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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "Board") of Concord New Energy Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019. The consolidated results have been reviewed by the Company's audit committee.

**for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in Renminbi ("RMB"))

	Note	**2020**	2019
		RMB'000	*RMB'000*
Revenue	*3*	**2,000,754**	1,835,922
Cost of sales and services rendered		**(759,700)**	(714,842)
Gross profit		**1,241,054**	1,121,080
Other income		**41,341**	31,669
Other gains and losses, net	*4*	**116,327**	104,886
Impairment losses, under expected credit loss model, net of reversal	*5*	**(10,899)**	(40,560)
Distribution and selling expenses		**(12,335)**	(11,695)
Administrative expenses		**(322,720)**	(287,160)
Other expenses		**-**	(35,500)
Finance costs	*6*	**(404,420)**	(384,809)
Share of profit of joint ventures, net		**118,265**	136,889
Share of (loss)/profit of associates, net		**(3,987)**	17,406
Profit before income tax		**762,626**	652,206
Income tax expense	*7*	**(78,418)**	(39,087)
Profit for the year		**684,208**	613,119
Profit for the year attributable to:			
Equity shareholders of the Company		**673,405**	604,293
Non-controlling interests		**10,803**	8,826
		684,208	613,119
Earnings per share			
Basic *(RMB cents)*	*8(a)*	**8.18**	7.22
Diluted *(RMB cents)*	*8(b)*	**7.86**	6.86

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in RMB)

	2020	2019
	RMB'000	*RMB'000*
Profit for the year	**684,208**	613,119
Other comprehensive income :		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**26,852**	(4,086)
Other comprehensive income for the year, net of tax	**26,852**	(4,086)
Total comprehensive income for the year	**711,060**	609,033
Total comprehensive income attributable to:		
Equity shareholders of the Company	**698,296**	602,258
Non-controlling interests	**12,764**	6,775
	711,060	609,033

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(Expressed in RMB)

	Note	2020 RMB'000	2019 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**9,335,866**	9,222,240
Right-of-use assets		**503,990**	548,816
Intangible assets		**874,259**	904,814
Interests in associates		**476,814**	472,072
Interests in joint ventures		**1,509,941**	1,659,770
Financial assets at fair value through profit or loss		**50,416**	34,845
Contract assets	*10*	**48,126**	697,545
Trade and bills receivable	*11*	**-**	28,796
Prepayments, deposits and other receivables		**988,712**	1,175,437
Finance lease receivables		**18,814**	13,578
Loan receivables		**20,248**	69,571
Deferred tax assets		**37,650**	40,686
		13,864,836	14,868,170
Current assets			
Inventories		**12,148**	12,958
Contract assets	*10*	**669,655**	594,913
Trade and bills receivable	*11*	**1,148,588**	612,547
Prepayments, deposits and other receivables		**1,098,489**	534,659
Finance lease receivables		**5,326**	4,276
Loan receivables		**9,146**	14,476
Amounts due from associates		**77,860**	39,134
Amounts due from joint ventures		**34,164**	42,255
Cash and cash equivalents		**2,280,459**	1,462,082
Restricted deposits		**327,610**	143,046
		5,663,445	3,460,346
Assets classified as held for sale		**-**	1,563,921
		5,663,445	5,024,267
Total assets		**19,528,281**	19,892,437
LIABILITIES			
Non-current liabilities			
Bank borrowings		**1,336,002**	2,821,165
Other borrowings		**5,834,431**	4,349,758
Senior notes and bonds payable		**552,803**	1,392,941
Convertible loan		**355,270**	418,232
Lease liabilities		**65,552**	81,205
Deferred tax liabilities		**4,626**	12,390
Deferred government grants		**14,693**	15,643
Payables for construction in progress, other payables and accruals		**518,552**	489,799
Financial guarantee contract liabilities		**22,542**	33,808
		8,704,471	9,614,941

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
AS AT 31 DECEMBER 2020
(Expressed in RMB)

	Note	2020 RMB'000	2019 RMB'000
Current liabilities			
Trade and bills payable	*12*	**959,970**	1,081,632
Payables for construction in progress, other payables and accruals		**1,779,996**	1,362,755
Contract liabilities		**63,681**	95,471
Amounts due to joint ventures		**4,873**	53,943
Bank borrowings		**171,245**	506,364
Other borrowings		**412,819**	164,388
Senior notes and bonds payable		**811,215**	-
Convertible loan		**76,395**	-
Lease liabilities		**10,562**	11,502
Financial guarantee contract liabilities		**8,599**	9,098
Current income tax liabilities		**29,953**	13,187
		4,329,308	3,298,340
Liabilities associated with assets classified as held for sale		**-**	1,009,955
		4,329,308	4,308,295
Total liabilities		**13,033,779**	13,923,236
Net current assets		**1,334,137**	715,972
Total assets less current liabilities		**15,198,973**	15,584,142
Net assets		**6,494,502**	5,969,201
EQUITY			
Share capital	*13*	**72,412**	73,652
Reserves		**6,347,456**	5,869,651
Total equity attributable to equity shareholders of the Company		**6,419,868**	5,943,303
Non-controlling interests		**74,634**	25,898
Total equity		**6,494,502**	5,969,201

NOTES

1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are carried at fair value at the end of each reporting period.

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	*Definition of Material*
Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 16	*Covid-19-Related Rent Concessions*

None of these developments have had a material effect on how the Group's result and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period except for the amendment to HKFRS 16, *Covid-19-Related Rent Concessions*, which provides a practical expedient that allows lessees not assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and, instead, account for those concessions as if they were not lease modifications.

2 Segment information

(a) Business segments

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

The CODM considers the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided.

The CODM reviews operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments:

- Power generation segment - operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;
- "Others" segment - provision of power plant operation and maintenance services, provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), provision of finance lease services and energy internet services.

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

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

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other income, finance income and finance costs.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

	Power generation *RMB'000*	**Others** *RMB'000*	**Segment total** *RMB'000*	**Elimination** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2020					
Segment revenue					
Sales to external customers*	**1,728,443**	**272,311**	**2,000,754**	**-**	**2,000,754**
Inter-segment sales	**-**	**551,745**	**551,745**	**(551,745)**	**-**
	1,728,443	**824,056**	**2,552,499**	**(551,745)**	**2,000,754**
Segment results	**991,606**	**42,486**	**1,034,092**		**1,034,092**
Unallocated other gains and losses, net					**105,428**
Unallocated income					**30,376**
Unallocated expenses					**(13,814)**
Finance income					**10,964**
Finance costs					**(404,420)**
Profit before income tax					**762,626**
Income tax expense					**(78,418)**
Profit for the year					**684,208**
At 31 December 2020					
Segment assets	**16,348,975**	**3,068,410**	**19,417,385**		**19,417,385**
Unallocated assets					**110,896**
Total assets					**19,528,281**
Segment liabilities	**(11,197,561)**	**(1,376,804)**	**(12,574,365)**		**(12,574,365)**
Unallocated liabilities					**(459,414)**
Total liabilities					**(13,033,779)**

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,385,295,000 and RMB343,148,000 respectively.*

	Power generation RMB'000	Others RMB'000	Segment total RMB'000	Elimination RMB'000	Total RMB'000
For the year ended 31 December 2019					
Segment revenue					
Sales to external customers*	1,636,294	199,628	1,835,922	-	1,835,922
Inter-segment sales	-	321,148	321,148	(321,148)	-
	1,636,294	520,776	2,157,070	(321,148)	1,835,922
Segment results	949,187	11,240	960,427		960,427
Unallocated other gains and losses, net					64,326
Unallocated income					16,621
Unallocated expenses					(13,964)
Finance income					9,605
Finance costs					(384,809)
Profit before income tax					652,206
Income tax expense					(39,087)
Profit for the year					613,119
At 31 December 2019					
Segment assets	17,549,857	2,277,433	19,827,290		19,827,290
Unallocated assets					65,147
Total assets					19,892,437
Segment liabilities	(12,016,630)	(1,473,691)	(13,490,321)		(13,490,321)
Unallocated liabilities					(432,915)
Total liabilities					(13,923,236)

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,254,404,000 and RMB381,890,000 respectively.*

