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 2015

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 2015 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	**2015**	2014
		HK$'000	*HK$'000*
Revenue	*3*	**132,919**	97,334
Cost of sales	*4*	**(88,645)**	(73,331)
Gross profit		**44,274**	24,003
Other gains/(losses), net	*5*	**22**	(1,029)
Administrative expenses	*4*	**(23,620)**	(21,462)
Operating profit		**20,676**	1,512
Finance income	*6*	**6,583**	5,319
Finance costs	*6*	**(43,154)**	(37,070)
Finance costs - net	*6*	**(36,571)**	(31,751)
Fair value gain on derivative liability		**–**	46
Share of profits less losses of associated companies		**60,916**	45,076

	Note	2015 HK$'000	2014 HK$'000
Profit before income tax		**45,021**	14,883
Income tax expense	7	**(5,669)**	(1,922)
Profit for the year		**39,352**	12,961
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**(94,478)**	(41,238)
Release of exchange reserve upon disposal of an associated company		**–**	(4,236)
Other comprehensive loss for the year, net of tax		**(94,478)**	(45,474)
Total comprehensive loss for the year		**(55,126)**	(32,513)
Profit attributable to:			
Equity holders of the Company		**40,454**	14,462
Non-controlling interests		**(1,102)**	(1,501)
		39,352	12,961
Total comprehensive loss attributable to:			
Equity holders of the Company		**(54,060)**	(30,816)
Non-controlling interests		**(1,066)**	(1,697)
		(55,126)	(32,513)
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)			
Basic earnings per share	*8(a)*	**1.72**	0.61
Diluted earnings per share	*8(b)*	**1.56**	0.53

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

	Note	2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,039,197**	1,177,283
Construction in progress		**1,055**	500
Prepaid land lease payments		**13,937**	15,934
Intangible assets		**4,718**	5,448
Prepayments and other receivables	10	**22,719**	23,637
Interests in associated companies		**923,940**	965,691
Total non-current assets		**2,005,566**	2,188,493
Current assets			
Inventory		**5,920**	6,157
Trade and other receivables	10	**65,674**	103,944
Short-term bank deposit		**4,269**	–
Cash and cash equivalents		**181,250**	278,271
Total current assets		**257,113**	388,372
Total assets		**2,262,679**	2,576,865
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**23,564**	26,564
Reserves		**1,583,123**	1,730,951
Equity attributable to equity holders of the Company		**1,606,687**	1,757,515
Non-controlling interests		**279**	1,345
Total equity		**1,606,966**	1,758,860

	Note	2015	2014
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**471,874**	589,892
Deferred income tax liabilities		**33,072**	34,078
Total non-current liabilities		**504,946**	623,970
Current liabilities			
Trade and other payables	*11*	**65,911**	104,124
Current portion of bank borrowings		**84,856**	89,911
Total current liabilities		**150,767**	194,035
Total liabilities		**655,713**	818,005
Total equity and liabilities		**2,262,679**	2,576,865

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 of the Company for issue on 22 March 2016.

2 BASIS OF PREPARATION

The consolidated financial statements of China Renewable Energy Investment Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention.

Changes in accounting policy and disclosures

(a) Amended standards adopted by the Group

HKAS 19 (2011) (Amendment)	Defined benefit plans: employee contributions
Annual improvements project	Annual improvements to HKFRSs 2010 - 2012 cycle
Annual improvements project	Annual improvements to HKFRSs 2011 - 2013 cycle

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

In addition, the requirement of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(b) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning on 1 January 2015 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 2016 or later periods, but the Group has not early adopted them:

		Effective for accounting periods beginning on or after
Annual improvements project	Annual improvements to HKFRSs 2012 - 2014 cycle	1 January 2016
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be announced
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	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 2015. 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.

3 REVENUE

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

	2015 HK$'000	2014 HK$'000
Sales of electricity	**132,919**	97,334

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 2015, the Group's revenue for reportable segment from external customers of HK$132,919,000 (2014: HK$97,334,000) is only attributable to the China market.

