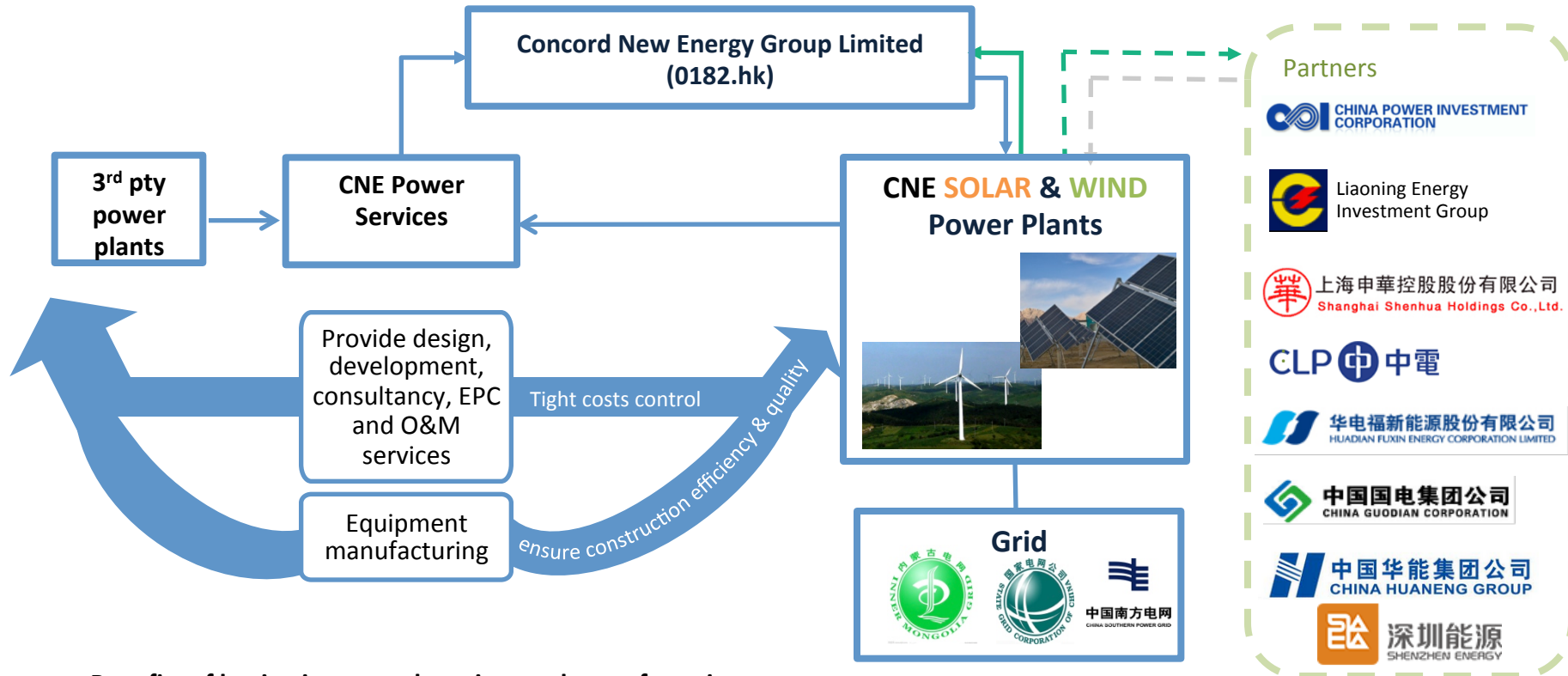
Constantly staying ahead of market trend. Always taking a proactive and agile approach to challenges

Steady Wind Power Project Pipeline



- The latest feed-in tariff released by NDRC, which will be executed from 2016, is divided into four levels, RMB0.49/kWh, RMB0.52/kWh, RMB0.56/kWh and RMB0.61/kWh based on the wind resources at each region.
- 1H 2015 China's newly installed wind power capacity reached 9.16GW
- 1H 2015 China's cumulative installed wind power capacity reached 105.53GW

