CHINA RENEWABLE ENERGY INVESTMENT LIMITED
中國再生能源投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 987)

(website: www.cre987.com)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the "Board") of China Renewable Energy Investment Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Note	**2014**	2013
		HK$'000	*HK$'000*
Revenue	*3*	**97,334**	113,744
Cost of sales	*4*	**(73,331)**	(71,527)
Gross profit		**24,003**	42,217
Other (losses)/gains, net	*5*	**(1,029)**	3,583
Administrative expenses	*4*	**(21,462)**	(29,386)
Operating profit		**1,512**	16,414
Finance income	*6*	**5,319**	3,351
Finance costs	*6*	**(37,070)**	(46,755)
Finance costs – net	*6*	**(31,751)**	(43,404)
Fair value gain on derivative liability		**46**	2,150
Share of profits less losses of associated companies		**45,076**	58,830

	Note	2014 HK$'000	2013 HK$'000
Profit before income tax		**14,883**	33,990
Income tax expense	7	**(1,922)**	(6,382)
Profit for the year		**12,961**	27,608
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**(41,238)**	45,748
Release of exchange reserve upon disposal of an associated company		**(4,236)**	–
Release of exchange reserve upon disposal of discontinued operations		**–**	(2,668)
Other comprehensive (loss)/income for the year, net of tax		**(45,474)**	43,080
Total comprehensive (loss)/income for the year		**(32,513)**	70,688
Profit attributable to:			
Equity holders of the Company		**14,462**	28,194
Non-controlling interests		**(1,501)**	(586)
		12,961	27,608
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(30,816)**	71,028
Non-controlling interests		**(1,697)**	(340)
		(32,513)	70,688
Dividends	9	**–**	–
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)			
Basic earnings per share	8(a)	**0.61**	1.20
Diluted earnings per share	8(b)	**0.53**	1.06

CONSOLIDATED BALANCE SHEET
As at 31 December 2014

	Note	**2014**	2013
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,177,283**	900,845
Construction in progress		**500**	251,884
Prepaid land lease payments		**15,934**	13,147
Intangible assets		**5,448**	6,053
Prepayments and other receivables	*10*	**23,637**	57,132
Interests in associated companies		**965,691**	1,095,487
Total non-current assets		**2,188,493**	2,324,548
Current assets			
Inventory		**6,157**	6,571
Trade and other receivables	*10*	**103,944**	99,628
Cash and cash equivalents		**278,271**	271,050
Total current assets		**388,372**	377,249
Total assets		**2,576,865**	2,701,797
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**26,564**	26,564
Reserves		**1,730,951**	1,761,767
Equity attributable to equity holders of the Company		**1,757,515**	1,788,331
Non-controlling interests		**1,345**	3,042
Total equity		**1,758,860**	1,791,373

	Note	2014	2013
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**589,892**	562,236
Deferred income tax liabilities		**34,078**	39,940
Total non-current liabilities		**623,970**	602,176
Current liabilities			
Trade and other payables	*11*	**104,124**	133,998
Derivative liability		**–**	36
Current portion of bank borrowings		**89,911**	72,258
Convertible note		**–**	101,956
Total current liabilities		**194,035**	308,248
Total liabilities		**818,005**	910,424
Total equity and liabilities		**2,576,865**	2,701,797
Net current assets		**194,337**	69,001
Total assets less current liabilities		**2,382,830**	2,393,549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

China Renewable Energy Investment Limited (the "Company" or "CRE") is an exempted company incorporated in the Cayman Islands with limited liability. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively the "Group") are principally engaged in alternative energy business. The Group has operations mainly in the People's Republic of China (the "PRC").

The shares of the Company are listed on the main board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange"). On 29 January 2015, the ultimate holding company was changed from HKC (Holdings) Limited ("HKC"), a company incorporated in Bermuda and listed in Hong Kong, to Claudio Holdings Limited, an unlisted company incorporated in the British Virgin Islands. HKC has become an intermediate holding company since 29 January 2015.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$ thousand or HK$'000), unless otherwise stated. These consolidated financial statements were approved by the board of directors for issue on 30 March 2015.