For the year ended 31 December 2015, the Group has two customers with revenue exceeding 10% of the Group's total revenue (2014: two customers). Revenues from the customers amounting to HK$92,703,000 and HK$40,216,000 (2014: HK$49,553,000 and HK$47,781,000) respectively are solely attributable to alternative energy business.

4 EXPENSES BY NATURE

	2015 HK$'000	2014 HK$'000
Auditor's remuneration		
– Audit services	**1,550**	1,650
– Non-audit services *(Note)*	**400**	430
Amortisation of prepaid land lease payments	**1,152**	971
Amortisation of intangible assets	**445**	475
Depreciation of property, plant and equipment	**76,525**	60,245
Net exchange gains	**(1,156)**	(1,784)
Employee benefit expenses (including directors' emoluments)	**17,088**	14,687
Operating lease rental	**1,675**	1,647
Repair and maintenance expenses	**1,481**	3,379
Corporate expenses	**847**	988
Legal and professional fees	**894**	1,086
Management service fee	**990**	990
Other expenses	**10,374**	10,029
Total cost of sales and administrative expenses	**112,265**	94,793

Note: Expense paid to the auditor in relation to buy-back of convertible preference shares was accounted for as a reduction from the retained earnings.

5 OTHER GAINS/(LOSSES), NET

	2015 HK$'000	2014 HK$'000
Gain on disposal of property, plant and equipment	**22**	389
Loss on disposal of an associated company	**–**	(1,516)
Others	**–**	98
	22	(1,029)

6 FINANCE INCOME AND COSTS

	2015	2014
	HK$'000	*HK$'000*
Finance costs:		
– interest expense on convertible note	**–**	(2,999)
– interest expenses on bank borrowings	**(43,154)**	(45,933)
Less: amount capitalised in construction in progress *(Note)*	**–**	11,862
Finance costs	**(43,154)**	(37,070)
Finance income:		
– interest income on bank deposits	**6,583**	5,319
Finance costs – net	**(36,571)**	(31,751)

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 (2014: 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.

	2015	2014
	HK$'000	*HK$'000*
Withholding tax on dividends	**(4,932)**	(6,906)
Deferred income tax (expense)/credit	**(737)**	4,984
Income tax expense	**(5,669)**	(1,922)

Note: The share of income tax expense of associated companies of HK$15,309,000 (2014: HK$6,656,000) 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.

	2015	2014
Profit attributable to equity holders of the Company (HK$ thousand)	**40,454**	14,462
Weighted average number of ordinary shares in issue (thousand)	**2,356,372**	2,356,372
Basic earnings per share (HK cents per share)	**1.72**	0.61

(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 2015, the convertible preference shares are assumed to have been converted into ordinary shares.

	2015	2014
Profit attributable to equity holders of the Company (HK$ thousand)	**40,454**	14,462
Weighted average number of ordinary shares in issue (thousand)	**2,356,372**	2,356,372
Adjustment for :		
– Assumed conversion of convertible preference shares (thousand)	**242,466**	300,000
– Assumed conversion of convertible note (thousand)	**–**	60,177
Weighted average number of ordinary shares for diluted earnings per share (thousand)	**2,598,838**	2,716,549
Diluted earnings per share (HK cents per share)	**1.56**	0.53

Diluted earnings per share for the year ended 31 December 2015 did not assume the exercise of the share options outstanding during the year since the exercise would have an anti-dilutive effect.

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.

9 DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Final dividend proposed, of HK0.2 cents (2014: nil) per ordinary share	**4,713**	–

On 22 March 2016, a final dividend of HK0.2 cents per ordinary share payable in cash in respect of the year ended 31 December 2015 is proposed by the Board and the amounts are not accounted for until they are approved by the shareholders at the forthcoming annual general meeting of the Company. As the proposed final dividend is declared after the balance sheet date, such dividend is not recognised as liability as at 31 December 2015.