Integrated Business Model



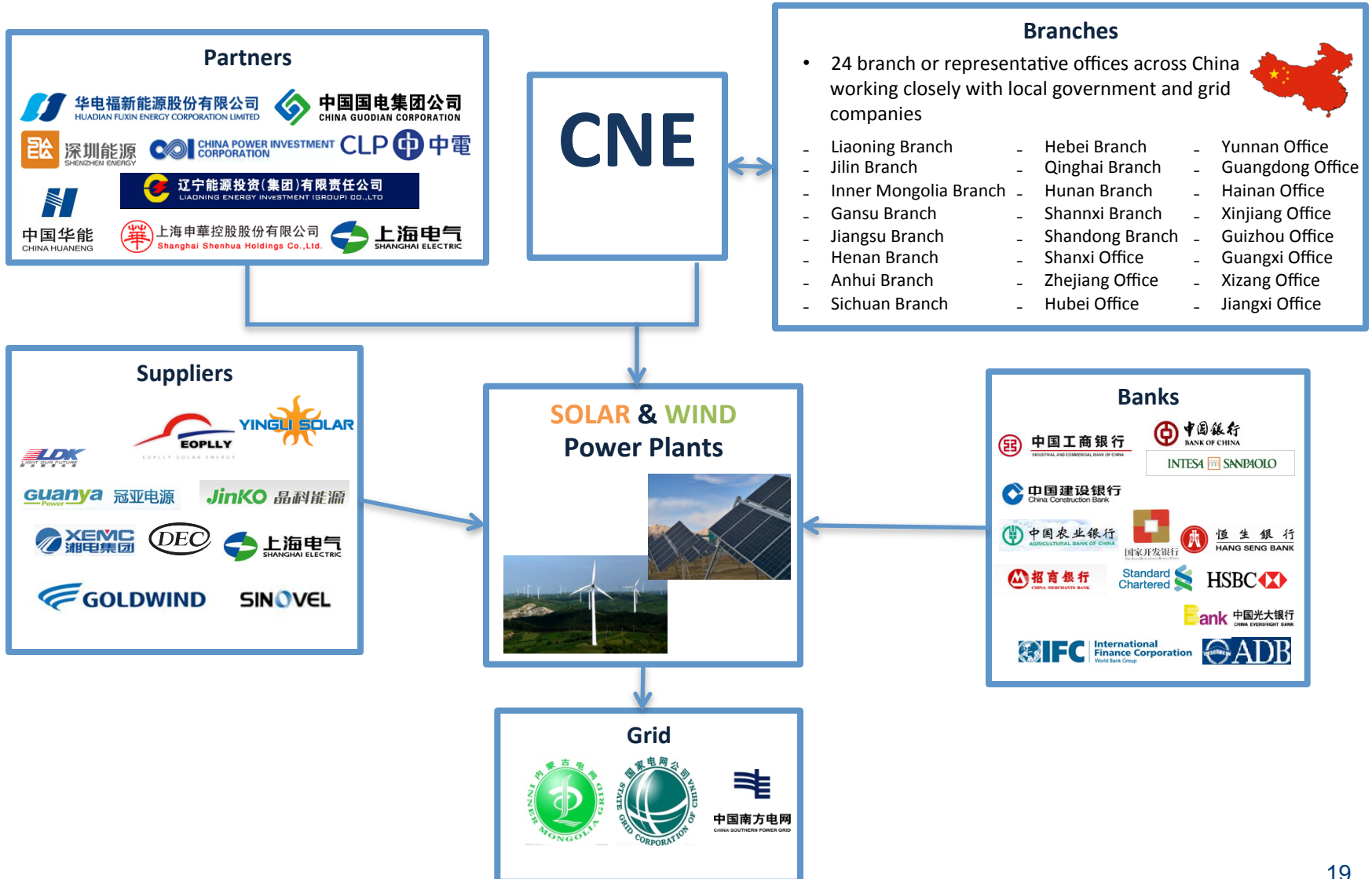
Benefits of having integrated services and manufacturing:

- CNE maintains greater control over the availability of equipments, construction time, costs, and quality
- Higher output efficiency due to experienced O&M team
- Improved cash flow from the power plants services business

Integrated business model allows greater control and higher efficiency in capital usage

Established Relationships and Platforms

Long established relationships and platforms ensuring effective and continuous power plant development



Shareholding Structure & Management Team

Shareholding Structure:



Executive Directors & Management:

Mr. Liu Shunxing, Chairman – An Executive of China Energy Council, the vice president of China Energy Research Institute and a Deputy Director of Energy Conservation and Enterprise Energy Management Committee. He once worked in National Development and Reform Commission and China Energy Conservation Investment Corporation.