2 BASIS OF PREPARATION

The consolidated financial statements of China Renewable Energy Investment Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of a derivative liability, which is carried at fair value. The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor companies ordinance (Cap. 32) for this financial year and the comparative period.

Changes in accounting policy and disclosures

(a) Amended standards adopted by the Group

HKAS 32 (Amendment)	Financial instruments: Presentation – offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Impairment of assets – recoverable amount disclosure

The adoption of the above amendments has no significant effects on the Group's financial information.

(b) Amended standards and interpretations mandatory for the first time for the financial year beginning on 1 January 2014 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)

HKAS 39 (Amendment)	Financial instruments: Recognition and measurement – novation of derivatives
HKFRS 10, 12 and HKAS 27 (2011) (Amendment)	Consolidation for investment entities
HK(IFRIC) Int 21	Levies

(c) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning on 1 January 2014 and have not been early adopted

The following standards, amendments to standards and interpretation have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2015 or later periods, but the Group has not early adopted them:

		Effective for accounting periods beginning on or after
HKAS 19 (2011) (Amendment)	Defined benefit plans: employee contributions	1 July 2014
Annual improvements project	Annual improvements to HKFRSs 2010 – 2012 cycle	1 July 2014
Annual improvements project	Annual improvements to HKFRSs 2011 – 2013 cycle	1 July 2014
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: applying the consolidation exception	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between and investor and its associate or joint venture	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: bearer plants	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
Annual improvements project	Annual improvements to HKFRSs 2012 – 2014 cycle	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

The Group has not early adopted the new standards, amendments to standards and interpretation, which have been issued but are not effective for the financial year beginning 1 January 2014. The Group has commenced an assessment of the related impact, but is not yet in a position to state whether any substantial changes to the Group's accounting policies and presentation of the financial information will be resulted.

(d) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3 REVENUE

The amount of each significant category of revenue recognised during the year is as follows:

	2014	2013
	HK$'000	*HK$'000*
Sales of electricity	**97,334**	113,744

Sales of electricity were all generated by the wind power plants of the Group. The Group has a single reportable segment which is wind power segment. As the Group does not have material operations outside the PRC, no geographic segment information is presented.

For the year ended 31 December 2014, the Group's revenue for reportable segments from external customers of HK$97,334,000 (2013: HK$113,744,000) is only attributable to the China market.

For the year ended 31 December 2014, the Group has two customers with revenue exceeding 10% of the Group's total revenue (2013: two customers). Revenues from the customers amounting to HK$49,553,000 and HK$47,781,000 (2013: HK$58,974,000 and HK$54,770,000) respectively are solely attributable to alternative energy business.

4 EXPENSES BY NATURE

	2014	2013
	HK$'000	*HK$'000*
Auditor's remuneration	**1,650**	2,020
Amortisation of prepaid land lease payments	**971**	923
Amortisation of intangible assets	**475**	515
Depreciation of property, plant and equipment	**60,245**	61,016
Net exchange (gains)/losses	**(1,784)**	2,280
Employee benefit expenses (including directors' emoluments)	**14,687**	16,075
Operating lease rental	**1,647**	2,100
Repair and maintenance expenses	**3,379**	2,090
Corporate expenses	**988**	1,033
Legal and professional fees	**1,516**	1,484
Management service fee	**990**	1,026
Other expenses	**10,029**	10,351
Total cost of sales and administrative expenses	**94,793**	100,913

5 OTHER (LOSSES)/GAINS, NET

	2014	2013
	HK$'000	*HK$'000*
Gain on disposal of discontinued operations	**–**	2,668
Gain on disposal of property, plant and equipment	**389**	–
Loss on disposal of an associated company	**(1,516)**	–
Others	**98**	915
	(1,029)	3,583

6 FINANCE INCOME AND COSTS

	2014	2013
	HK$'000	*HK$'000*
Finance costs:		
– interest expense on convertible note wholly repayable within 5 years	**(2,999)**	(5,724)
– interest expenses on bank borrowings not wholly repayable within 5 years	**(45,933)**	(42,831)
Less: amount capitalised in construction in progress *(Note)*	**11,862**	1,800
Finance costs	**(37,070)**	(46,755)
Finance income:		
– interest income on bank deposits	**5,319**	3,351
Finance costs – net	**(31,751)**	(43,404)

Note: The capitalisation rate applied to funds borrowed and used for the construction of wind farms was between 6.03% and 6.55% per annum in 2014.