No dividend was proposed and paid for the year ended 31 December 2014.

10 PREPAYMENTS AND TRADE AND OTHER RECEIVABLES

	Note	2015	2014
		HK$'000	*HK$'000*
Non-current			
Prepayments		**2,527**	997
Other receivables	*(b)*	**20,192**	22,640
		22,719	23,637
Current			
Trade receivables	*(a)*	**48,741**	81,796
Prepayments and other receivables	*(b)*	**16,933**	22,148
		65,674	103,944
		88,393	127,581

Notes:

(a) At 31 December 2015 and 2014, the ageing analysis of trade receivables by Group's revenue recognition policy is as follows:

	2015	2014
	HK$'000	*HK$'000*
Less than 30 days	**18,768**	29,405
More than 30 days and within 60 days	**1,975**	8,682
More than 60 days and within 90 days	**1,864**	6,250
More than 90 days	**26,134**	37,459
	48,741	81,796

At 31 December 2015 and 2014, the ageing analysis of trade receivables by invoice due date is as follows: *(Note i)*

	2015	2014
	HK$'000	*HK$'000*
Less than 30 days	**48,741**	67,947
More than 30 days and within 60 days	**–**	–
More than 60 days and within 90 days	**–**	–
More than 90 days	**–**	13,849
	48,741	81,796

Note i:

The Group allows a credit period of 30 days to its trade customers. Trade receivables that are less than 30 days past due are not considered impaired. As at 31 December 2015, trade receivable of HK$48.7 million (2004: HK$67.9 million) were fully performing. Included in this balance, HK$44.8 million (2014: HK$59.0 million) represented the electricity tariff receivables due from the government which have to go through an approval procedure before issuing invoices and invoices of these related receivables were not issued as at 31 December 2015. As at 31 December 2014, trade receivables of HK$13.8 million were past due but not impaired. These relate to the invoiced government subsidies on the electricity tariff which had not been allocated and distributed and were past due over 12 months. These balances were fully settled during 2015.

(b) Included in other receivables were input value-added taxation recoverable of HK$26,234,000 (2014: HK$37,387,000) 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

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**546**	271
Payables for acquisition and construction of property, plant and equipment	**58,832**	96,060
Other payables and accruals	**6,533**	7,793
	65,911	104,124

At 31 December 2015 and 2014, the ageing analysis of trade payables is as follows:

	2015	2014
	HK$'000	*HK$'000*
Less than 12 months	**456**	81
12 months and more	**90**	190
	546	271

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the year ended 31 December 2015, 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$132.9 million, an increase of 37% from HK$97.3 million for the same period in 2014. Gross profit was HK$44.3 million, a 85% increase from the gross profit of HK$24.0 million in 2014. The wind resource returned to normal in 2015 and with the contribution from Siziwang Qi Phase Two wind farm, which commenced operations on January 1, enabled the Group to record increased revenue and gross profit.

Changma performed particularly well in 2015. As a result, the wind farms under the associated companies contributed profits of HK$60.9 million, an increase of 35% compared to 2014.

With careful control over the costs, the Group recorded a net profit after tax attributable to the equity holders of HK$40.5 million for 2015 (2014: a net profit after tax of HK$14.5 million). Basic earnings per share was HK1.72 cents as compared to the previous year of HK0.61 cents per share.

Liquidity and Financial Resources

As at 31 December 2015, the Group's total bank borrowings was HK$556.7 million as compared to HK$679.8 million in 2014. The difference was mainly due to repayment of principal instalments and currency exchange differences.

The bank borrowings include interest-bearing Renminbi bank loans to the Group's wind farm projects in the People's Republic of 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$84.9 million repayable within one year, HK$344.1 million repayable within two to five years and HK$127.7 million repayable after five years.

The Company entered into an agreement with STAR Butterfly Energy, Ltd. on 24 July 2015 to buy back 300,000,000 non-voting convertible preference shares at the total consideration of HK$93.9 million by cash. The transaction was completed in October 2015. This effectively reduces the Group's unrestricted bank deposits and cash to HK$185.5 million as at 31 December 2015 (2014: unrestricted bank deposits and cash was HK$278.3 million).