Mr. Yang Zhifeng, CEO – Former General Manager of Asset Management and Operation Dept in China Energy Conservation Investment Corporation, possesses >9 years of experience in renewable industry.

Ms. Liu Jianhong, Vice President – Former Chief Legal Officer of China Energy Conservation Investment Corporation, possessing 9 years of experience in renewable energy industry.

Dr. Yu Weizhou, Vice President – Former Deputy Chief Engineer of Guohua Energy Investment Ltd. Also previously served at State Electricity Regulatory Commission of the PRC (SERC) and the Nation's Electric Dept. Possesses strong power industry knowledge and many years of experience in renewable energy project development.

Management Team

Non-Executive Director:

Mr. Gao Fuchun—Deputy Director of Hydropower and New Energy Industries of Huadian Fuxin, a 9.84% shareholder of the Company. Mr. Gao is very familiar with plant operation management, equipment management and safety management.

Independent Executive Director:

Mr. Yap Fat Suan, Henry – Fellow Member of the Institute of Chartered Accountant in England and Wales and an Associate Member of Hong Kong Institute of Certified Public Accountants. Mr. Yap has extensive experience in finance and accounting. He is also an independent non-executive director of DVN (Holdings) Limited.

Dr. Wong Yau Kar, David – Permanent Honorary President of the Chinese Manufacturers' Association of Hong Kong and Deputy Chairman of the Hong Kong Institute of Directors.

Dr. Shang Li – Was a Associate Professor of the Department of Electrical, Computer and Energy Engineering in University of Colorado at Boulder and the Chair Professor in Tongji University.

Ms. Huang Jian – Full time member of SME Board Public Offering Review Committee of the China Securities Regulatory Commission.

Other Management

Mr. Zhou Zhizhong, Vice President He is in charge of EPC business; former Chairman of Nanjing Power Supply Bureau, the General Manager of Jiangsu Power Construction Company and the VP of the Golden Concord Group. National registered 1st class construction engineer. Possesses over 20 years of power engineering experience.

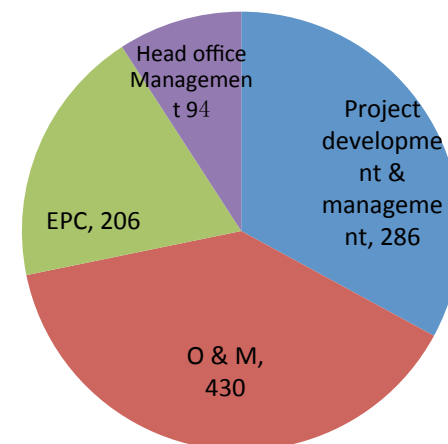
Mr. Wang Yaobo, Vice President – Has more than 30 years experience in power system planning and engineering management. He was the Vice Chief Engineer of Jilin Electric Bureau.

Mr. Niu Wenhui, Vice President – Has nearly 20 years experience in financial management. He had served as vice president of China Ruilian Industrial Group and Chief Financial Officer of Rainbow Group Shenzhen Branch.

Mr. Liu Ruiqing, President Assistant –was the chief engineer of Guohua (Hebei) New Energy Corporation, and vice general manager of Huadian New Energy Development Co. Ltd.(Mengdong Branch).

