China WindPower Group Ltd. (0182.hk)

- An Experienced and Integrated Wind & Solar Developer and Operator

2014 Interim Results Presentation – 20th Aug 2014

cwp 中国风电

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1H2014 Financial Summary

		As at 30th Jun 14 (unaudited)	As at 31th Dec 13	Change %	
Balance Sheet	Net assets	HK$ 5,429.1mil	HK$ 4,993.9mil	+8.7%	
	Cash and cash equivalent	HK$ 1,403.1mil	HK$ 1,850.2mil	-24.2%	
	Gearing ratio *(long term debt divided by owner's equity)*	0.26	0.26	0.0%	
		1H 2014 (unaudited)	**1H 2013 (unaudited)**	**Change %**	**FY 2013**
Consolidated P&L	Revenue	HK$ 1,194.3mil	HK$ 436.5mil	+173.6%	HK$ 1,882.6mil
	Profit	HK$ 122.6mil	HK$ 38.4mil	+219.3%	HK$ 151.1mil
	Fully diluted EPS	1.43 HK cents	0.53 HK cents	+169.8%	2.03 HK cents
Segment Revenue	Power generations[1]	HK$ 108.9mil	HK$ 48.3mil	+125.3%	HK$ 114.3mil
	EPC&M	HK$ 1,020.6mil	HK$ 324.2mil	+213.8%	HK$ 1,643.7mil
	O&M	HK$ 64.8mil	HK$ 63.9mil	+1.4%	HK$ 124.7mil
Segment Results	Power generations[2]	HK$ 94.8mil	HK$ 53.6mil	+76.9%	HK$ 117.8mil
	EPC&M	HK$ 74.2mil	HK$ -12.9mil	+677.2%	HK$ 56.4mil
	O&M	HK$ 26.7mil	HK$ 27.7mil	-3.4%	HK$ 46.4mil
	Other gains, net	HK$ 6.1mil	HK$ 52.2mil	-88.3%	HK$ 177.2mil

1. *Power generation revenue from consolidated power plants*
2. *EBIT from consolidated power plants, plus share of results from non-consolidated power plants*

1H2014 Operational Summary

		1H2014		1H2013		Change		FY 2013	
Power Investment		Total	Equity	Total	Equity	Total	Equity	Total	Equity
	Total capacity in operation	1,526MW	702MW	1,311MW	617MW	+16.4%	+13.8%	1,526MW	702MW
	-Wind	1,355MW	548MW	1,211MW	534MW	+11.9%	+2.6%	1,355MW	548MW
	- Solar	171MW	154MW	100MW	83MW	+71.0%	+85.5%	171MW	154MW
	Total newly added capacity	0MW	0MW	49.5MW	14.85MW	0.0%	0.0%	265MW	158MW
	- Wind	0MW	0MW	49.5MW	14.85MW	0.0%	0.0%	194MW	87MW
	- Solar	0MW	0MW	0MW	0MW	0.0%	0.0%	71MW	71MW
Power Generation	Total wind power generation	1,061mil kWh		1,182mil kWh		-10.2%		2,259mil kWh	
	Total attributable wind power generation	425mil kWh		530mil kWh		-19.8%		1,010mil kWh	
	Weighted average wind farm capacity factor	837hours		929hours		-9.9%		1,871 hrs	
	Total solar power generation	136mil kWh		45mil kWh		+204.2%		142mil kWh	
	Total attributable solar power generation	123mil kWh		42mil kWh		+193.0%		137mil kWh	
	Weighted average solar farm capacity factor	815hours		847hours		-3.8%		1,551 hrs	
	Weighted average tariff								
	-Wind	RMB0.5556/kWh		RMB0.5692/kWh		-2.4%		RMB 0.5583/kWh	
	-Solar	RMB1.099/kWh		RMB1.312/kWh		-16.2%		RMB 1.169/kWh	
	Turbines availability rate	95.84%		96.05%		-0.2%		95.25%	
	Modules availability rate	99.77%		99.42%		+0.4%		96.27%	
	Grid Curtailment	15.2%		25.2%		-39.7%		17.6%	
EPC and O&M	No. of projects constructed	16		11		+45.5%		16	
	No. of design & consultancy reports provided	69		70		-1.4%		224	
	No. of O &M service projects	44		51		-13.7%		43	
Human Resources	Total no. of employees	1,080		1,450		-25.5%		1,148	
Emission Reduction	Total tons of CO2 emission reduction	1,240,000		1,130,000		+9.7%		2,490,000	