7 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group has no assessable profit for the year (2013: Nil). Taxation on PRC profits has been calculated on the estimated assessable profit for the year at 25%, which is the rate of taxation prevailing in the PRC.

	2014	2013
	HK$'000	*HK$'000*
Withholding tax on dividends	**(6,906)**	(9,017)
Deferred income tax credit	**4,984**	2,635
Income tax expense	**(1,922)**	(6,382)

Note: The share of income tax expense of associated companies of HK$6,656,000 (2013: HK$10,530,000) is included in the Group's share of profits less losses of associated companies.

8 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
Profit attributable to equity holders of the Company (HK$ thousand)	**14,462**	28,194
Weighted average number of ordinary shares in issue (thousand)	**2,356,372**	2,356,372
Basic earnings per share (HK cents per share)	**0.61**	1.20

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In 2014, the convertible preference shares and convertible note are assumed to have been converted into ordinary shares.

	2014	2013
Profit attributable to equity holders of the Company (HK$ thousand)	**14,462**	28,194
Weighted average number of ordinary shares in issue (thousand)	**2,356,372**	2,356,372
Adjustment for:		
– Assumed conversion of convertible preference shares (thousand)	**300,000**	300,000
– Assumed conversion of convertible note (thousand)	**60,177**	–
Weighted average number of ordinary shares for diluted earnings per share (thousand)	**2,716,549**	2,656,372
Diluted earnings per share (HK cents per share)	**0.53**	1.06

Diluted earnings per share for the year ended 31 December 2014 did not assume the exercise of the share options and the subscription rights for convertible preference shares outstanding during the year since the exercise would have an anti-dilutive effect.

Diluted earnings per share for the year ended 31 December 2013 did not assume the exercise of the share options, convertible note and the subscription rights for convertible preference shares outstanding during the year since the exercise would have an anti-dilutive effect.

9 DIVIDENDS

No dividend was proposed and paid for the year ended 31 December 2014 (2013: Nil).

10 PREPAYMENTS AND TRADE AND OTHER RECEIVABLES

	Note	**2014**	2013
		HK$'000	*HK$'000*
Non-current			
Prepayments		**997**	32,812
Other receivables	*(b)*	**22,640**	24,320
		23,637	57,132
Current			
Trade receivables	*(a)*	**81,796**	65,967
Prepayments and other receivables	*(b)*	**22,148**	33,661
		103,944	99,628
		127,581	156,760

Notes:

(a) At 31 December 2014 and 2013, the ageing analysis of trade receivables by Group's revenue recognition policy is as follows:

	2014	2013
	HK$'000	*HK$'000*
Less than 30 days	**29,405**	18,883
More than 30 days and within 60 days	**8,682**	4,340
More than 60 days and within 90 days	**6,250**	2,370
More than 90 days	**37,459**	40,374
	81,796	65,967

At 31 December 2014 and 2013, the ageing analysis of trade receivables by invoice due date is as follows: *(Note i)*

	2014	2013
	HK$'000	*HK$'000*
Less than 30 days	**67,947**	49,678
More than 30 days and within 60 days	**–**	1,447
More than 60 days and within 90 days	**–**	–
More than 90 days	**13,849**	14,842
	81,796	65,967

Note i:

The Group allows a credit period of 30 days to its trade customers. The electricity tariff receivables due from the government have to go through an approval procedure before issuing invoices, which the related receivables of which invoices were not issued as at 31 December 2014 of HK$59.0 million (2013: HK$36.1 million) are classified as less than 30 days in the ageing analysis. Trade receivables that are less than 30 days past due are not considered impaired. As at 31 December 2014, trade receivables of HK$13.8 million (2013: HK$16.3 million) were past due but not impaired. These relate to the government subsidies on the electricity tariff which have not been allocated and distributed. Based on past experience and industry practice, these tariff premiums are generally paid in 6 to 12 months from the date of the sales recognition. The amount included HK$13.8 million (2013: HK$14.8 million) trade receivables on alternative energy business being past due over 12 months. No impairment has been provided for these receivables as the balances are not in dispute and there is no indication that the amount will not be collectible.

(b) Included in other receivables were input value-added taxation recoverable of HK$37,387,000 (2013: HK$45,117,000) arising from purchase of property, plant and equipment.

(c) All prepayments and trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

11 TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**271**	461
Payables for acquisition and construction of property, plant and equipment	**96,060**	125,504
Other payables and accruals	**7,793**	8,033
	104,124	133,998

At 31 December 2014 and 2013, the ageing analysis of trade payables is as follows:

	2014	2013
	HK$'000	*HK$'000*
Less than 12 months	**81**	215
12 months and more	**190**	246
	271	461

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the year ended 31 December 2014, China Renewable Energy Investment Limited ("CRE" or the "Company", and with its subsidiaries, collectively, the "Group") recorded a turnover in its alternative energy business of HK$97.3 million, a decrease of 14% from HK$113.7 million for the same period in 2013. Gross profit was only HK$24.0 million; a 43% decrease from the gross profit of HK$42.2 million in 2013. Poor wind resources over the year led to such a significant drop.

The Group's wind farms under the associated companies faced a similar situation. They only contributed profits of HK$45.1 million to the Group, which decreased by 23% from HK$58.8 million in 2013.

In order to focus on the core wind energy business, CRE has entered into an agreement to sell its entire minority stake in the Linyi waste-to-energy plant back to the joint venture partner, the environmental protection division of China Energy Conservation and Environmental Protection Group (collectively "CECEP") on 30 June 2014. The transfer of ownership was completed in September 2014, which has led to the recognition of a loss on disposal, being the difference of the consideration after taxes and fees minus the carrying book value of the relevant asset, of HK$1.5 million.

The investment right granted to a private investment firm TPG Growth (with its subsidiary STAR Butterfly Energy, Ltd. ("STAR"), collectively, the "TPG") on 23 November 2010 expired this year. A negligible fair value gain was recognized as a result.

Continuous enhancement in cost control has led to lowering of the Group's administrative expenses by 27% from last year's HK$29.4 million to HK$21.5 million.

The Group's net profit after tax attributable to the equity holders was HK$14.5 million for 2014 (2013: a net profit after tax of HK$28.2 million). Basic earnings per share was HK0.61 cents as compared to last year basic earnings per share of HK1.20 cents.

Liquidity and Financial Resources

As at 31 December 2014, the Group's total bank borrowings was HK$679.8 million as compared to HK$634.5 million in 2013. The difference was mainly due to drawdown of bank loans amounting to HK$130.0 million for the Siziwang Qi Phase Two project, repayment of principal instalments of HK$71.3 million for other wind farm projects and currency exchange difference.

The bank borrowings include interest-bearing Renminbi bank loans to the Group's wind farm projects in People's Republic of China ("PRC or "China"), with interest rates fixed at the People's Bank of China rates. The maturity dates for the Group's outstanding borrowings were spread over the next ten years. There were HK$89.9 million repayable within one year, HK$362.1 million repayable within two to five years and HK$227.8 million repayable after five years.

Convertible notes of principal amount RMB75.0 million (equivalent to HK$93.5 million) issued in 2012 ("CN 2012") to HKC (Holdings) Limited ("HKC", and with its subsidiaries, collectively, the "HKC Group") were early redeemed on 12 June 2014 to minimise future finance costs.