For the year ended 31 December 2020
Other segment information

	Power generation RMB'000	Others RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (including property ,plant and equipment and right-of-use assets)	**3,007,188**	**25,720**	**-**	**3,032,908**
Depreciation of property, plant and equipment	**473,073**	**22,059**	**-**	**495,132**
Amortization of other intangible assets and depreciation of right-of-use assets	**36,252**	**4,628**	**-**	**40,880**
Share-based compensation	**12,805**	**2,374**	**-**	**15,179**
Interests in joint ventures and associates	**1,967,156**	**19,599**	**-**	**1,986,755**
Share of profit/(loss) of joint ventures and associates, net	**131,852**	**(17,574)**	**-**	**114,278**
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss :				
Loss on disposal of property, plant and equipment	**3,960**	**279**	**-**	**4,239**
Write-down of inventories	**-**	**3,669**	**-**	**3,669**
Write-down of property, plant and equipment	**2,123**	**21,304**	**-**	**23,427**
Reversal of impairment loss on contract assets	**(635)**	**-**	**-**	**(635)**
Reversal of impairment loss on trade receivable	**(5,182)**	**(1,454)**	**-**	**(6,636)**
Impairment loss on other receivables	**3,359**	**13,611**	**-**	**16,970**
Impairment loss on amounts due from joint ventures	**-**	**1,200**	**-**	**1,200**
Finance income	**(1,223)**	**(9,741)**	**-**	**(10,964)**
Finance costs	**395,083**	**9,337**	**-**	**404,420**
Income tax expense	**57,770**	**20,648**	**-**	**78,418**

For the year ended 31 December 2019
Other segment information

	Power generation *RMB'000*	Others *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	2,150,812	23,997	-	2,174,809
Depreciation of property, plant and equipment	445,798	19,715	-	465,513
Amortization of other intangible assets and depreciation of right-of-use assets	35,794	4,628	319	40,741
Share-based compensation	17,664	2,301	65	20,030
Interests in joint ventures and associates	2,094,818	37,024	-	2,131,842
Share of profit/(loss) of joint ventures and associates, net	170,042	(15,747)	-	154,295
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:				
Loss on disposal of property, plant and equipment	605	4,672	-	5,277
Impairment loss on contract assets	6,970	-	-	6,970
Impairment loss recognized/(reversed) on trade receivable	4,524	(212)	-	4,312
Impairment loss on other receivables	13,540	15,929	-	29,469
Reversal of impairment loss on amounts due from a joint venture	-	(2,498)	-	(2,498)
Impairment loss on amounts due from associates	-	2,307	-	2,307
Finance income	(1,507)	(8,098)	-	(9,605)
Finance costs	376,635	8,174	-	384,809
Income tax expense	18,188	20,899	-	39,087

(b) Geographical segments

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

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

	Revenue		**Non-current assets**	
	Year ended 31 December 2020	Year ended 31 December 2019	**At 31 December 2020**	At 31 December 2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**1,975,023**	1,806,778	**12,797,720**	12,824,885
Others	**25,731**	29,144	**700,043**	975,434
	2,000,754	1,835,922	**13,497,763**	13,800,319

(c) Information about major customers

Four (2019: Five) external customers individually contribute more than 10% of the total revenue of the Group. The revenue of these customers is summarised below:

	2020	2019
	RMB'000	*RMB'000*
Customer A	**264,079**	263,785
Customer B	**258,087**	300,462
Customer C	**240,335**	211,412
Customer D	**215,228**	241,082
Customer E	**N/A***	215,077

Revenue from customers above are attributable to power generation segment.

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

3 Revenue

3.1 An analysis of the Group's revenue for the year ended 31 December 2020 is as follows:

	Power generation	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Revenue from contracts with customers:			
Sale of electricity:			
Basic electricity price	**1,019,897**	**-**	**1,019,897**
Renewable energy subsidy	**708,546**	**-**	**708,546**
Power plant operation and maintenance services	**-**	**128,950**	**128,950**
Engineering, procurement and construction	**-**	**52,605**	**52,605**
Provision of technical and consultancy services	**-**	**46,257**	**46,257**
Provision of agency service on sale of equipment	**-**	**16,739**	**16,739**
Provision of design services	**-**	**14,541**	**14,541**
Other revenue	**-**	**2,227**	**2,227**
	1,728,443	**261,319**	**1,989,762**
Finance lease income	**-**	**10,992**	**10,992**
Total	**1,728,443**	**272,311**	**2,000,754**

3.2 For the year ended 31 December 2019

	Power generation *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with customers:			
Sale of electricity:			
Basic electricity price	956,356	-	956,356
Renewable energy subsidy	667,604	-	667,604
Power plant operation and maintenance services	-	120,637	120,637
Engineering, procurement and construction	-	29,114	29,114
Provision of design services	-	15,117	15,117
Provision of technical and consultancy services	-	14,885	14,885
Provision of agency service on sale of equipment	-	11,101	11,101
Other revenue	-	1,904	1,904
	1,623,960	192,758	1,816,718
Finance lease income	-	6,870	6,870
Financing component interest income	12,334	-	12,334
Total	1,636,294	199,628	1,835,922

4 Other gains and losses, net

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

	2020 *RMB'000*	2019 *RMB'000*
Gain on disposal/de-registration of subsidiaries , net	**85,931**	79,784
Gain/(loss) on disposal/de-registration of joint ventures, net	**24,594**	(370)
Fair value gains on financial assets at fair value through profit or loss	**21,888**	15,072
Exchange gain/(loss), net	**21,824**	(2,791)
Fair value (loss)/gains on derivative component of convertible loan	**(5,771)**	21,085
Write-down of property, plant and equipment	**(23,427)**	-
Write-down of inventories	**(3,669)**	-
Loss on disposal of property, plant and equipment	**(4,239)**	(5,277)
Others	**(804)**	(2,617)
	116,327	104,886

5 Impairment losses, under expected credit loss model, net of reversal

	2020 *RMB'000*	2019 *RMB'000*
Impairment loss (reversed)/recognized on contract assets	**(635)**	6,970
Impairment loss (reversed)/recognized on trade receivable	**(6,636)**	4,312
Impairment loss on other receivables	**16,970**	29,469
Impairment loss on amounts due from associates	**-**	2,307
Impairment loss recognized/(reversed) on amounts due from joint ventures	**1,200**	(2,498)
	10,899	40,560

6 Finance costs

	2020	2019
	RMB'000	*RMB'000*
Interest expenses on:		
— Bank borrowings	**158,466**	199,226
— Other borrowings	**300,531**	183,015
— Senior notes and bonds payable	**116,905**	130,331
— Convertible loan	**41,734**	34,022
— Lease liabilities	**3,606**	3,994
	621,242	550,588
Less: Interest capitalised	**(216,822)**	(165,779)
	404,420	384,809

7 Income tax expense

	2020	2019
	RMB'000	*RMB'000*
Current tax		
— PRC corporate income tax	**79,107**	45,012
— PRC withholding tax	**11,090**	490
Under provision in prior years:		
PRC corporate income tax	**4,172**	6,208
Deferred tax	**(15,951)**	(12,623)
	78,418	39,087

8 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company of RMB 673,405,000 (2019: RMB604,293,000) by the weighted average number of 8,229,548,000 (2019: 8,365,771,000) ordinary shares in issue during the year, after adjusting the effect of shares repurchased and held by the Company's share award scheme.

The calculation of the weighted average number of ordinary shares is as follows:

	2020	2019
	000'shares	*000'shares*
Issued ordinary shares at 1 January	**8,504,575**	8,550,585
Effect of shares repurchased/unvested	**(275,027)**	(184,814)
Weighted average number of shares in issue	**8,229,548**	8,365,771

(b) Diluted earnings per share

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 from the share award scheme and the convertible loan.

	2020 *RMB'000*	2019 *RMB'000*
Earnings:		
Earnings for the purpose of basic earnings per share	**673,405**	604,293
Effective of dilutive potential ordinary shares:		
Adjustments on convertible loan	**47,505**	24,837
Earnings for the purpose of diluted earnings per share	**720,910**	629,130

	2020 *000'shares*	2019 *000'shares*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,229,548**	8,365,771
Effect of dilutive potential ordinary shares:		
Share award scheme	**79,515**	45,381
Convertible loan	**862,610**	758,883
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**9,171,673**	9,170,035

9 Dividend

	2020 *RMB'000*	2019 *RMB'000*
Dividends for ordinary shareholders of the Company recognized as distribution during the year:		
2019 Final – HK$0.025 (2018: HK$0.02) per share	**190,971**	149,673

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2020 of HK$0.03 per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming general meeting (2019: final dividend in respect of the year ended 31 December 2019 of HK$0.025 per ordinary share has been proposed by the directors of the Company and approved by the shareholders at the general meeting held on 1 June 2020).