2014 Business Outlook & Strategy

	Outlook	Strategy
Power generation	- Expect average grid curtailment to come down further due to more balance portfolio composition and overall improvement in the grid infrastructures	- Implement accountability of safety production internally - Carry out thorough inspection to eliminate hazards and defects - Focus more on failure analysis and spare parts management - Maintain close communication with the local grid companies
Approval	- NEA announced in Jan 2014, 18GW of wind power target and 14GW of solar power target for 2014 - 4th batch of wind power projects amounted to 27.6GW; in which CWP obtained 300MW, totaled to 2.73GW in 1st, 2nd, 3rd and 4th batch.	- Increase efforts in project approvals - Continue to secure exclusive wind or solar power development with county government - Look into distributed solar projects
Power plant investment	- Potential risk in wind power tariff adjustment - Increasing financing costs - Higher operating and maintenance costs due to wear and tear of turbines - Payment of tariff subsidies continue to lag	- Focus on wholly-own solar power projects with no or less grid curtailment risk - Cooperate with strong SOE partners on wind power projects - Diversify financing channels
Asset optimization	- Target a more balance portfolio of wind and solar power plants, across different regions with no or less curtailment	- Aim to add net 300-350MW of solar power and net 150-200MW of wind power in 2014 - Avoid concentrating in any one area - Continue to sell down power plants with severe curtailment or potential curtailment risks, while invest in quality power plants
EPC	- Combine the strength of each service and provide more “integrated” services	- Work closely with strong SOE partners - Advance the ability and integration of EPC companies
O&M	- O&M service fees are under pressure, but volume is increasing - More demand for spare parts repair and replacement	- Extend services to third parties’ power plants
Overall	- Costs cutting and business integration	- Streamline corporate structure, and potentially further layoff - Comprehensive budget management and tighten costs control

Strong and Solid Solar Power Project Pipeline

Operating Solar Power Plants:

171MW – total capacity; 154MW – attributable capacity

Year	Project name	Province	Capacity (MW)	CWP's stake	Tariff (RMB/kWh)
2011	Delingha Phase I	Qinghai	30	100%	1.15
2011	Suqian	Jiangsu	8.88	49%	2.40
2011	Wuwei	Gansu	9.0	100%	1.15
2012	Gonghe	Qinghai	30	60%	1.00
2012	Delingha Phase II	Qinghai	20	100%	1.00
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%	1.00
2013	Delingha Phase III	Qinghai	20	100%	1.00
2013	GSE WI 1, LCC (USA)	US	1	80%	USD 0.80
2013	Jinchuan	Gansu	50	100%	1.00
2013	Yongchang	Gansu	50	100%	1.00

2014 Solar Power Project Pipeline:

364.6MW – total capacity; 364.6MW – attributable capacity

Project name	Province	Capacity (MW)	CWP's stake	Tariff (RMB/kWh)	Status
Naidong	Tibet	20	100%	1.15	under construction
Yushen	Shanxi	200	100%	0.95	under construction
Pingyuan	Shandong	40	100%	1.2	under construction
Yuyang	Shanxi	50	100%	0.95	under early construction
Huaping	Yunnan	10	100%	0.95	under early construction
Eeryuan	Yunnan	3.5	100%	0.95	under early construction
Pingquan	Hebei	30	100%	1.2	under early construction
Indiana Solar LLC (USA)	US	11.1	100%	USD 0.20	under early construction
Jiayuguan	Gansu	50	100%	0.95	sold

- **Target to net increase 300-350MW of new attributable capacity and reach around 500MW of aggregate attributable capacity by end of 2014**

Solar power capacity could account for almost 40-50% of CWP's attributable power capacity by 2014

Steady Wind Power Project Pipeline

Operating Wind Power Plants:

1.35GW – total capacity; 550MW – attributable capacity

Year	Project name	Province	Capacity (MW)	CWP'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	24.5%	0.61
2009	Qujiagou	Liaoning	49.5	24.5%	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	51.5%	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 Wind Power Project Pipelines:*

339.9MW – total capacity; 215.7MW – attributable capacity

Project name	Province	Capacity (MW)	CWP's stake	Tariff (RMB/kWh)	Status
Zilingpu	Hubei	48	59.3%	0.61	under construction
Hebi Huolonggang	Henan	49.5	59.3%	0.61	under construction
Gaotong	Shandong	48	49%	0.61	under construction
Sihong	Jiangsu	50.4	30%	0.61	under construction
Dongtian	Hunan	48	100%	0.61	under construction
Jinquan	Hubei	48	100%	0.61	under construction
Yiyang Fancun	Henan	48	49%	0.61	under construction

*not including the 827MW wind power EPC projects with Huadian Fuxin

- **Target to net increase 150-200MW of new attributable capacity and reach around 700MW of aggregate attributable capacity by end of 2014**

Focus on "JV", "build-sell" and southern projects to ensure power generation and steady capacity growth

Co-operation with Huadian Fuxin

Mar 14→ Successfully brought in a **strong strategic partner – Huadian Fuxin** (0816.hk), controlling subsidiary of Huadian Group

Subscribed 880,000,000 CWP new shares (9.9%) at HK$0.43 per share

China WindPower Group Limited (0182.hk)

- *Provide up to 3.5GW of potential wind power projects*
- *Commence construction on 827MW of wind power projects in 2014*
  - *443MW in the North*
  - *384MW in the South*
- *Provide design, development and EPC services*

Up to 3.5GW of wind power projects

华电福新能源股份有限公司
HUADIAN FUXIN ENERGY CORPORATION LIMITED

- *Responsible for project finance*

Company Overview

China WindPower Group Limited (0182.hk)

- Total share outstanding: 8.875bn*
- Total assets: HK$ 10.2bn*
- Total net assets: HK$ 5.43bn*
- 2014 1H Revenue: HK$ 1.19bn
- 2014 1H Profit: HK$ 122.6mil

(* as of 30 June 2014)

Solar Power

- Expanded into solar power since 2010
- Currently owns and operates 10 solar power plants (total capacity = 171MW, attributable capacity =154MW)
- 365MW of projects fully approved and under construction
- Over 7.5GW of exclusive solar resources in the pipeline
- Strategy - Prioritize solar power development to became CWP's core business