The Group's unrestricted bank deposits and cash were HK$278.3 million as at 31 December 2014 as compared to HK$271.1 million in 2013. Such increase represents cash received from normal operations and a bank loan drawdown for Siziwang Qi Phase Two project.

As the borrowings and incomes are in Renminbi, no hedging is required. The Group did not use any financial instruments for financial hedging purposes during the period under review.

Details of Charges in Group Assets

The Group's subsidiaries have charged their assets including wind power equipment, prepaid land lease payments and trade receivables, worth approximately RMB988.8 million (equivalent to HK$1,236.5 million) as security for the bank borrowings as at 31 December 2014. Assets, worth approximately RMB932.2 million (equivalent to HK$1,192.2 million), were charged as at 31 December 2013. The difference arises from the increase of property, plant and equipment from Siziwang Qi Phase Two project being pledged and the depreciation of the Renminbi currency.

Gearing Ratio

As at 31 December 2014, the Group's gearing ratio, which was the total borrowings less unrestricted bank deposits and cash divided by total equity, was 23% as compared to 26% as at 31 December 2013.

Contingent Liabilities

The Group did not have any contingent liabilities as at 31 December 2014 (Nil as at 31 December 2013).

Business review

China experienced a slowdown in its economic growth in 2014, which led to decrease in energy demand. However, the PRC government was still fully committed to promoting clean energy as a means to combat the ever increasing environmental pollution. Supportive government policies continued in 2014. A levy has been imposed on non-residential and non-farming energy users. The funds raised have been used to pay tariff subsidies for renewable energy operators. In addition, investment in new infrastructure has been made or planned to be made, which, together with orderly approval of new renewable energy projects, is helping gradually to solve the transmission bottle-neck, and should reduce curtailment on renewable energy.

Amidst such favourable and stable operating environment, the Group has progressed in accordance with its business plan. The construction of Siziwang Qi Phase Two, the second 49.5 mega-watt ("MW") project of a potential 1000 MW wind farm complex in the West Inner Mongolia was completed in August 2014. Connection to the power grid and final testing was conducted during the second half of 2014. Siziwang Qi Phase Two wind farm started commercial operation at the beginning of 2015 and will make a contribution to the Group for the year.

As part of our day-to-day management requirements, the Group's operational team has put in considerable efforts to ensure the safety and reliability of existing renewable energy assets, which comprise of six wind farms with total gross power generating capacity of 610.5 MW. However, due to the lack of wind resources in 2014, the performance of the renewable energy assets in 2014 was not as good as in 2013.

Mudanjiang and Muling Wind Farms

Mudanjiang and Muling wind farms, located in Heilongjiang province, have a total of 59.5 MW of wind power capacity. The wind farms started commercial operation in the fourth quarter of 2007. The Group holds majority stakes of 86% and 86.68% respectively. Power despatch was around 63.8 million Kilowatt-hour ("KWh"), which was equivalent to 1,072 efficiency hours in 2014. Despite improvement in the curtailment situation, poor wind resources led to bad performance this year as compared to last year's 72.1 million KWh (or 1,210 efficiency hours) power despatch.

Siziwang Qi Phase One Wind Farm

Siziwang Qi Phase One wind farm has a total of 49.5 MW of wind power capacity and is wholly-owned by the Group. It is located 16 kilometres ("km") north of Wulanhua under Siziwang Qi of Western Inner Mongolia. Commercial operation started January 2011. The wind farm is the first phase of a strategic 1000 MW wind farm base for the Group. Siziwang Qi Phase One wind farm despatched approximately 88.9 million KWh (an equivalent to 1,795 efficiency hours) in 2014, as compared to 105.3 million KWh (or 2,130 efficiency hours) in 2013. Poor wind resources and higher curtailment accounted for this year's drop in power despatch.