10 Contract Assets

	2020 *RMB'000*	2019 *RMB'000*
Tariff adjustment amounts	**329,385**	867,605
Retention money	**374,504**	416,696
Construction contracts	**13,892**	15,127
	717,781	1,299,428
Less: Impairment loss on contract assets	**-**	(6,970)
	717,781	1,292,458
Analysed for reporting purposes as:		
Current assets	**669,655**	594,913
Non-current assets	**48,126**	697,545
	717,781	1,292,458

11 Trade and bills receivable

	2020	2019
	RMB'000	*RMB'000*
Trade receivable, at amortised cost	**237,437**	202,975
Tariff adjustment receivable, at amortised cost	**777,749**	420,476
Bills receivable, at fair value through profit or loss	**143,385**	33,903
	1,158,571	657,354
Less: Impairment loss on trade receivable	**(9,983)**	(11,487)
Impairment loss on tariff adjustment receivable	**-**	(4,524)
	1,148,588	641,343

Analysed for reporting purposes as :		
Current assets	**1,148,588**	612,547
Non-current assets	**-**	28,796
	1,148,588	641,343

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

An ageing analysis of the trade receivable, net of allowance for credit losses, presented based on invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**181,130**	127,319
3 to 6 months	**21,611**	17,434
6 to 12 months	**6,251**	7,788
1 to 2 years	**17,536**	13,164
Over 2 years	**926**	25,783
	227,454	191,488

An ageing analysis of the tariff adjustment receivable, net of allowance for credit losses, based on the revenue recognition date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**87,171**	57,306
3 to 6 months	**68,329**	55,266
6 to 12 months	**374,667**	136,476
Over 1 year	**247,582**	166,904
	777,749	415,952

12 Trade and bills payable

	2020	2019
	RMB'000	*RMB'000*
Trade payable	**533,037**	946,651
Bills payable	**426,933**	134,981
	959,970	1,081,632

An ageing analysis of the trade payable, based on invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**102,595**	120,979
3 to 6 months	**9,950**	12,012
6 to 12 months	**10,519**	375,320
1 to 2 years	**55,786**	55,806
Over 2 years	**354,187**	382,534
	533,037	946,651

13 Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	**Nominal value**
	000'shares	*RMB'000*
As at 1 January 2020	8,504,575	73,652
Cancellation of ordinary shares *(Note)*	**(137,720)**	**(1,240)**
As at 31 December 2020	**8,366,855**	**72,412**

Note:

During the current year, 137,720,000 ordinary shares of the Company with total par value of RMB1,240,000 were cancelled, the related costs of repurchase were RMB41,854,000 and the exceed of costs of repurchase over the par value of the shares of RMB40,614,000 was charged to share premium.

MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATING ENVIRONMENT

In 2020, while the global economy was struggling, the Chinese economy had illustrated great resilience and vitality. Under the effective measures by the Chinese government, the COVID-19 epidemic was under control and the economy recovered sooner than expected and the Chinese economy became the only major economy in the world to achieve a positive economic growth. China increased its efforts in developing renewable energy, and the whole energy industry continued to head towards the direction of green, clean and low-carbon development, increasing the proportion of clean energy consumption and production.

In 2020, China proposed the targets of peaking carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060 and listed it as one of the key tasks of Central Economic Work in 2021. New energy power generation such as wind and PV power generation is an important means to achieve the targets of peaking carbon dioxide emissions and achieving carbon neutrality, as well as the goal of "the total installed capacity of wind power and solar power generation reaching 1,200GW or above by 2030" proposed by China. Wind and PV power generation will usher in the opportunity of accelerated development. The targets of peaking carbon dioxide emissions and achieving carbon neutrality will accelerate the pace of development of green and low carbon transformation of the energy industry, encourage the accelerated innovation and application of new energy technology, speed up the optimization of green financial product and market system, creating much more long-term and broad room for development for wind power and PV power generation in the era of grid parity and competitive bidding.

2020 was a critical year for the grid connection deadline of China's subsidized wind power projects. Despite the impact of epidemic in the first half of the year, installed wind power capacity still achieved rapid growth with the newly installed wind power capacity in 2020 reached a record high of 71.67GW. The newly installed PV power generation capacity also exceeded expectations, reaching 48.20GW.

(1) Clear Regulations on Renewable Energy Subsidies and Industry Advancement to the Era of Grid Parity

During the Year, the Ministry of Finance of the PRC issued a number of policies which specified the regulations for the subsidies on renewable energy projects. All disputes in relation to the issue of subsidy were settled, which cleared the obstacles for market-oriented operation of renewable energy power projects hereafter. These policies include the following: on 3 February, the Ministry of Finance published the Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation (Caijian [2020] No. 4) (《關於促進非水可再生能源發電健康發展的若干意見》 (財建[2020]4號)), which improved the means of subsidizing in accordance to the new and existing projects. The total annual new subsidies and scale of subsidized project of new projects will be determined through the strategy of "determination of expenditure based on revenues", while the amount of Central government subsidies of existing projects will be determined through the reasonable utilization hours. At the same time, the subsidy payment process will be optimized, and there will not be any further publications of the Renewable Energy Tariff Catalogue, instead, power grid enterprises will determine and regularly publish the renewable energy power generation subsidy project list. On 21 October, the Supplementary Notice for the Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation (《關於<關於促進非水可再生能源發電健康發展的若干意見>有關事項的補充通知》) was published, which specified the reasonable utilization hours of the full life cycle of wind power and PV power generation projects and regulations on the settlement of subsidy funds, and the maximum subsidized period of projects as well as the total subsidized amount were consequently determined.

As at the end of the Year, the policies of wind power and PV power generation industries in China are complete in all aspects including project development, construction, grid connection, operation, information monitoring and power consumption, thus improving the management of wind power and PV power generation and achieving the smooth transition to grid parity.

(2) Accelerating the Improvement of the Electricity Transmission and Consumption Conditions to Continuously Alleviate the Conflict of Renewable Energy Electricity Consumption

During the Year, under the rapid advancement of "new infrastructure construction", the investment and construction of ultra-high voltage project, NEV and charging stations has accelerated, which promote electricity consumption. Several ultra-high voltage AC and DC projects were completed and put into production, which have further enhanced the capacity of new energy power grid connection, as well as inter-provincial and inter-regional transmission. According to the China Electricity Council data, the national inter-regional power transmission recorded a total of 613,000 GWh, representing a year-on-year increase of 13.4%, while the national inter-provincial power transmission recorded a total of 1,536,200 GWh, representing a year-on-year increase of 6.4%. Meanwhile, the Chinese government adopted all sorts of measures to promote new energy electricity consumption through accelerating the establishment of green consumption system on consumer end.

During the Year, the accountability assessment of renewable energy power consumption gradually became stricter. In June, the NDRC and the NEA jointly issued the Notice on Issuing the Weight of Responsibility for Consumption of Renewable Energy Power for Provincial Level Administrative Regions in 2020 (Fa Gai Nengyuan [2020] No. 767) (《關於印發各省級行政區域2020年可再生能源電力消納責任權重的通知》 (發改能源[2020]767號)). It specified the weight of the total minimum amount of responsibility for renewable energy power consumption for 10 provinces (autonomous regions or municipalities) exceeds 30%, and the weight of minimum amount of responsibility for non-hydropower consumption for 9 provinces (autonomous regions or municipalities) exceeds 15%, facilitating the yearly increase of the responsibility of renewable energy power consumption. According to the NEA data, the national average utilization hours of wind power reached 2,097 hours, representing a year-on-year increase of 15 hours, while the national average utilization hours of PV power reached 1,160 hours, representing a year-on-year decrease of 9 hours. The national average wind power curtailment rate was 3%, representing a decrease by 1 percentage point year-on-year, while the national average PV power curtailment was 2%, which were substantially consistent compared with the same period of last year.

(3) Continuous Advancement in Wind and PV Power Generation Technology Promote the Continuous Lowering of LCOE

During the Year, the wind power technology continued to develop towards the direction of high capacity turbines, high turbine towers, long blades, low wind speed and intelligentization, so to meet the economic needs of power plant investment under different development conditions. The increase in unit capacity and the lengthening of the blades diameter will effectively increase power generation performance, increase the power generation and lower the LCOE of wind power generation. In terms of the prices for wind turbines, impacted by the rush for wind power installations and the COVID-19 epidemic, the supply of certain key materials in the wind power industrial chain was tight during the Year, resulting in increased prices. However, with the end of the rush of installation and the arrival of grid parity era, the prices for wind turbines supplied in 2021 have already shown a significant drop, with the lowest public tender price for wind turbines delivered in 2021 down to roughly RMB2,700/kW to RMB3,000/kW.