Wind Power

- 9 years of development and operational experiences since 2006
- Currently owns and operates 25 wind power plants (total capacity = 1.35GW, attributable capacity = 548MW)
- Total of 2.73GW listed in 1st, 2nd, 3rd and 4th batch of NEA approved project lists
- 340MW (total capacity) of projects fully approved and under construction
- Over 28GW of exclusive wind resources in the pipeline
- Strategy - "JV", "Build-Sell", "Southward Development"

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

Early Mover in Solar Power Development

Solar Power Development Trend in China

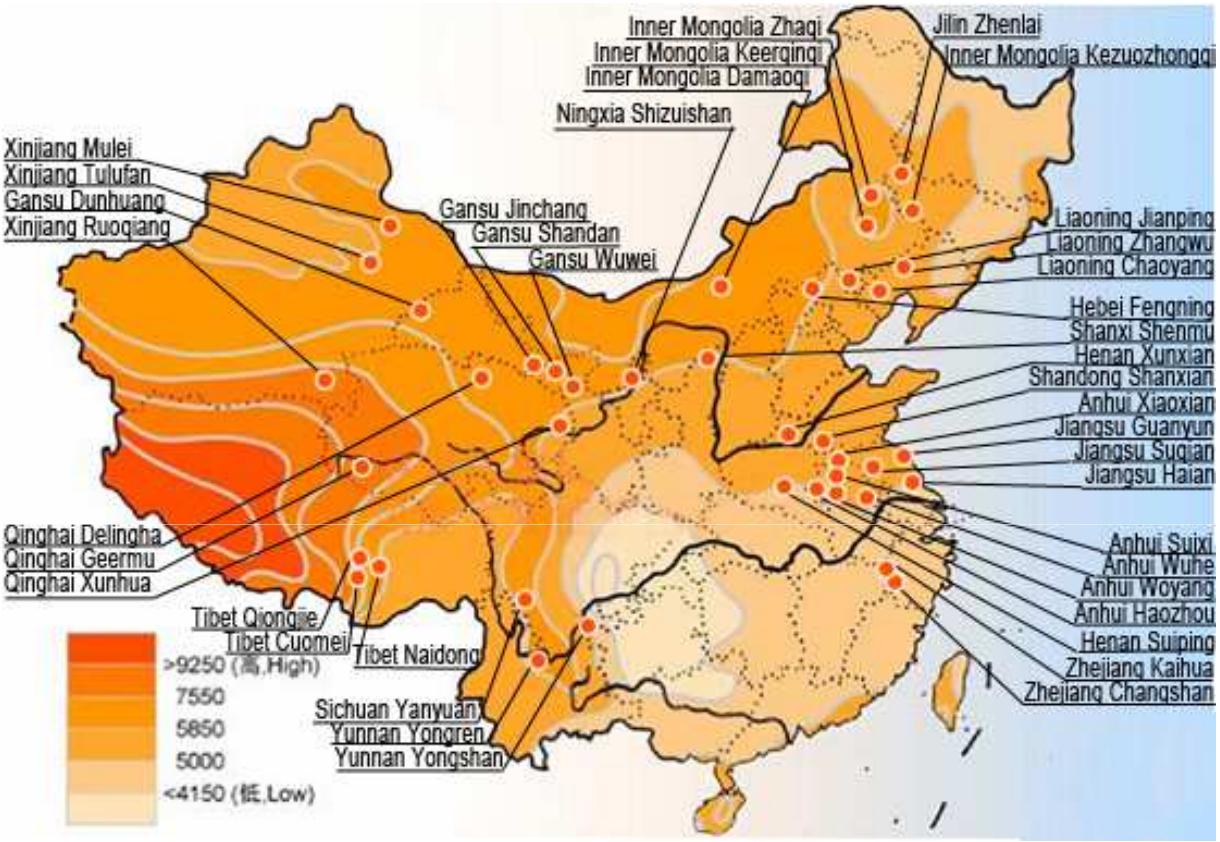
2010	2011	2012	2013	2014
	• July - NDRC introduced solar power FiT at RMB 1.15/kWh for solar power plants built before 31/12/2011 and RMB 1/kWh for solar power plants built afterwards	• Total installed solar capacity reached 7GW in China • Oct – State Grid published "Guidance of Grid Connection for Distributed 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 subside distributed solar power and halve the VAT • Sharp decline in module prices due to European crisis and over capacity	• 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	• Jan – NEA set target of 14GW for 2014, 8GW of distributed solar and 6GW of ground solar power plants

CWP's Solar Power Development

• Started solar power feasibility study and set solar development strategy • Setup light measuring stations • Secured 648MW exclusive solar resources	• Obtained 48MW solar power project approvals and 130MW initiation approvals • Successfully developed 48MW solar power plants • Signed 5GW of exclusive solar resources	• Obtained 320MW solar power project approvals and 800MW initiation approvals • Added 52MW of solar power plants • Gathered > 5GW of exclusive solar resources	• 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, totaled operational solar power plants amounted to 171MW	• Target to add net 300-350MW of solar power plants

Prioritized solar power development and investment to become CWP's core business

Over 7.5GW of Exclusive Solar Reserves



- 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
- 2013 China's cumulative installed solar power capacity reached 16.5GW - 10.8GW ground; 5.7GW distributed)
- 2014 China's newly installed solar power capacity target is 14GW - 6GW ground; 8GW distributed