Danjinghe Wind Farm

The Group has a 40% effective equity interest in the 200 MW Danjinghe wind farm located in Hebei. The majority and controlling shareholder is the wind division subsidiary of CECEP, which holds 60%. The entire wind farm, which consists of three phases, started commercial operation in September 2010. The power despatched in 2014 was approximately 422.7 million KWh (an equivalent to 2,113 efficiency hours). As the project was obtained through the national tendering process, the wind farm enjoyed close to zero curtailment. However, poor wind resources led to poor performance this year as compared to last year's 507.7 million KWh (or 2,540 efficiency hours) power despatch.

Changma Wind Farm

Changma wind farm, located in Gansu province, is a joint venture with the wind division subsidiary of CECEP. The Group has a 40% effective interest in the project company. The 201 MW wind farm started commercial operation in November 2010. This project, also obtained through national tendering, enjoyed low curtailment in 2014 and despatched around 354.7 million KWh (an equivalent to 1,765 efficiency hours). However, poor wind resources led to poor performance this year as compared to last year's 416.5 million KWh (or 2,070 efficiency hours) power despatch.

Lunaobao Wind Farm

Lunaobao wind farm is a joint venture with the wind division subsidiary of CECEP, adjacent to the Danjinghe wind farm. The Group has a 30% effective equity interest. The wind farm capacity is 100.5 MW commenced commercial operation in February 2011. Unlike Danjinghe, Lunaobao wind farm was not obtained through national tendering process; and, hence, does not enjoy low curtailment. The power despatched in 2014 was around 188.9 million KWh (an equivalent to 1,879 efficiency hours). Despite poor wind resources, the performance in 2014 was better than last year's 172.9 million KWh (or 1,720 efficiency hours) due to significant reduction in curtailment. The curtailment rate is expected to fall further in the following years as the construction of a new high voltage transmission line is completed.

Outlook

The Group anticipates that 2015 will be a more normal year in terms of wind utilization. At the same time, the industry should benefit from continued government support. The Renewable Portfolio Standard should be announced in 2015 which should provide additional support for the industry as provinces will be required to meet certain minimum renewable energy targets. Curtailment is expected to be reduced given some improvement in local infrastructure. More significant reduction in curtailment is anticipated in 2016 and 2017 when most of the ultra-high-voltage transmission lines are completed and in operation.

A prudent but pragmatic business plan has been adopted. In the coming year, the reliability and availability of the equipment in existing wind farm assets will continue to be the prime focus. Operational and safety procedures with reference to the industry's best practice will be followed to lower the operational risk and production costs. Because supply warranties are about to expire, considerable effort will be made to establish a better liaison with the equipment suppliers in order to ensure an uninterrupted supply of spare parts and consumable items, such as lubricants.

On 31 December 2014, the National Development and Reform Committee ("NDRC" or, on regional level, "DRC") announced a reduction on renewable energy feed-in tariff by RMB2 cents. This will not affect the tariff rate for existing projects but will affect all new projects approved or constructed starting January 2015. The Group will closely monitor any unforeseen effect on the existing wind farm projects; and will carefully assess, together with other investment risks, the impact of such reduction on the new projects to be developed. New projects will only be developed when they are proven commercially and economically viable.

With Siziwang Qi Phase Two launched in January 2015, the Group will develop other high quality wind farm projects and expand its potential project pipeline. Siziwang Qi Phase Three, a 100 MW wind farm project in West Inner Mongolia, the Phase One 49.5 MW (out of a potential maximum capacity of 200 MW) wind farm project in Kulun Qi of Tongliao City East Inner Mongolia, the Phase One 49.5 MW (out of a potential maximum capacity of 100 MW) wind farm project in Zhangbei of Hebei province, and the 49.5 MW wind farm project in Yiyang Xian of Henan province are being considered. Wind testing for a period of 12 months has started. Depending on the testing results, these locations may contribute to our project pipeline for future development and construction.

The Group will also closely monitor the impact of changing interest rates on the Group's project bank financing and may explore other financing alternatives available.