During the Year, the transformational efficiency of PV modules was continuously enhanced. Monocrystalline silicon technology has shown diversified development, large-size PV battery cells continuously introduced, and the industrialization progress of advanced battery technology such as heterojunction and perovskite is steadily increasing. Larger and thinner silicon wafers, higher power efficiency modules as well as double-sided and double-glass modules have become the development trend. The continuous improvement of PV power generation transformational efficiency and single-cell modules capacity increases the capacity for installed PV power plant in a limited land area, increasing the amount of power generated and effectively reducing the LCOE of PV power generation. During the Year, affected by the supply shortage and price hike of PV auxiliary materials as well as the expected increase in market demand, the price of modules increased and remained strong in the second half of the year. However, the bottlenecks in supply of materials and module production will soon be alleviated, and the advancement in technology and increase of supply will still effectively lower the LCOE of PV.

(4) Continuous Policy Improvement on Market-based Power Trading, Carbon Emissions Trading and Quota System

During the Year, the Chinese government continued to push forward market-based power trading, allowing renewable energy power to gradually enter market trading through gradual policy improvement and regulation on market operation mechanism. According to the China Electricity Council data, the amount of electricity traded in the national power market had a year-on-year increase of 11.7% in 2020, and the amount of electricity traded accounted for 42% of China's total electricity consumption, representing a year-on-year increase of 3 percentage points.

During the Year, the Ministry of Ecological Environment accelerated the construction of national carbon emission trading market and issued a series of documents to implement carbon emission rights and emission quotas. The quota system and the national carbon emission trading market will be essential in realizing the target of peaking carbon dioxide emissions before 2030.

(5) Enhancement of Financial Support on the Real Economy and Improvement of Credit Environment

During the Year, the Chinese government has successively introduced a series of relief policies to promote the real economy and reduce the burden on enterprises. In terms of finance and taxation, tax reduction and fee reduction policies were continued to be implemented. The burden of enterprises in social insurance premiums was alleviated by postponement and exemption of social insurance payments. Preferential treatments in value-added tax and income tax were strengthened. In terms of financial support, the deposit reserve ratio requirement was reduced three times, the centralized shifting of loan pricing benchmark from floating rate was completed, the release of interest rate market bonus by LPR reform was promoted, the loan deferred principal and interest policy and credit loan support program were implemented, the re-loaning and rediscounting policy was launched, green financial product and market system were constantly improved, products including green credit, green debt and green fund were developed, carbon market was established, carbon futures was developed and various fees and management of credit financing were regulated to effectively support the development of real economy and reduce financing costs of enterprises.

II. BUSINESS REVIEW

At the beginning of the year, the sudden outbreak of COVID-19 threatened the health of employees, prevented production and construction from commencing normally, hindered developers from traveling to expand business, and power curtailment in regions increased due to insufficient electricity consumption, causing a significant impact on the Group's operations and even a decline in results at one point. Facing the severe epidemic, the Group made vigorous arrangements to maintain the normalization of epidemic prevention and control, formulated scientific and effective epidemic prevention measures, increased input in epidemic prevention materials and cared for employees who stayed on the front line during the epidemic. There was no incident of the Group's employees contracting COVID-19 virus. In regard to production, the Group managed to carry out equipment emergency repair and maintenance, and resumed construction work as soon as possible. The Group successfully coped with the impact of the epidemic and the rush of installation of wind power projects, and quickly resumed its businesses. Not only did the Group recover quickly from the downturn, but it also recorded improved results for the year. The Group achieved a year-on-year growth in revenue, and the profit attributable to equity holders of the Group reached a record high.

During the Year, the Group accelerated the progress of project development and construction, significantly increased project reserves, maintained the growth of installed capacity and strived for safe production, with the power generation of power plants and profit from power generation both achieving year-on-year increase. The Group fully adhered to the strategy of "build & transfer" and enhanced the intensity of transfers of power plants that were dependent on renewable energy subsidies and optimized asset quality and significantly lowered the gross renewable energy subsidy receivables which tremendously increased the asset quality. The Group also implemented a more prudent financial policy, optimizing the debt structure to lower the liability-to-asset ratio of the Group and effectively control financial risks. At the same time, the Group was brave in innovation, boldly exploring the related business along the renewable energy industry chain, expanding the research, development and application of intelligent O&M, energy IoT, big data analysis and artificial intelligence technology, thereby increasing the scientific nature of the Group.

During the Year, the Group materialized a total revenue of RMB2,000,754,000 (2019: RMB1,835,922,000), accounting for 9.0% increase over the same period of last year. Profit attributable to equity shareholders of the Group amounted to RMB673,405,000 (2019: RMB604,293,000), representing 11.4% increase over the same period of last year. The basic earnings per share were RMB8.18 cents (2019: RMB7.22 cents); and the diluted earnings per share amounted to RMB7.86 cents (2019: RMB6.86 cents).

As of 31 December 2020, the net assets of the Group amounted to RMB6,494,502,000 (31 December 2019: RMB5,969,201,000) and its net assets per share was RMB0.78 (31 December 2019: RMB0.70).

(1) Satisfactory Achievements in Power Plant Development and Construction

i. Project Development Achieved Excellent Results Once Again and Significant Increase of Project Reserves

During the Year, the COVID-19 epidemic resulted in the lagging in project application in the first half of the year. The Group took the initiative to actively plan and scientifically formulate development strategies. By integrating its resource advantages, the Group vigorously developed PV power projects and grid parity wind power projects. The project development had achieved excellent results with the Group's project reserves significantly increased. The projects developed during the Year were all high quality PV power projects and grid parity wind power projects that were larger in scale and had better resource conditions.

During the Year, the Group had a total of 13 projects (1,068 MW in total) included in the Wind Power and PV Power Construction Plan for 2020 published by the state and various provinces. The newly approved (recorded) capacity is 907MW, with a total of 11 projects, including 6 wind power projects (497 MW in total) and 5 PV projects (410 MW in total). New construction index obtained and newly approved projects during the Year were all grid parity projects, which provided sufficient guarantee for the Group's strategy of replacing renewable energy subsidized projects with grid parity projects and the Group's sustainable development.

The Group strengthened its expansion in and management of resources and expanded resource reserves through entering into new contracts for a total of 6,310MW of wind resources and a total of 7,550MW of PV resources. Meanwhile, effective investigation and dynamic management of resources were launched to ensure sufficient projects for the Group's subsequent construction and sustainable development.

ii. Project Construction Overcame a Series of Difficulties and Newly Installed Capacity Reached a Historic High

During the Year, affected by the dual impact of the COVID-19 epidemic and the rush for wind power installation, the construction period and resources were tight, and the supply chain capacity and supply delivery progress were affected. Moreover, the adverse weather such as flooding, rainstorm, snowstorms and freezing in certain areas resulted in the delays in the progress of some project constructions in the beginning of 2020. The Group timely formulated a general plan for epidemic prevention, and all the projects under construction had been resumed as soon as possible. While sticking with the normalization of COVID-19 epidemic prevention and control measures, the Group formulated corresponding measures in accordance to specific projects, strengthening its efforts in project management and coordination, closely tracking the supply delivery progress and construction resources, ensuring project safety and fully promoting the progress of project construction to ensure its realization of grid connection target. The capacity of new projects to be put into production reached a historic high, and the Group still maintained the growth of installed capacity while transferring a large number of renewable energy subsidized projects.

For the Year, the Group put into operation a total of 8 new power plants with a total installed capacity of 798 MW, and the attributable installed capacity was 662 MW, all of which were wind power projects.

As of 31 December 2020, the Group owned equity interest of 70 grid-connected wind power and PV power plants with a total installed capacity of 3,504 MW (2019: 3,446 MW), and an attributable installed capacity of 2,413 MW (2019: 2,394 MW). Among them, 56 were wind power plants with an installed capacity of 3,340 MW (2019: 3,113 MW) and an attributable installed capacity of 2,263 MW, and 14 were PV power plants with an installed capacity of 163 MW (2019: 332 MW), and an attributable capacity of 150 MW.

As of 31 December 2020, the Group had 39 wholly-owned grid-connected wind power and PV power plants with a total installed capacity of 1,686 MW. Among these, 26 were wind power plants with an installed capacity of 1,543 MW, and 13 were PV power plants with an installed capacity of 143 MW.