Solar Power Plant Economics (sample)

Solar Power Plant Economics Assumptions:

1. Capacity of solar farm = 30MW	5. Module = RMB 4.5/watt, BOS = RMB 4/watt	9. Capital = RMB 51.0mil (20%)
2. Capacity factor = 1500hours	6. Total Investment = RMB 255.00mil	10. Bank Loan = RMB 204.0mil (80%)
3. Tariffs = RMB0.95/kWh (include VAT)	7. CAPEX = RMB 229.50mil	11. Interest rate = 6.88%(6.55%x1.05)
4. Solar Module annual degradation=1% (20years)	8. VAT for CAPEX = RMB 33.35mil	12. Construction period = 6 months

Project Income Statement:

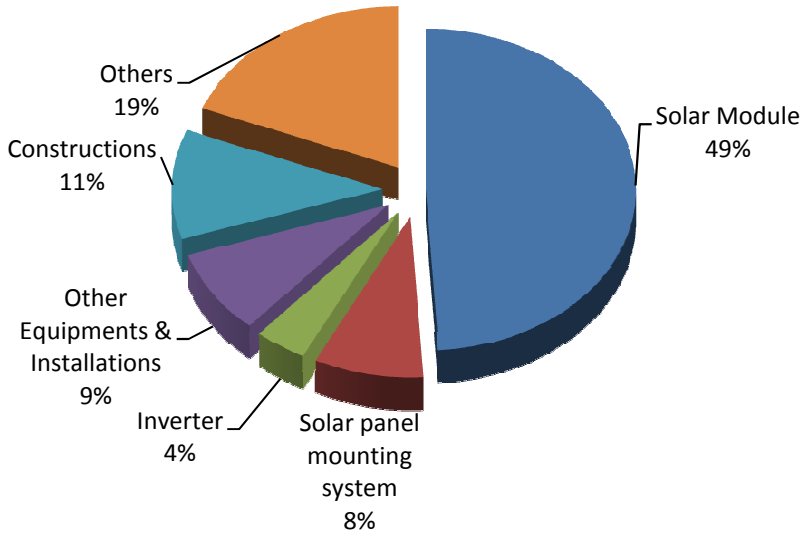
(in RMB mil)				Year0	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Net Electricity tariffs (exclude 17%VAT)					39.40	39.01	35.81	35.44	35.08	34.71	34.35	33.98	33.62	33.25
Total revenue					39.40	39.01	35.81	35.44	35.08	34.71	34.35	33.98	33.62	33.25
Depreciation	(a)	20 years	229.5		11.48	11.48	11.48	11.48	11.48	11.48	11.48	11.48	11.48	11.48
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			0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26
Land costs		RMB 2 mil/ yr	2		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total					16.13	16.17	16.50	16.55	16.60	16.65	16.70	16.76	16.82	16.88
Operating profit					23.27	22.84	19.30	18.89	18.48	18.06	17.64	17.22	16.80	16.37
Loan balance at end of the year				204.00	189.43	174.86	160.29	145.71	131.14	116.57	102.00	87.43	72.86	58.29
Interest expense		15 years	6.88%	7.02	13.53	12.53	11.52	10.52	9.52	8.52	7.52	6.51	5.51	4.51
Profit before tax					9.74	10.31	7.78	8.37	8.96	9.54	10.13	10.71	11.29	11.87
Tax		25%			0.00	0.00	0.00	1.05	1.12	1.19	2.53	2.68	2.82	2.97
Profit after tax	(b)				9.74	10.31	7.78	7.32	7.84	8.35	7.59	8.03	8.47	8.90
Capital				51.00										
VAT offset	(c)	33.35			3.35	3.32	6.09	6.03	5.96	5.90	2.70	-	-	-
Loan repayment	(d)	15 years			-14.57	-14.57	-14.57	-14.57	-14.57	-14.57	-14.57	-14.57	-14.57	-14.57
Cash Flow	(a)+(b)+(c)+(d)			-51.00	9.99	10.53	10.77	10.25	10.70	11.15	7.20	4.93	5.37	5.80
20-year equity IRR			18.93%											
20-year project IRR			10.29%											
ROE					19.10%	20.22%	15.25%	14.36%	15.37%	16.37%	14.89%	15.75%	16.60%	17.45%

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.

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 18.93%)
Grid tariff reduced to RMB0.90/kWh (include VAT)	- RMB 2.07mil	-3.40%	15.53%
Capacity factor decreased by 100 hours	- RMB 2.56mil	-4.17%	14.76%
PBOC rate increased by 0.50%	- RMB 1.03mil	-1.26%	17.67%
Project cost decreased to RMB 8/watt	+RMB 1.49mil	+3.77%	22.70%
No additional land costs	+RMB 2.00mil	+3.61%	22.54%

Project Costs Distribution:



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Experience Gathered, Lesson Learnt and Entering into a Stable Market