Human Resource Distribution:

As at 30 June of 2015, total number of staff is 1,016



Appendix

Summary of Financial Statements

P&L (HK\$'000)	1H 2015	1H 2014	FY2014
Revenue	2,174,462	1,194,334	3,549,639
Other Income	20,044	16,297	25,383
Other gains, net	7,888	13,426	166,487
Exchange gains, net	(380)	3,790	3,765
Expenses			
- Cost of construction and inventories sold	(1,717,709)	(890,966)	(2,916,660)
- Employee benefit expense	(62,823)	(58,370)	(149,861)
- Depreciation and amortization	(68,066)	(48,681)	(109,431)
- Operating lease payments in respect of land and buildings	(12,155)	(1,948)	(4,052)
- Other expenses	(69,803)	(56,092)	(117,358)
- Finance costs	(59,794)	(60,330)	(105,722)
Share of results of Associates			
- share of results before provision for receivable	7,329	1,276	7,645
Share of results of Joint Ventures			
- share of results before provision for receivable	58,055	33,454	42,062
Profit before income tax	277,048	146,190	391,897
Income tax expense	(24,125)	(23,584)	(73,786)
Profit for the period	252,923	122,606	318,111
Basic earning/(loss) per share (HK cents)	2.83	1.43	3.62

Asset (HK\$'000)	1H 2015	1H 2014	FY 2014
Current assets	5,670,583	4,399,055	4,211,784
Non-current assets	8,084,133	5,814,423	6,578,307
Total assets	13,754,716	10,213,478	10,790,091
Current liabilities	4,676,783	3,357,431	3,492,423
Non-current liabilities	3,114,803	1,426,916	1,542,047
Total liabilities	7,791,586	4,784,347	5,034,470
Net current assets	993,800	1,041,624	719,361
Net Asset	5,963,130	5,429,131	5,755,621
Share Capital	89,462	89,462	89,462
Reserves	5,772,386	5,336,712	5,564,813

Cash Flow (HK\$'000)	1H 2015	1H 2014	FY2014
Net cash from operating activities	151,110	179,111	294,062
Net cash used in investing activities	(1,017,582)	(145,728)	(2,834,851)
Net cash from financing activities	1,440,373	(454,886)	1,803,149
Net increase/(decrease) in cash and cash equivalents	573,901	(421,503)	(744,868)
Cash and cash equivalents	1,685,301	1,403,121	1,105,341

Solar Power Plant Economics (sample)

Solar Power Plant Economics Assumptions:

1. Capacity of solar farm = 30MW	5. Module = RMB 4/watt, BOS = RMB 4/watt	9. Capital = RMB 48.0mil (20%)
2. Capacity factor = 1500hours	6. Total Investment = RMB 240.00mil	10. Bank Loan = RMB 192.0mil (80%)
3. Tariffs = RMB0.95/kWh (include VAT)	7. CAPEX = RMB 216mil	11. Interest rate = 5.67%(5.4%×1.05)
4. Solar Module annual degradation=1% (20years)	8. VAT for CAPEX = RMB 31.38mil	12. Construction period = 6 months

Project Income Statement:

(in RMB mil)				Year0	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Net Electricity tariffs (exclude 17%VAT)					39.40	39.01	35.81	35.44	35.08	34.71	34.35	33.98	33.62	33.25
Total revenue					39.40	39.01	35.81	35.44	35.08	34.71	34.35	33.98	33.62	33.25
Depreciation (a) 20 years 229.5					10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80
O & M costs RMB 0.02/kWh					0.90	0.89	0.88	0.87	0.86	0.86	0.85	0.84	0.83	0.82
Repair costs 3% growth rate/yr 0.3							0.30	0.31	0.32	0.33	0.34	0.35	0.36	0.37
Operating expense 3% growth rate/yr 1.5					1.50	1.55	1.59	1.64	1.69	1.74	1.79	1.84	1.90	1.96
Insurance 0.10% total investment					0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Land costs RMB 5mil/yr 5					5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total					18.44	18.48	18.81	18.86	18.91	18.96	19.01	19.07	19.13	19.19
Operating profit						20.96	20.53	16.99	16.58	16.17	15.75	15.33	14.91	14.06
Loan balance at end of the year				192.00	178.29	164.57	150.86	137.14	123.43	109.71	96.00	82.29	68.57	54.86
Interest expense 15 years 5.67%				5.44	10.50	9.72	8.94	8.16	7.39	6.61	5.83	5.05	4.28	3.50
Profit before tax					10.46	10.81	8.05	8.42	8.78	9.14	9.50	9.86	10.21	10.57
Tax 25%					0.00	0.00	0.00	1.05	1.10	1.14	2.37	2.46	2.55	2.64
Profit after tax (b)					10.46	10.81	8.05	7.36	7.68	8.00	7.12	7.39	7.66	7.92
Capital 48.00														
VAT offset (c) 33.35					3.35	3.32	6.09	6.03	5.96	5.90	0.74	-	-	-
Loan repayment (d) 15 years				0.00	-13.71	-13.71	-13.71	-13.71	-13.71	-13.71	-13.71	-13.71	-13.71	-13.71
Cash Flow (a)+(b)+(c)+(d)				-48.0	10.90	11.21	11.22	10.48	10.73	10.98	4.95	4.48	4.74	5.01
20-year equity IRR				19.93%										
20-year project IRR				9.61%										
ROE					21.80%	22.52%	16.77%	15.34%	16.00%	16.66%	14.84%	15.40%	15.96%	16.51%