Attributable Installed Capacity of Power Plants (MW)

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments and Regions	**2020**	**2019**	**Change Rate**	**2020**	**2019**	**Change Rate**
Installed Wind Power Capacity	**2,263**	**2,080**	**8.8%**	**1,543**	**1,369**	**12.7%**
Including:						
Northeastern China	478	310	54.2%	349	149	134.2%
Northern China	431	219	96.8%	148	-	-
Northwestern China	103	103	0.0%	-	-	-
Eastern China	424	346	22.5%	330	228	44.7%
Central Southern China	826	1,022	-19.2%	716	912	-21.5%
Southwestern China	0	80	-100.0%	0	80	-100.0%
Installed PV Power Capacity	**150**	**314**	**-52.2%**	**143**	**303**	**-52.8%**
Including:						
Northeastern China	1	1	0.0%	1	1	0.0%
Northern China	6	26	-76.9%	0	20	-100.0%
Northwestern China	9	9	0.0%	9	9	0.0%
Eastern China	0	44	-100.0%	0	40	-100.0%
Southwestern China	115	215	-46.5%	115	215	-46.5%
Overseas Regions	18	18	0.0%	18	18	0.0%
Total	**2,413**	**2,394**	**0.8%**	**1,686**	**1,672**	**0.8%**

(2) Achieving the Reduction of Renewable Energy Subsidy Receivables through Asset Optimization

During the Year, the Group decidedly carried out its development strategy of replacing subsidized projects with grid parity projects, implemented the strategy of "build & transfer" and constantly enhanced asset management and asset optimization, tremendously increasing asset quality.

In 2020, the Group has entered into cooperation agreement with Three Gorges Renewables, China Nuclear, Shanghai Shenneng, and Zhuhai Port Risen, etc.. The group sold certain renewable energy subsidized power plants with a total installed capacity attributable to the Group of 643.7 MW, and the renewable energy subsidy receivables and contract assets decreased by RMB856 million in total, effectively reduced the reliance on renewable energy subsidies, improved cash flow and asset structure as well as lowered the financial risks.

As at the end of the Year, the renewable energy subsidy recognized in contract assets and trade receivables of the Group was RMB1,107,130,000 (31 December 2019: RMB1,422,460,000).

The Group strived to dynamically analyze the economic benefits of existing power plants, strengthen the monitoring and analysis of cash flow and debt indicators, and replace the existing power plants that were dependent on renewable energy subsidies with newly constructed, high-quality power plants. Asset structure was optimized to increase shareholder returns and guarantee the steady development of the Group.

(3) Increasing the Intensity on Project Financing

For our Group, the project finance costs are lower than the Group-level debt financing costs. During the Year, the Group strived to increase the financing proportion of low cost projects to reduce the reliance on Group-level high cost financing and increase the return on equity of power plants, but the Group's liability-to-asset ratio was reduced. During the Year, the Group had realized financing replacement or refinancing for seven existing power plants with a net increase of RMB690 million in new loans. The Group also completed the conversion of the pricing benchmark of loan interest rate of the existing financing contracts to LPR, and the interest rates of the newly signed financing contracts were lower than those signed in the same period of last year.

In 2020, the Group had been actively expanding new financing channels and maintained good communication and cooperation with various financial institutions, with the Group's cooperating financial institutes increased to 19. Meanwhile, the financing model has diversified, a more flexible financing method is adopted to satisfy the required funding for project constructions.

In 2020, the Group successfully issued US$90 million of bonds in exchange for a portion of the US$200 million of bonds that matured in January 2021. Through various efforts, as at the end of 2020, the Group's liability-to-asset ratio was 66.74% (31 December 2019: 69.99%).

(4) Production and Operation of Power Plants Retained Positive Momentum

i. Rapid Recovery of Power Plant Production and Steady Increase in Attributable Power Generation

During the Year, the Group overcame the insufficient power load, lagging in the progress of grid-connected operation and delays in fault handling as well as the adverse situations such as decrease in resources and increase of power curtailment due to the outbreak of COVID-19 epidemic at the beginning of the year, and the power generation recovered rapidly. The attributable power generation in 2020 achieved a year-on-year growth and recorded an increase of 8.7% over the same period of last year, with the amount of power generated by wholly-owned power plants increased by 11.1%. The Group's attributable wind power generation had a year-on-year growth rate of 11.3%, of which power generation by wholly-owned power plants had a year-on-year increase of 15.3%, mainly due to the improved asset quality of the newly added power plants and the increased installed capacities. Due to the decrease of installed capacity, the increase of power curtailment and the decrease of PV resources, the annual attributable power generation of PV power generation decreased by 11.2%.

Total Attributable Power Generation Output (GWh)

Business Segments and Regions	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
	2020	**2019**	**Change Rate**	**2020**	**2019**	**Change Rate**
Wind Power Generation	**4,310.2**	**3,872.8**	**11.3%**	**2,939.1**	**2,548.0**	**15.3%**
Including:						
Northeastern China	649.2	351.5	84.7%	379.0	1.7	-
Northern China	662.7	431.8	53.5%	123.2	-	-
Northwestern China	156.4	145.4	7.6%	-	-	-
Eastern China	714.9	729.8	-2.0%	511.7	519.0	-1.4%
Central Southern China	1,911.5	1,995.2	-4.2%	1,709.8	1,808.3	-5.4%
Southwestern China	215.5	219.0	-1.6%	215.5	219.0	-1.6%
PV Power Generation	**439.7**	**495.3**	**-11.2%**	**423.3**	**477.7**	**-11.4%**
Including:						
Northeastern China	0.8	0.8	0.0%	0.8	0.8	0.0%
Northern China	38.9	44.4	-12.4%	27.3	32.0	-14.7%
Northwestern China	13.6	13.1	3.8%	13.6	13.1	3.8%
Eastern China	55.2	60.3	-8.5%	50.4	55.0	-8.4%
Southwestern China	310.0	355.4	-12.8%	310.0	355.4	-12.8%
Overseas Regions	21.3	21.4	-0.5%	21.3	21.4	-0.5%
Total	**4,750.0**	**4,368.1**	**8.7%**	**3,362.4**	**3,025.7**	**11.1%**

ii. Continuous Improvement in Quality and Efficiency of Power Plants and Maintaining Growth in Revenue and Net Profit of Power Plants

During the Year, benefited from the improved asset quality of power plants and the increased installed capacities, and despite the adverse factors such as the increase of wind and PV power curtailment rates as well as decrease of resources in certain areas, both the revenue and net profit of the Group's power plants achieved a year-on-year increase.

In 2020, the Group's wholly-owned power plants achieved a total revenue of RMB1,728,443,000, an increase of 5.6% over the same period of last year, accounting for 86% of the Group's revenue (2019: 89%).

In 2020, the Group's wholly-owned power plants achieved a total net profit from power generation of RMB731,757,000, an increase of 16.5% over the same period of last year, and the Group shared net profits totaling RMB131,852,000 from power generation business of its associates and joint ventures.

Revenue and Net Profit of Power Plants (RMB)

	2020	2019	Change Rate
Revenue of Wholly-owned Power Plants	**1,728,443,000**	**1,636,294,000**	**5.6%**
Including: Wind Power	1,385,295,000	1,254,404,000	10.4%
PV Power	343,148,000	381,890,000	-10.1%
Net Profit of Wholly-owned Power Plants	**731,757,000**	**628,204,000**	**16.5%**
Including: Wind Power	638,785,000	526,351,000	21.4%
PV Power	92,972,000	101,853,000	-8.7%
Net Profit of Jointly-owned Power Plants	**131,852,000**	**170,042,000**	**-22.5%**
Including: Wind Power	124,987,000	162,913,000	-23.3%
PV Power	6,865,000	7,129,000	-3.7%

iii. Launching Deep Technological Transformation to Maintain a Higher Level of Availability of Power Plants

During the Year, following the total resumption of work of enterprises as well as the launch of technical transformation on power plants, the availability of the Group's power plants has been gradually recovering in the second half of the year. The availability of the PV power plants invested by the Group was 99.93%, of which the availability of wholly-owned PV power plants was 99.92%, both realizing year-on-year growth and reversing the decline in the availability of PV power plants in the first half of the year. The availability of the Group’s invested wind power plants was 97.72%, of which the availability of wholly-owned wind power plants was 98.08%, and the decrease was narrowed compared to the first half of the year.