Wind Power Development Trend in China

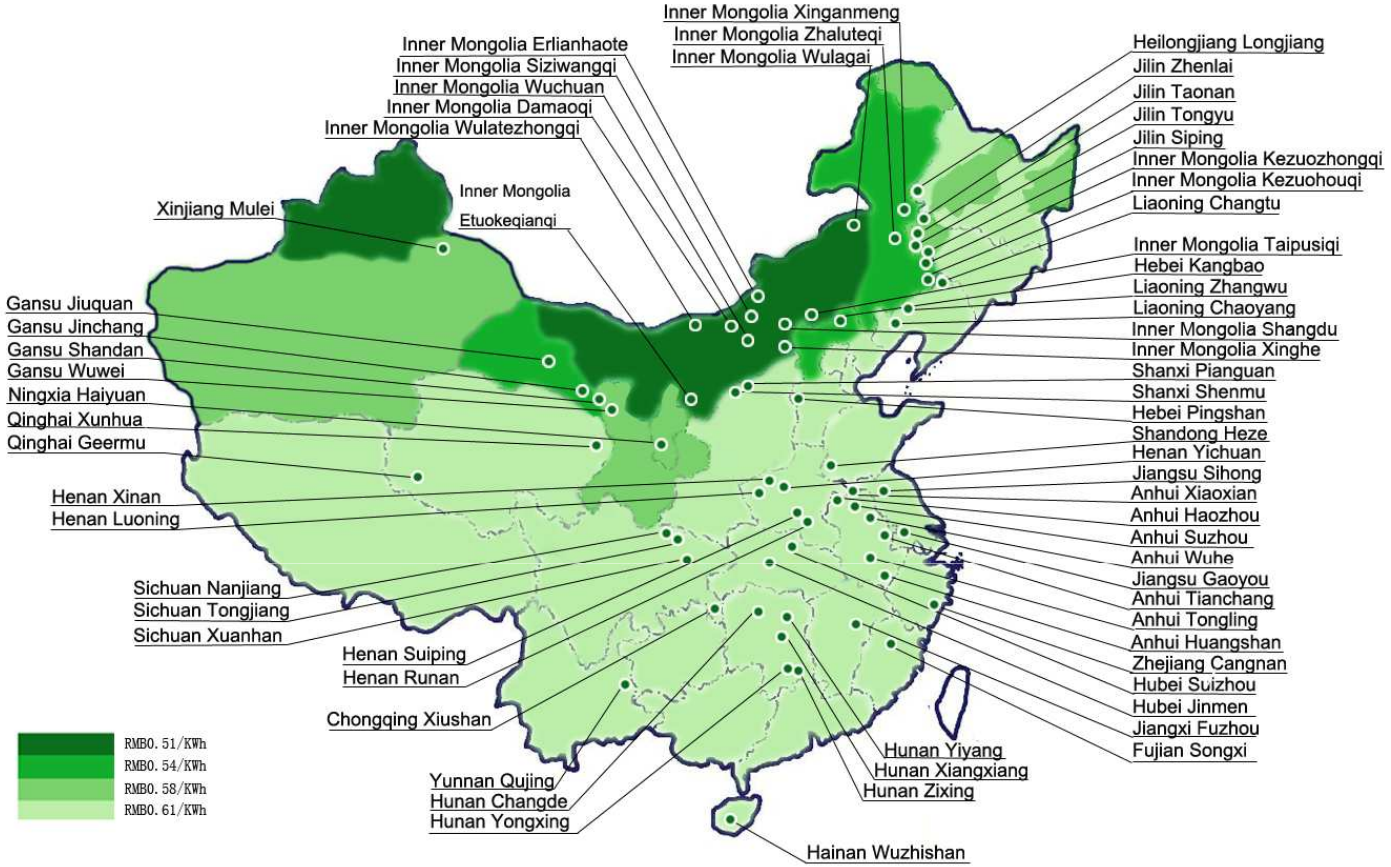
2007 & 2008	2009	2010	2011	2012	2013	2014
• Wind power began to take off • Shortage in turbine and equipment supplies • Implementation of Renewable Energy Law in Sep. • Listed – first wind power company listed in HK, raised HKD 1bn • Secured abundant exclusive wind reserves	• 4-zone wind power FiT (RMB 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	• 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	• 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	• 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	• Gradual improvement in grid curtailment • NEA announced 3rd batch of wind power approved projects of 28.7GW in Mar	• Jan – NEA set target of 18GW for 2014 • NEA announced 4th batch of wind power approved projects of 27.6GW in Mar

CWP's Wind Power Development

2007 & 2008	2009	2010	2011	2012	2013	2014
• FiT entered into practice • Wind power continued to grow rapidly • Tight financing environment • Partnered with strong SOEs to leverage on the financing capacities	• Expanded capacities and completed 8 grid connected wind power plants	• Started our "Build-Sell" strategy • Completed 9 grid connected wind power plants • Received financing support from IFC	• Diversify into the South • Received 400MW of approval from the 1st batch • First wind power company to issue CNH bond in HK	• Received 1,150MW of approval from the 2nd batch • Start selling down equity stakes in northern wind power plants • Severe costs cutting	• Received 880MW of approval from 3rd batch • More diversified and balanced portfolio • Less curtailment, higher average utilization hours • Prioritize southern wind power plants development	• Received 300MW of approval from 4th batch • Work closely with SOE IPPs • Prioritize southern wind power plants development, target to add 150MW net attributable capacity

Constantly staying ahead of market trend. Always taking a proactive and agile approach to challenges