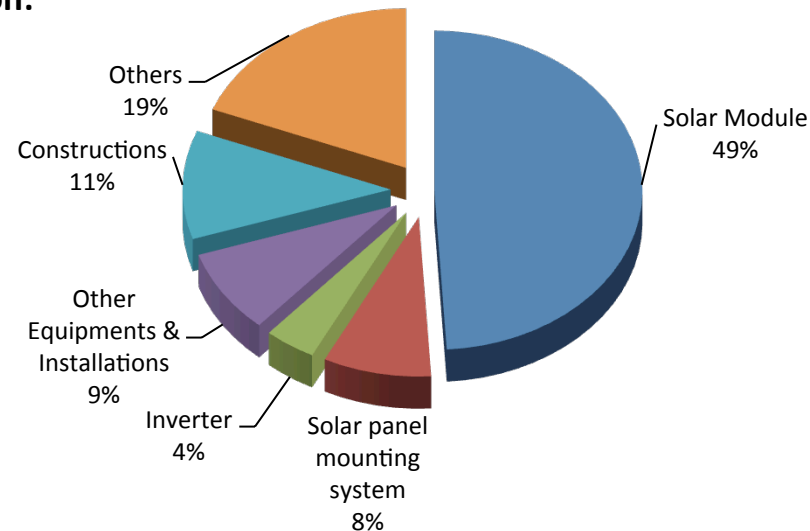
CAUTION : The numbers above are hypothetical numbers illustrating a sample financial model for a solar power plant in China. Such numbers do not derive from any solar power plant in which CNE has invested or plan to invest.

Solar Power Plant Economics Analysis

Sensitivity/ Scenario Analysis:

Scenario (assuming other factors held constant)	Impact on the first year Profit	Impact on Eq IRR	Eq IRR change (from base case of 19.93%)	Current level
Grid tariff reduced to RMB0.90/kWh (include VAT)	- RMB 2.07mil	-3.91%	16.02%	RMB0.9-1.2//kWh (include VAT)
Capacity factor decreased by 100 hours	- RMB 2.57mil	-4.80%	15.13%	1400-2000 hours
PBOC rate increased by 0.50%	- RMB 0.97mil	-1.37%	18.56%	5.4-6.45
Project cost decreased to RMB 7.5/watt	+RMB 1.35mil	+4.16%	24.09%	RMB 7-8/watt
No additional land costs	+RMB 5mil	+10.41%	30.34%	RMB2-8 mil / year / 50MW

Project Costs Distribution:



CAUTION : The numbers above are hypothetical numbers illustrating a sample financial model for a solar power plant in China. Such numbers do not derive from any solar power plant in which CWP has invested or plan to invest.

Wind Power Plant Economics (sample)

Wind Power Plant Economics Assumptions:

1. Capacity of wind farm = 48MW	4. Total Investment = RMB 374.4mil (RMB7.8/watt)	9. Bank Loan = RMB 299.5mil (80%)
2. Capacity factor = 1850hours (0.228)	5. CAPEX = RMB 318.2mil	10. Interest rate = 5.67%(5.4%×1.05)
3. Tariffs = RMB0.61/kWh (include VAT)	6. VAT for CAPEX = RMB 46.2mil	11. Construction period = 12 months
	7. Capital = RMB 74.9mil (20%)	12. VAT for CAPEX offset by VAT for power sales

Project Income Statement:

(in RMB mil)			Year0	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year 10
Net Electricity tariffs (exclude 17%VAT)				46.30	46.30	46.30	46.30	46.30	46.30	46.30	46.30	46.30	46.30
VAT Refund (8.5%)										0.49	3.94	3.94	3.94
Total revenue				46.30	46.30	46.30	46.30	46.30	46.79	50.23	50.23	50.23	50.23
Depreciation	(a)	23 years		13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84
O & M costs		0.03/kWh		2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66	2.66
Repair costs		3% of elec tariff rev		1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39
Operating expense				1.54	1.59	1.63	1.68	1.73	1.79	1.84	1.89	1.95	2.01
Total				19.43	19.48	19.52	19.57	19.62	19.67	19.73	19.78	19.84	19.90
Operating profit				26.87	26.82	26.77	26.73	26.67	27.11	30.50	30.45	30.39	30.33
Loan balance at end of the year			300	275	250	225	200	175	150	125	100	75	50
Interest expense	12 years	5.67%		16	15	13	12	11	9	8	6	5	4
Profit before tax				10.59	11.96	13.33	14.70	16.06	17.92	22.72	24.08	25.44	26.8
Tax		25%		-	-	-	-	1.84	2.01	2.24	5.68	6.02	6.36
Profit after tax				10.59	11.96	13.33	12.86	14.05	15.68	17.04	18.06	19.08	20.10
Capital			74.9										
VAT offset	(c)	46.2		7.87	7.87	7.87	7.87	7.87	6.89	-	-	-	-
Loan repayment	(d)	12 years		-24.96	-24.96	-24.96	-24.96	-24.96	-24.96	-24.96	-24.96	-24.96	-24.96
Cash Flow (a)+(b)+(c)+(d)				-74.9	7.43	8.71	10.08	9.61	10.80	11.44	5.92	6.94	7.96
20-year equity IRR				15.15%									
20-year project IRR				9.43%									
ROE					14.15%	15.97%	17.80%	17.17%	18.77%	20.93%	22.76%	24.12%	25.48%
												26.84%	

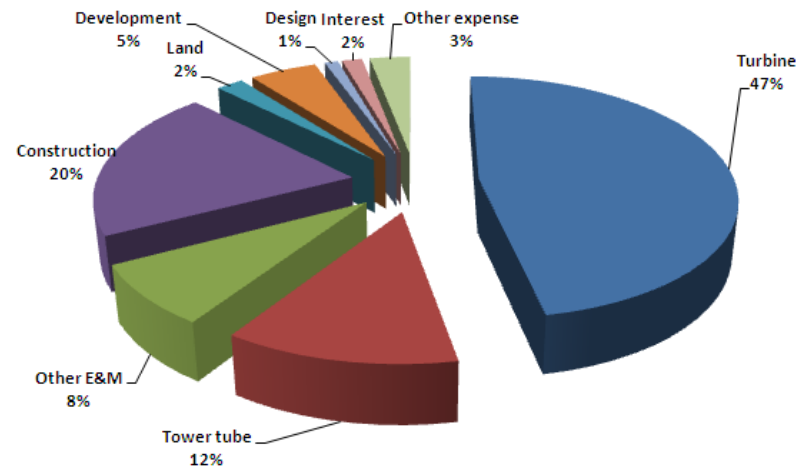
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Wind Power Plant Economics Analysis

Sensitivity/ Scenario Analysis:

Scenario (assuming other factors held constant)	Impact on Profit	Impact on IRR	IRR change (from base case of 14.73%)	Current level
Grid tariff decreased by 1 cents	- RMB 0.73mil	-0.75%	14.40%	RMB0.49-0.61// kWh (include VAT)
Capacity factor decreased by 100 hours	- RMB 2.28mil	-2.29%	12.86%	1700-2500 hours
PBOC rate increased by 0.50%	- RMB 1.5mil	-0.82%	14.33%	5.65-6.45
Project cost increased to RMB8,000/kw	- RMB 0.77mil	-1.03%	14.12%	RMB 7-8/watt

Project Costs Distribution:



CAUTION : The numbers above are hypothetical numbers illustrating a sample financial model for a wind farm in China. Such numbers do not derive from any wind power plant in which CWP has invested or plan to invest.

Thank you for your interest in CNE

www.cnegroup.com.hk



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