Availability of Power Plants (%)

	The Group’s Invested Power Plants			The Group’s Wholly-owned Power Plants		
Business Segments	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Availability of Wind Power Plants	**97.72%**	**98.01%**	**-0.29**	**98.08%**	**98.65%**	**-0.57**
Availability of PV Power Plants	**99.93%**	**99.78%**	**0.15**	**99.92%**	**99.74%**	**0.18**

During the Year, the Group initiated a total of 52 key technological transformation projects in power plants of various regions. Initiatives such as extension of turbine blades, ice prevention for turbine blades, super double-feed induction, enhancement of module’s master control program and anti-corrosion for blade leading edge effectively improved the power generation performance of wind turbines and increased the power generation of power plants, and reduced the loss of electricity. The Group’s launch of the blade extension technical transformation in power plants in Anhui, Liaoning, and other places was evaluated to increase the power plants generation capacity of power plants by 5% to 7%. The Group's launch of the super double-feed induction technical transformation in Hubei could increase the annual equivalent power generation hours of the wind turbines by more than 50 hours after evaluation. Technical transformation in respect of safety including technical upgrade of lightning protection design, grounding modification of wind turbines and PV modules and safety monitoring system of hub bolts improved the safety and stability of power plants operation.

Meanwhile, the Group actively promoted the work of equipment maintenance and analysis. Problems of similar nature of equipment were analyzed to improve the availability of equipment as well as to provide support for technological transformation. Intelligent operation and management of power plants were promoted continuously by optimizing data sharing solutions of $POWER^{+}$ and EAM systems. Online and offline interaction of various tasks were strengthened, thus enhancing the efficiency of power plant operation and level of intelligent operation.

iv. Significantly Longer Utilization Hours of Wind Power Plants with Minimal Impacts from Power Curtailment

In 2020, benefited from the replacement of the existing power plants with lower utilization hours with the parity on-grid power plants with higher utilization hours and the increased technical transformation of the power plants, the quality of the Group's power plants has been improved significantly, and the average utilization hours of the wind power plants substantially increased. The weighted average utilization hours of the Group's invested wind power plants reached 2,241, representing an increase of 115 hours over the same period of last year, which was higher than the national average level by 144 hours. The weighted average utilization hours of wholly-owned wind power plants was 2,504, representing an increase of 227 hours over the same period of last year, and 407 hours higher than the national average.

In 2020, the weighted average utilization hours of the Group's invested PV power plants was 1,452, which was 292 hours higher than the national average.

Weighted Average Utilization Hours of Power Plants (Hour)

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments	**2020**	**2019**	**Change Rate**	**2020**	**2019**	**Change Rate**
Average Utilization Hours of Wind Power Plants	**2,241**	**2,126**	**5.4%**	**2,504**	**2,277**	**10.0%**
Average Utilization Hours of PV Power Plants	**1,452**	**1,517**	**-4.3%**	**1,436**	**1,505**	**-4.6%**

In 2020, the power curtailment rate of the Group's invested power plants increased, with a year-on-year increase on both wind and PV power curtailment rate. The average wind power curtailment rate of the Group's invested wind power plants and the wind power curtailment rate of wholly-owned wind power plants were both 4.0%, of which the wind power curtailment rate of wholly-owned wind power plants increased by 2.7 percentage points year-on-year, mainly attributable to the slowdown of growth rate in social electricity consumption due to the epidemic and the increase of power curtailment in regions such as Hunan as a result of limited output channels during the flooding season in southern regions. The average PV power curtailment rate of the Group's invested PV power plants was 9.3%, of which the PV power curtailment rate of wholly-owned PV power plants was 10.2%, mainly attributable to the lack of improvement in PV power curtailment in regions such as Tibet.

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

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Wind Power Curtailment Rate	**4.0%**	**3.1%**	**0.9**	**4.0%**	**1.3%**	**2.7**
PV Power Curtailment Rate	**9.3%**	**7.0%**	**2.3**	**10.2%**	**7.6%**	**2.6**

v. Average Feed-in Tariff of Power Plants Fell Slightly, Reduced Dependence of Power Plants on Subsidies

During the Year, with the impacts of the commencement of operation of grid parity projects, transfer of power plants with high subsidies, power trading and the increase on allocated expense of ancillary services, the weighted average feed-in tariff of power plants invested by the Group fell slightly. However, following the increase of commencement of grid parity projects and the transfer of renewable energy subsidized power plants, the Group's ratio of assets that were dependent on renewable energy subsidy was further decreased, while the asset quality of power plants significantly increased, thus reducing the dependence of power plants on subsidies.

Weighted Average Feed-in Tariff of Power Plants (RMB/kWh) (Including VAT)

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments	**2020**	**2019**	**Change**	**2020**	**2019**	**Change**
Weighted Average Feed-in Tariff of Wind Power	**0.5339**	**0.5499**	**-0.0160**	**0.5492**	**0.5800**	**-0.0308**
Weighted Average Feed-in Tariff of PV Power	**0.9452**	**0.9471**	**-0.0019**	**0.9125**	**0.9135**	**-0.0010**

(5) Other Businesses

During the Year, other business segments of the Group contributed revenue of RMB272,311,000 to the Group (2019: RMB199,628,000), representing a year-on-year increase of 36%.

While focusing on its core power generation business, the Group also actively developed related business along the renewable energy industry chain and conducted extensive research and development. In 2020, the Group has actively overcome the epidemic impact and spared great efforts in expanding the businesses of intelligent O&M and Energy IoT, engineering consultancy and design as well as financial leasing and made some achievements.

i. Intelligent O&M Segment

The Group's subsidiaries Beijing Century Concord Operation and Maintenance Co., Ltd. ("Concord O&M") and Beijing Power Concord Technology Development Co., Ltd. ("Power Concord") formed the intelligent O&M sector of the Group. Concord O&M and Power Concord deepened the synergetic development, greatly exploring the intelligent O&M service model, improving the technological level of energy IoT, expanding the business coverage and promoting the application of technology. During the Year, the building of professional talents in R&D, operation and sales in the segment was strengthened, and high-end talents were introduced to continuously improve the business scale and service quality of intelligent O&M.

Concord O&M and Power Concord greatly explore the intelligent O&M service model and continue to push forward the product R&D of the intelligent O&M platform POWER^{+}. On the foundation of the intelligent O&M platform POWER^{+}, EAM, mobile inspection terminal function complementation and data interoperability, Concord O&M and Power Concord continued to deepen the integration of online intelligent monitoring with offline O&M, achieving the multi-functional data collection, centralized monitoring and control, intelligent analysis, intelligent early warning and automated logbook of power stations and forming a data-driven new energy full life cycle asset management and intelligent O&M solutions. Leveraging the application of the intelligent O&M platform, the professional support of the technical service systems, the protection of safety and quality system and the interaction of three-tier management system between headquarters + regions + power stations, the Group's intelligent O&M service model of online and offline integration has been optimized gradually and the level of intelligent O&M services has continued to improve.

During the Year, Concord O&M won "The Most Influential O&M Enterprise" of 2020 Solar Cup, "Top 100 Distributed PV Power Service Providers in China" of 2020 CREC, as well as the Basic Safety Training（BST） Certificate awarded by the China General Certification(CGC) and authorized by the Global Wind Organization (GWO). Such awards illustrate that the service quality and safety management system of Concord O&M are highly recognized by the industry.

While leveraging on the accumulated O&M experience of the Group's power plants, Concord O&M and Power Concord vigorously expanded their external business and business scope. During the Year, both the revenue and net profit of Concord O&M increased. Newly signed external contracts amounted to RMB75.67 million. Concord O&M actively innovated new business models and the business and customer types were more diversified. Apart from the traditional O&M services, it also explored new businesses such as assets management, technical transformation, technical services, data products and household photovoltaic system, and achieved breakthroughs in off-shore O&M businesses, with the O&M capacity reaching 7.4 GW. In 2020, Concord O&M undertook service contracts with a total of 129 wind power and PV power plants in O&M, asset management, inspection and wind turbine commissioning services, as well as 63 service contracts covering the areas such as preventive tests, technical services, technical transformation and sales of spare parts.

ii. Engineering Consultancy and Design Business

During the Year, the Group's subsidiary Concord Power Consulting & Design (Beijing) Corp., Ltd. ("Design Company") strengthened the full process control of projects. It continuously promoted design optimization and standardized construction, and improved its design philosophy and service quality. In addition to intensive expansion of the traditional areas such as design consultancy markets and EPC markets, it also actively expanded into new business areas and enhanced its market competitiveness.

During the Year, the Design Company completed 399 technical service reports, 117 feasibility study reports, 34 microsite selection reports and a total of 26 preliminary designs, construction drawing designs and record drawing designs. The Design Company expanded business development and signed 30 exterior contracts and won the bid of shortlisted for 17 frameworks in 2020. It also won the bids for the planning projects of wind and solar power industries in Zhaotong, Yunnan and wind power development in Yilan, Heilongjiang. Furthermore, the Design Company actively expanded new business and launched the design consultation work of gas power generation, integration of wind, PV and hydrogen power and energy storage, clean heating, biomass energy and multi-energy complementation.