>28GW of Exclusive Wind Reserves



Northern China
15.4 GW

Southern China
12.6 GW

- The feed-in tariff is divided into four levels by NDRC, which is RMB0.51/kWh, RMB0.54/kWh, RMB0.58/kWh and RMB0.61/kWh based on the wind resources at each region
- 2013 China's cumulative installed wind power capacity reached 77.58GW
- 2014 China's newly installed wind power capacity target is 18GW

Wind Power Plant Economics (sample)

Wind Power Plant Economics Assumptions:

1. Capacity of wind farm = 48MW	5. Total Investment = RMB 374.4mil (RMB7.8/watt)	9. Bank Loan = RMB 299.5mil (80%)
2. Capacity factor = 1800hours (0.228)	6. CAPEX = RMB 318.2mil	10. Interest rate = 6.88%(6.55%×1.05)
3. Tariffs = RMB0.61/kWh (include VAT)	7. VAT for CAPEX = RMB 46.2mil	11. Construction period = 12 months
~~4. CER = EUR5/MT~~	8. Capital = RMB 74.9mil (20%)	12. VAT for CAPEX offset by VAT for power sales

Project Income Statement:

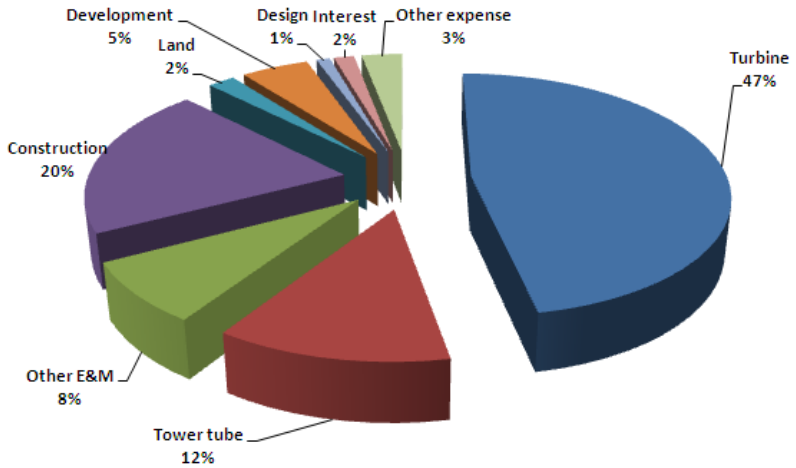
(in RMB mil)				Year0	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year 10
Net Electricity tariffs (exclude 17%VAT)					45.05	45.05	45.05	45.05	45.05	45.05	45.05	45.05	45.05	45.05
VAT Refund (8.5%)											3.34	3.34	3.83	3.83
Total revenue					45.05	45.05	45.05	45.05	45.05	45.05	48.38	48.38	48.88	48.88
Depreciation	(a)	23 years	318		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		2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59
Repair costs		3% of elec tariff rev			1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Operating expense					1.54	1.59	1.63	1.68	1.73	1.79	1.84	1.89	1.95	2.01
Total					19.32	19.37	19.41	19.46	19.51	19.57	19.62	19.67	19.73	19.79
Operating profit					25.73	25.68	25.63	25.58	25.53	25.48	29.11	29.20	29.14	29.09
Loan balance at end of the year				300	275	250	225	200	175	150	125	100	75	50
Interest expense		12 years	6.88%		20	18	16	15	13	11	9	8	6	4
Profit before tax					5.99	7.66	9.32	10.99	12.66	14.32	19.67	21.48	23.14	24.79
Tax		25%			-	-	-	1.37	1.58	1.79	4.92	5.37	5.78	6.20
Profit after tax	(b)				5.99	7.66	9.32	9.62	11.08	12.53	14.75	16.11	17.35	18.60
Capital				74.9										
VAT offset	(c)	46.2			7.66	7.66	7.66	7.66	7.66	7.66	0.29	-	-	-
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	2.52	4.19	5.86	6.15	7.61	9.07	3.92	4.98	6.23	7.47
20-year equity IRR			**12.27%**											
20-year project IRR			**9.08%**											
ROE					7.99%	10.22%	12.45%	12.84%	14.79%	16.74%	19.70%	21.51%	23.17%	24.83%

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.

Sensitivity/ Scenario Analysis:

Scenario (assuming other factors held constant)	Impact on Profit	Impact on IRR	IRR change (from base case of 12.27%)
Grid tariff decreased by 1 cents	- RMB 0.72mil	-0.65%	11.62%
Capacity factor decreased by 100 hours	- RMB 2.29mil	-2.05%	10.22%
PBOC rate increased by 0.50%	- RMB 1.51mil	-0.69%	11.58%
Project cost increased to RMB8,000/kw	- RMB 0.87mil	-0.90%	11.37%

Project Costs Distribution:



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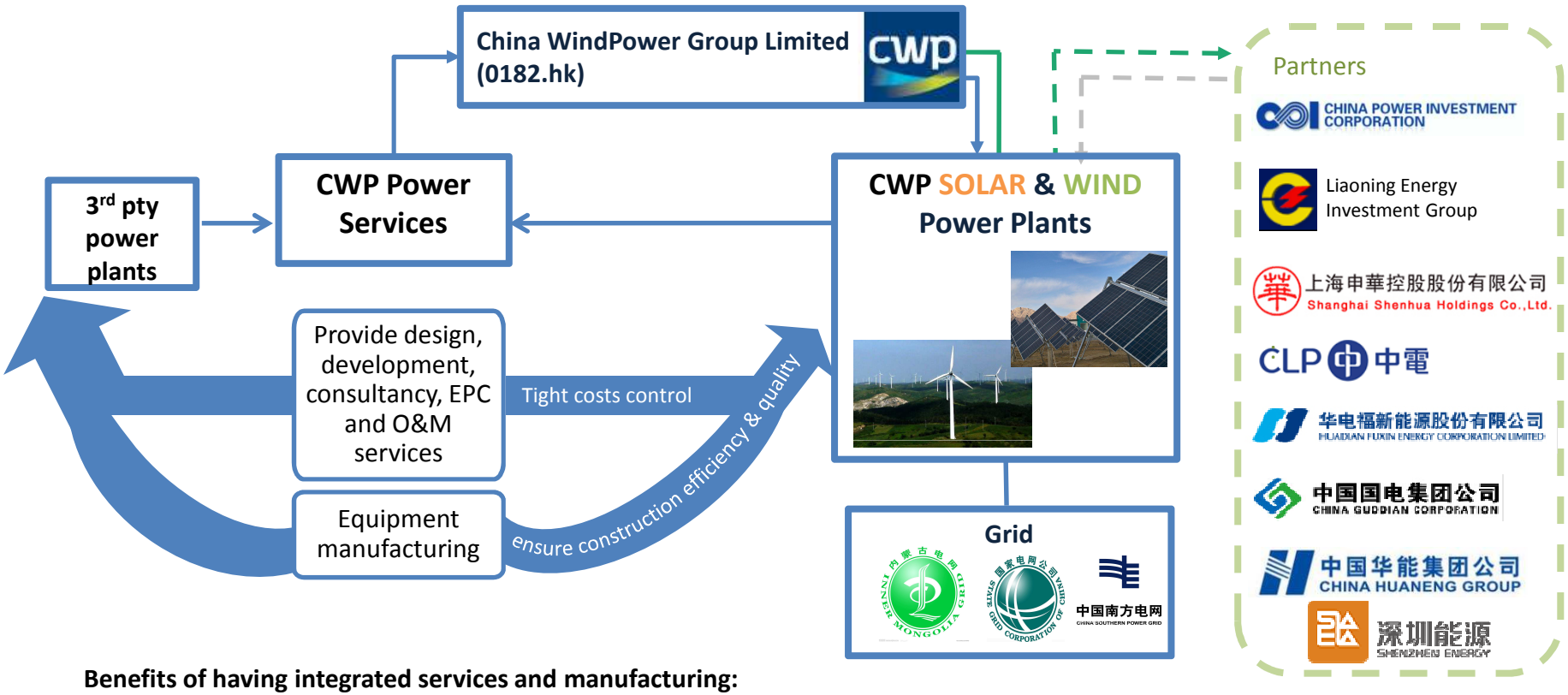
Integrated Business Model



Benefits of having integrated services and manufacturing:

- CWP maintains greater control over the availability of equipments, construction time, costs, and quality when developing wind and solar power projects
- 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

JV Partners

华电福新能源股份有限公司 HUADIAN FUXIN ENERGY CORPORATION LIMITED
中国国电集团公司 CHINA GUODIAN CORPORATION
深圳能源 SHENZHEN ENERGY
CHINA POWER INVESTMENT CORPORATION
CLP 中電
辽宁能源投资(集团)有限责任公司 LIAONING ENERGY INVESTMENT (GROUP) CO.,LTD
中国华能 CHINA HUANENG
上海申華控股股份有限公司 Shanghai Shenhua Holdings Co.,Ltd.
上海电气 SHANGHAI ELECTRIC

Government

- 24 branch or representative offices across China working closely with local government and grid companies

Liaoning Branch	Hebei Branch	Yunnan Office
Jilin Branch	Qinghai Branch	Guangdong Office
Inner Mongolia Branch	Hunan Branch	Hainan Office
Gansu Branch	Shannxi Branch	Xinjiang Office
Jiangsu Branch	Shandong Branch	Guizhou Office
Henan Branch	Shanxi Office	Guangxi Office
Anhui Branch	Zhejiang Office	Xizang Office
Sichuan Branch	Hubei Office	Jiangxi Office

Suppliers

中国电 国电光伏有限公司 GD SOLAR CO., LTD.
EOPLLY
YINGLI SOLAR
LDK
guanya 冠亚电源
JinKO 晶科能源
XEMC 湘电集团
DEC
上海电气 SHANGHAI ELECTRIC
GOLDWIND
SINOVEL

SOLAR & WIND Power Plants

Banks

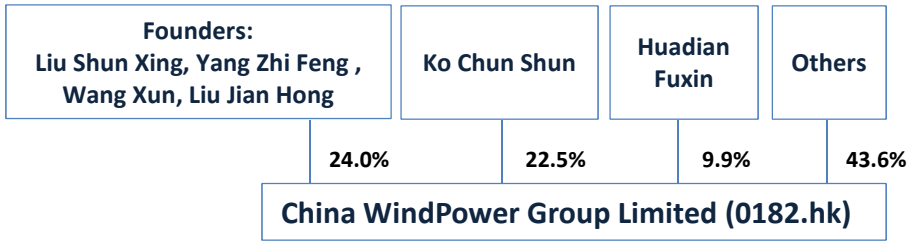
中国工商银行 INDUSTRIAL AND COMMERCIAL BANK OF CHINA
中国银行 BANK OF CHINA
INTESA SANPAOLO
中国建设银行 China Construction Bank
Rabobank
中国农业银行 AGRICULTURAL BANK OF CHINA
国家开发银行
恒生银行 HANG SENG BANK
招商银行 CHINA MERCHANTS BANK
Standard Chartered
HSBC
SOCIETE GENERALE
中国光大银行 CHINA EVERBRIGHT BANK
IFC International Finance Corporation
ADB

Grid

INNER MONGOLIA GRID
STATE GRID CORPORATION OF CHINA
中国南方电网 CHINA SOUTHERN POWER GRID

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. Ko Chun Shun, Johnson, Vice Chairman – Also the Chairman and Executive Director of DVN (Holdings) Limited, Reorient Group Limited and Varitronix International Limited.