At the moment, the Group intends to remain primarily focused on wind farms. However, over the long term, the Group is open to consider investing in other forms of renewable energy if new technology emerges and they meet our strict investment return criteria. The Group's assets portfolio will be properly assessed and managed. Strategic alliances to secure investment funding and expansion opportunities will be investigated so as to create the best return for our shareholders.

Employees

As at the end of December 2014, the Group's operations in Hong Kong and Mainland China employed a total of 70 employees. The Group had also appointed technical consultants on contract terms for its alternative energy projects. All employees are remunerated according to the nature of their jobs, their individual performances, the Group's overall performance, and the prevailing marketing conditions.

Environmental, Social and Governance Issues

The Group is one of the leading players involved in environmental protection in China. CRE believes that its operations can greatly benefit the environment while also earning profits for its shareholders. The Group has over 600 MW of operating wind farms in Hebei, Heilongjiang, Gansu, and Inner Mongolia provinces. The electricity that the Group generated makes it possible to reduce the amount of electricity generated from coal fired power plants. As a result, the amount of carbon emissions and pollutants that enter the atmosphere is reduced.

Through hiring local people to operate the project companies and providing them with a market compatible remuneration package and staff benefits, the Group is able to share its operation returns with the local community and contribute back to society.

The Group will explore other means to contribute more to the environment and to society once the Group grows larger and profitability increases.

FINAL DIVIDEND

The Directors do not recommend the payment of final dividend for the year ended 31 December 2014 (2013: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2014.

CORPORATE GOVERNANCE

The Company has complied with the code provisions (the "Code Provisions") and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2014, except for the following:

Code Provision A.2.1

According to the Code Provision A.2.1, the roles of chairman and chief executive officer ("CEO") should be separate and performed by different individuals. Under the current organisation structure of the Company, the functions of CEO are performed by the Chairman, Mr. OEI Kang, Eric, with support from other Executive Directors. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company, and has been effective in discharging its responsibilities satisfactorily and facilitating the Company's operation and business development. The Board will review the structure from time to time to ensure it continues to meet the principle and will consider segregation of the roles of chairman and CEO if and when appropriate.

Code Provision A.4.1

All independent non-executive directors of the Company were appointed with no specific term, but are subject to the rotation requirement in the articles of association of the Company, accomplishing the same purpose as being appointed for a specific term pursuant to Code Provision A.4.1 of the CG Code.

Code Provision A.6.7

All independent non-executive directors and non-executive directors of the Company were encouraged to attend the general meeting to inter-face with shareholders of the Company but one Non-executive Director was not in a position to attend the annual general meeting of the Company held on 30 May 2014 (as provided for in Code Provision A.6.7) due to overseas commitment.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries, the Company has obtained confirmation from all Directors that they have complied with the required standards set out in the Model Code during the year ended 31 December 2014.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of unpublished inside information in relation to the securities of the Group, on no less exacting terms than the Model Code.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference which have been updated from time to time to align with the Code Provisions set out in the CG Code. The Audit Committee, chaired by an Independent Non-executive Director, comprises four members namely Mr. TANG Siu Kui, Ernest, Mr. YU Hon To, David, Mr. TIAN Yuchuan who are Independent Non-executive Directors and Mr. WANG Sing, who is a Non-executive Director.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2014.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.cre987.com) and the Stock Exchange (www.hkexnews.hk). The 2014 annual report containing all the information required by the Listing Rules will be published on the above websites and dispatched to the shareholders of the Company in due course.

By order of the Board
CHINA RENEWABLE ENERGY INVESTMENT LIMITED
OEI Kang, Eric
Chairman and Chief Executive Officer

Hong Kong, 30 March 2015

As at the date of this announcement, the Board comprises seven Directors, of which Mr. OEI Kang, Eric, Mr. LEUNG Wing Sum, Samuel and Mr. WONG Jake Leong, Sammy are executive Directors; Mr. WANG Sing is non-executive Director (with Mr. HUNG Leung as his alternate); and Mr. TANG Siu Kui, Ernest, Mr. YU Hon To, David and Mr. TIAN Yuchuan are independent non-executive Directors.