The Design Company comprehensively improved its quality management level and launched design optimization and standardized construction. It was awarded the third prize of the 2020 Outstanding Quality Control Team Achievements in the Power Engineering Industry with its work result report of "Reducing the Weight of Towers of the High-wheeled Wind Power Turbine in Yangcun Village, Tianchang, Anhui". Furthermore, as a member of the China Electric Power Planning & Engineering Association, Beijing Engineering Exploration and Design Association and Beijing Association of Engineering Consultings, the Design Company actively fulfilled its duty and was elected as a member supervisor of the Supervisory Board to the China Electric Power Planning & Engineering Association during the Year.

iii. Financial Leasing, Energy Storage and Incremental Distribution Network Businesses

Focusing on the renewable energy industry chain, the Group actively explored new business development models including finance leasing, energy storage and incremental distribution network during the Year. The Group kept close track of industry policies and the development trends of renewable energy, monitored technological development, strengthened technical reserve and improved risk management and control. It dynamically tracked the investment returns of new businesses, formulated investment strategies and expanded into the Group's new area of business growth according to the degree of maturity of business development.

III. ENVIRONMENTAL PROTECTION, COMPLIANCE AND SOCIAL RESPONSIBILITY

In addition to financial performance, the Group believes that high-standard of corporate social responsibility is of great significance in building a positive relationship between the enterprise and the society, motivating its employees and achieving sustainable development and return for the Group.

(1) Ecological and Environmental Protection

While complying with national ecological and environmental protection laws and regulations, the Group has formulated its own environmental protection management system and working procedures. When managing the full life cycle of power plants, the Group focused on the investment and management in environmental protection, conservation of water and soil and biodiversity protection. Through various measures including ensuring allocation of funds, optimized designs, technology upgrades and intelligent operation of enhancing environmental standards and concept of environmental protection, the Group practiced energy conservation, emission reduction, ecological environment protection, and guarded the lucid waters and lush mountains while providing clean energy to protect the natural environment. As such, the Group has established a good image in local investment and development.

During the Year, the Group achieved the equivalent reduction of carbon dioxide, sulphur dioxide, and nitrogen oxide emissions and the saving of standard coal and water conservation from the electricity generated by the Group's invested wind power plants and PV power plants, as compared with those by conventional power plants.

The reduction in pollutants positively contributed to the reduction in air pollution, greenhouse gas emission and haze.

Emission Reduction by Power Plants

Emissions Reduction Indicators	**2020**	**Accumulated Amount**
CO_2 (Kilotons)	5,205	34,734
SO_2 (tons)	1,274	24,700
NO_X (tons)	1,328	22,321
Standard Coal Saving (Kilotons)	2,087	12,664
Water Saving (Kilotons)	8,243	80,592

(2) Compliance

During the Year, the Group has complied with the relevant standards, laws and regulations of our business, management and labour standards.

(3) Community Responsibilities

While focusing on the development of clean energy business, the Group paid close attention to the local livelihood and economic development and actively fulfilled its social responsibilities to give back to the society. During the Year, the Group actively assumed the social responsibility in supporting the pandemic prevention and contain work all over the country. Our subsidiaries from all over the country timely allocated resources and collected pandemic prevention supplies to provide local monetary support and pandemic prevention supplies. The Group actively carries out poverty alleviation work in areas where its power plant investments have been made, through a combination of measures such as poverty alleviation projects, poverty alleviation through consumption, pairing and donations to assist local poverty reduction and economic development. The Group at the same time relied on projects to carry out localized talent training and personnel recruitment, facilitating local employment.

The Group has been keen on school-enterprise cooperation. We facilitate the educational advancement of renewable energy in China while promoting the development in local economy, culture, employment and environment. The Group has entered into a donation agreement with the North China Electric Power University Education Foundation and set up a scholarship. The Group has donated an accumulated total of approximately RMB3 million for 13 consecutive years, subsidizing an accumulative number of 1,238 outstanding students with excellent conduct and rewarding 57 outstanding teachers. A modern apprenticeship system with cooperative development class was set up jointly with Ulanqab Vocational College and Hunan Polytechnic of Water Resources and Electric Power, with an aim to develop talents in local regions, provide employment channel and attract outstanding talents. A total of 307 graduates have been trained.

For details of the Group's ecological and environmental protection, compliance and social responsibilities, please refer to the independent report "Environmental, Social and Governance Report 2020" published by the Group.

(4) Customers and Suppliers Relationship

During the Year, the Group maintained a good relationship between customers and suppliers with no major dispute.

During the Year, the Group's top five customers accounted for 59% of the Group's total revenue, including 13.2%

from State Grid Anhui Electric Power Co., Ltd., the largest customer.

During the Year, the Group's top five suppliers accounted for 86% of the Group's total procurement, including 23% from the largest supplier, Envision Energy Co., Ltd., which supplied wind turbine equipment for wind power projects invested by the Group.

IV. HUMAN RESOURCES

The Group always upholds its core values of "people-orientation, value creation, working for a better future and striving for excellence". It protects the legal rights of its employees, pays attention to their career development, cares for their health and safety, and puts efforts in achieving the common development of the employees as well as the Group. The Group continuously optimizes its human resources management system based on the principle of coordinated strategy, organization, talents and incentives. The Group respects the value of talents, seeks to develop their potentials and optimizes the incentive mechanism, fostering a human resources management system that is able to support the strategic implementation and organizational development of the Group.

During the Year, the Group continued to uplift the intelligent operation and centralized management, deepen regional management and optimize the organizational structure and personnel allocation in order to improve the employees' productivity. The Group provides a broad development platform for its employees and set up a system of five major job functions to build a career development path, while constantly refining the remuneration and recruitment qualifications system. The Group also stresses on talent nurturing and refines the training system in order to accelerate the establishment of talent pipeline and training of talent reserves. The establishment of the online training system was completed during the Year, providing all employees through online cloud classroom with technical and management courses including professional technology, human resources, financial management, office informatization, corporate culture, anti-fraud propaganda, etc., for employees to learn independently; In 2020, through online, offline, internal and external training channels, the Group provided training courses with a duration of more than 1,000 hours to fully meet the learning needs of employees of different categories and levels.

The Group values the health and safety of its employees, taking epidemic prevention and control as part of its normal operations and accumulating pandemic prevention supplies. In 2020, the investment in epidemic prevention and control reached RMB2.24 million. Moreover, the Group supports its employees through a variety of caring measures including staff physical examinations, staff supplemental medical insurance, festival benefits, employee support and activities, establishing a good corporate culture.

As at 31 December 2020, the Group had 1,619 full-time employees (31 December 2019: 1,448), 146 of whom worked at the Group's headquarters, 299 in project development and management, 1,018 in O&M, 71 in Energy IoT technological development and 85 in businesses such as design and leasing.

For details of the Group's human resources, please refer to the independent report "Environmental, Social and Governance Report 2020" published by the Group.

V. FINANCIAL RESOURCES AND COMMITMENTS

As at 31 December 2020, the Group held cash and bank balances of approximately RMB2,608,069,000 (31 December 2019: RMB1,605,128,000). The net assets of the Group were RMB6,494,502,000 (31 December 2019: RMB5,969,201,000). The balance of bank and other borrowings of the Group was RMB7,754,497,000 (31 December 2019: RMB7,841,675,000). The liability-to-asset ratio was 66.74% (31 December 2019: 69.99%).

Pledge of Assets

As at 31 December 2020, the buildings and equipment of the Group were pledged to secure borrowings balance of RMB6,557,058,000 (31 December 2019: RMB5,251,063,000).

Contingent Liability

With effective from 27 June 2019, the subsidiaries of the Group provided joint liability guarantees for the debts of Daoxian Century Concord Wind Power Co., Ltd.*(道縣協合風力發電有限公司) ("Daoxian Century Concord") and Daoxian Jingtang Century Concord Wind Power Co., Ltd.*(道縣井塘協合風力發電有限公司) ("Daoxian Jingtang") under the lease contracts. As at 31 December 2020, the total principal debt's balances of Daoxian Century Concord and Daoxian Jingtang which the Group provided joint liability guarantees were RMB436,120,000.

Save as mentioned above, there was no material contingent liability of the Group as at 31 December 2020.

Commitments

As of 31 December 2020, the Group had capital expenditure contracted for but not provided for in the consolidated financial statements is RMB2,441,692,000 (31 December 2019: RMB1,471,579,000).

VI. RISK FACTORS AND RISK MANAGEMENT

The Group's business development is affected by risk factors including policies, market, climate, power curtailment, capital, exchange rates and COVID-19 epidemic.