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.

Mr. Wang Xun, Vice President – Formerly held senior positions at Golden Concord Holdings Limited, and possesses >15 years of experience in renewable energy 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.

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.

Ms. Ko Wing Yan, Samantha – Former director of structured credit and fund solutions department at HSBC, over 7 years experience in investment and financing.

Management Team

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 Pubic Offering Review Committee of the China Securities Regulatory Commission.

Other Management

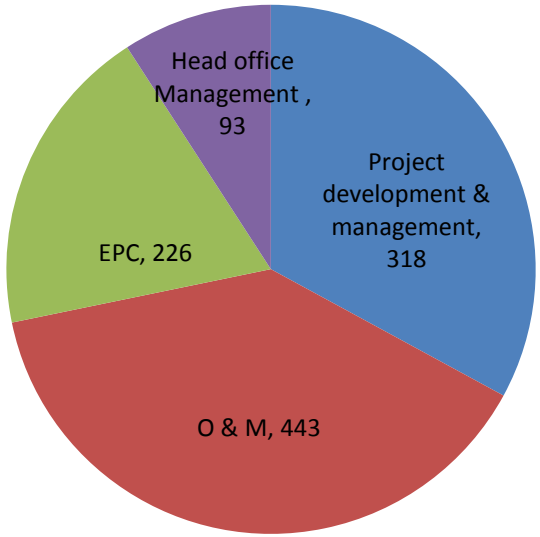
Mr. Wang Yaobo, Vice President – Has more than 30 years experience in power system planning and engineering management. He was the Vice Chief Engineer of Jilin Electric Bureau.

Mr. Hu Mingyang, CFO – Mr. Hu is a CPA. Mr. Hu had served as the director of the financial affair department of China Council for the Promotion of International Trade. Also served as the secretary of Board in China Exhibition Investment & Development Co.,Ltd. And the general manager of China Patent Agent (H.K.) Ltd.

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 2014, total number of staff is 1,080



Summary of Financial Statements

P&L (HK$'000)	1H 2014	1H 2013	FY2013
Revenue	1,194,334	436,498	1,882,610
Other Income	16,297	15,754	46,401
Other gains, net	13,426	52,173	177,204
Exchange gains, net	3,790	275	10,538
Expenses			
- Cost of construction and inventories sold	(890,966)	(302,261)	(1,436,399)
- Inventory write-down	-	-	(39,934)
- Employee benefit expense	(58,370)	(58,562)	(149,965)
- Depreciation and amortization	(48,681)	(24,732)	(63,991)
- Operating lease payments in respect of land and buildings	(1,948)	(3,034)	(2,537)
- Other expenses	(56,092)	(52,634)	(114,438)
- Finance costs	(60,330)	(52,736)	(103,496)
Share of results of Associates			
- share of results before provision for receivable	1,276	5,260	3,272
- provision for receivables	-	-	(2,380)
Share of results of Joint Ventures			
- share of results before provision for receivable	33,454	33,309	59,994
- provision for receivables	-	-	(73,785)
- Loss from discounting of receivables	-	-	-
Profit before income tax	146,190	49,310	193,094
Income tax expense	(23,584)	(10,957)	(41,967)
Profit for the period	122,606	38,353	151,127
Basic earning/(loss) per share (HK cents)	1.43	0.53	2.03

Asset (HK$'000)	1H 2014	1H 2013	FY2013
Current assets	4,399,055	2,849,339	4,208,691
Non-current assets	5,814,423	4,957,311	5,642,508
Total assets	10,213,478	7,806,650	9,851,199
Current liabilities	3,357,431	2,578,382	3,573,007
Non-current liabilities	1,426,916	674,923	1,284,306
Total liabilities	4,784,347	3,253,305	4,857,313
Net current assets	1,041,624	270,957	635,684
Net Asset	5,429,131	4,553,345	4,993,886
Share Capital	89,462	73,951	80,187
Reserves	5,336,712	4,479,104	4,891,264

Cash Flow (HK$'000)	1H 2014	1H 2013	FY2013
Net cash from operating activities	179,111	53,408	332,703
Net cash used in investing activities	(145,728)	(460,340)	(270,988)
Net cash from financing activities	(454,886)	199,913	1,037,791
Net increase/(decrease) in cash and cash equivalents	(421,503)	(207,019)	1,099,506
Cash and cash equivalents	1,403,121	558,573	1,850,209

Please feel free to contact us for any inquiries:

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General Manager, IR Dept.
Tel: 0086-15910682531,0086-10-88317833
Email: zhouxl@cwpgroup.com.hk