The project development and construction as well as the revenue and profit of wind power and PV power generation industries are greatly affected by policy changes. In the era of grid parity, the level of industrial concentration and scale is further promoted, resulting in the more fierce competition between enterprises in terms of controlling resources, striving for grid-connected conditions and supply chain management. The curtailment of wind power and PV power to varying extents in certain regions, as well as the safety risks created by climate change and extreme weather conditions on power plant production and personnel will adversely affect the power generation, revenue and profit of power plants. The investment in wind power and PV power plants has a relatively high demand for borrowings. The cost and amount of capital will have a direct impact on the Group's operations. The distribution of renewable energy subsidies will also affect the cash flow of the Group. The Group also engages in foreign investment and issues dollar bonds. Therefore, fluctuations in Renminbi exchange rate will result in foreign exchange losses or gains from the Group's operations in foreign currencies. Besides, the unstable COVID-19 epidemic situation poses a significant amount of uncertainties to the economic development and the normal corporate operation, which may lead to fluctuation in power demand and higher difficulty in supply chain management, and adversely affect the construction and operation of the Group's power plants, power generation and revenue.

In response to the risks mentioned above, the Group will formulate all sorts of countermeasures to reduce the risks according to the likelihood of occurrence of various risks. The Group will closely follow the direction of policies through strengthened analysis and prudent judgement and make plans in advance. The Group will continue to improve its development capabilities and optimize its deployment of projects by increasing development efforts in regions with no power curtailment. The Group will make great efforts in developing grid parity projects so to enhance asset management, optimize asset quality and reduce the reliance on renewable energy subsidies. The Group will improve the design standards , perform stringent safety management and control and strive to balance or reduce the impact of climate on the safety and efficiency of power plants. The Group will adopts a number of measures to strengthen the management of risks related to exchange rate and effectively implement protective measures against risks associated with exchange rate. Furthermore, the Group will take epidemic prevention and control as part of its normal operations and adjust the prevention and control strategy according to the development of the epidemic situation to prevent and reduce the potential risks on the Group's business caused by imported COVID-19 cases and isolated cases occurring in China.

VII. PROSPECTS

In 2020, China made a solemn promise to the world that China will strive to reach the peak of carbon dioxide emissions before 2030 and achieve carbon neutrality by 2060. China also clearly proposed at the Climate Ambition Summit that the total installed capacity of wind power and solar power in China will reach more than 1,200 GW by 2030. In view of this, there will be fundamental changes to the policy of renewable energy industry in China. Governments of all administrative levels will expand the planned scale of renewable energy projects, grid companies will actively adopt measures to include wind and solar power on the grid, and the expansion of the market size will promote technological advancement, reduce the LCOE of renewable power generation, making renewable energy a more commercially competitive form of energy. In our interpretation, the renewable energy industry will usher in a golden period of rapid development. At the same time, however, many companies including big power enterprises, traditional energy enterprises, sizable enterprises in other business areas and foreign capital will compete in the renewable energy field. Unlike in the past, these enterprises are generally quite sizable and have a strong manageable capability, thus the competition in the industry will become more intensive.

After fifteen years of development, the Group has laid a solid foundation and formed multi-business synergetic development layout composed of power plant investment, intelligent O&M and R&D of energy IoT, engineering consultancy and design as well as financial leasing, accumulating extensive experience in human resources, financial resources, intangible assets and industry experience. The Group has sufficient project reserves, and possesses strong development capability and professional construction capability in the industry.

Looking forward to the era of grid parity, the Group will seize on the industry opportunities and adopt a proactive development strategy to vigorously develop grid parity projects, PV projects and base projects, expedite the construction and production of projects, and adopts a “build & transfer” strategy to actively dispose existing projects, replace renewable energy subsidized projects with grid parity projects and replace economically unfavourable projects with projects of low LCOE, in order to improve the Group’s overall asset quality and achieve sustainable and stable development of the Group. Meanwhile, the service businesses will be vigorously developed, investment in R&D and marketing expansion will be increased and technological aspects as well as market competitiveness of design, operation and maintenance services will be improved.

In 2021, the Group will strive to achieve the following:

i. Increase Project Construction Efforts to Ensure the Completion of New Projects for Production as Planned

The Group will seize the favourable opportunities arising from China's vigorous development of the renewable energy industry, and put more efforts in project constructions to achieve the addition of over 1 million KW in production capacity during the year. It will also will strengthen the capability of the engineering construction team and the co-ordination of projects, enhance the control of project nodes, keep a close eye on equipment supply and construction resources, pay close attention to the progress of the connecting systems and the progress of delivery works, analyse and implement the boundary conditions for the commencement of project constructions, so as to ensure the progress of project construction and guarantee the achievement of the annual production target.

ii.Aggressively Developing the Service Business to Expand the Scale of Service Business

The Group will aggressively develop its service businesses. Our entities in the service business segment should improve their capabilities in exploring external businesses to expand their business scales, and build influential service brands in the industry. We will continue to accelerate the R&D on Energy IoT technology and products, enhance the level of intelligent O&M , increase its efforts in marketing expansion, and improve all aspects of professional services and create intelligent energy management products on the foundation of the system interaction between POWER^{+} new energy intelligent O&M platform, EAM system and mobile inspection terminal. Meanwhile, the Group will continue to improve the standard of design and quality of service, actively develop the financing and leasing business, and innovate development strategy in accordance to the development trend to boost production through financing and promote the synergetic development of service businesses including design, financial leasing and intelligent O&M.

iii.Making Preparation for the Entrance into Market-Oriented Transactions by Striving to Lower the LCOE

Continuously lowering the LCOE is a long-term goal pursued by the Group. The Group will continue to pursue the strategy of the lowest LCOE, improve the asset quality and operation efficiency of power plants and enhance the core competitiveness of the Group in the era of competitive bidding and grid parity, such that we will be well prepared for the full entry of the renewable energy power generation into era of market-oriented trading and the competition with other forms of energy. The Group will actively carry out technical renovation and equipment management and improve the level of intelligent operation and maintenance and refined management of power plants with the help of IoT technology and POWER^{+}, by optimizing design, applying new models, new technologies and new processes, optimizing procurement strategies and speeding up construction progress to effectively reduce the construction costs of new projects.

iv. Increasing Efforts in the Development of PV Projects

Project development has always been the Group's strength. Recently, we should focus on strengthening the development of PV projects, organising large scale projects and base projects, and actively developing various forms of integrated resource development projects such as fishery photovoltaic, agriculture photovoltaic and forest photovoltaic power projects. The Group will strengthen the tracking and estimation of project benefits, and select projects with good economic benefits and strong risk resistance for development early in the development stage.

v. Continuously Optimize Asset Quality

The Group will continue to calculate the investment return of projects dynamically, implement the “build & transfer” strategy and accelerate the replacement of power stations that rely on renewable energy subsidies and have a low return on capital. At the same time, the Group will accelerate the construction of grid parity projects, strengthen refine management of power plants and strictly control cost of capital. We will also improve the efficiency of grid parity projects through means of technical innovation, intelligent operation, technical transformation, equipment maintenance and innovative financing. Our priorities also include enhancing asset quality and investment returns through optimizing asset structure and cash flow structure.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2020 have been agreed by the Group's independent auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on the preliminary announcement.

DIVIDEND

The board of directors recommends to declare a final dividend of HK$0.03 per ordinary share in respect of the year ended 31 December 2020 (2019: HK$0.025), subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. Based on the number of issued ordinary shares as of the date of approving this consolidated financial information, the proposed final dividend amounted to HK$251,006,000. It is expected that the final dividend will be paid out before end of June 2021.The Company will make further announcement when the book close date is fixed.

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

During the year ended 31 December 2020, the Company repurchased a total of 111,690,000 ordinary shares of the Company for an aggregate consideration of HK$36,824,000 (equivalent to approximately RMB33,274,000) on The Stock Exchange of Hong Kong Limited, all of the purchased shares were subsequently cancelled by the Company and the issued share capital of the Company was reduced thereon.

Subject to the approval at the annual general meeting of the Company, the Board proposed to repurchase ordinary shares not exceeding 10% of the issued shares of the Company throughout the year 2021.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2020, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rule.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2020.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Mr. Yap Fat Suan, Henry, Ms. Huang Jian and Mr. Zhang Zhong. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2020 have been reviewed by the Audit Committee.

APPRECIATION

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

For and on behalf of

Concord New Energy Group Limited

Liu Shunxing

Chairman

Hong Kong, 9 March 2021

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Dr. Shang Li and Mr. Zhai Feng (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian and Mr. Zhang Zhong(who are independent non-executive Directors).