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 RMB917.5 million (equivalent to HK$1,082.9 million) as security for the bank borrowings as at 31 December 2015. Assets, worth approximately RMB988.8 million (equivalent to HK$1,236.5 million), were charged as at 31 December 2014. The difference was due to the depreciation of assets and fluctuation of the Renminbi currency.

Gearing Ratio

As at 31 December 2015, 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 23% as at 31 December 2014.

Contingent Liabilities

The Group did not have any contingent liabilities as at 31 December 2015 (Nil as at 31 December 2014).

Business review

In 2015, China's economy grew less than expected. As a result, the growth of electricity consumption declined. However, it is significant that the development of low-carbon development energy has become one of China's major growth engines. The investment in renewable energy continues to increase year-on-year. Various supportive government polices also continued in 2015 such as the increase in the renewable energy levy from 1.5 cents to 1.9 cents (27% increase). This levy is used to support the development of renewable energy projects. Significant progress is also being made in the development of ultra-high-voltage ("UHV") transmission lines. These "west-to-east" and "north-to-south" UHV transmission lines are expected to significantly reduce curtailment by 2017 to 2018.

Throughout the year, the Group's operational team has continued to focus on enhancing safety, and optimising the operation and maintenance plan through detailed cost and risk assessment. These efforts will ensure that the wind farms continue to operate efficiently. In 2015, all wind farms dispatched a total of 1,308.8 million kilo-Watt-hour ("kWh"), representing an increase of 17% as compared to 2014. The average utilization hours was 1,983 hours, representing an increase of 150 hours as compared to 2014. The increase is primarily attributable to the increase in wind resources from the Changma wind farm.

On the development front, the Group continued to expand, putting into operation the Siziwang Qi Phase II 49.5 mega-watt ("MW") wind farm in Inner Mongolia, increasing the Group's net wind capacity by 17%. The Group now has seven wind farms with total gross generating capacity of 660 MW and net capacity of 341 MW. One wholly-owned wind project, Songxian Phase I Wind Project ("Songxian Phase I") in Henan with a total generating capacity of 74 MW was included in the Fifth Batch of the Wind Power Project Approval Plan promulgated by the National Energy Administration in April 2015.

As a long term investor-operator in the renewable energy sector, CRE will continue to implement its investment strategy to selectively invest in high quality renewable energy projects and to expand our portfolio in a sustainable way.

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 54.4 million kWh, which was equivalent to 915 utilisation hours in 2015. Lower demand in the region caused higher curtailment and led to poor performance this year as compared to last year's 63.8 million kWh (or 1,072 utilisation hours) power dispatch.

Siziwang Qi Phase I & II Wind Farm

Siziwang Qi Phase I & II wind farm has a total of 99 MW of wind power capacity and is wholly-owned by the Group. It is located 16 kilometres north of Wulanhua under Siziwang Qi of Western Inner Mongolia. Commercial operation of Phase I and II started in January 2011 and January 2015 respectively. The wind farms are the first two phases of a strategic 1,000 MW wind farm base for the Group. Siziwang Qi Phase I & II wind farm dispatched approximately 169 million kWh (an equivalent to 1,708 utilisation hours) in 2015. In 2014, only Phase I was in operation, dispatching 88.9 million kWh (or 1,795 utilisation hours). Higher curtailment accounted for this year's drop in power dispatch.

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 China Energy Conservation and Environmental Protection Group (collectively "CECEP"), which holds 60%. The entire wind farm, which consists of three phases, started commercial operation in September 2010. The power dispatched in 2015 was approximately 398.7 million kWh (an equivalent to 1,994 utilisation hours). As the project was obtained through the national tendering process, the wind farm enjoyed minimal curtailment. However, slightly lower wind resources led to a decrease in power dispatch as compared to last year's 422.7 million kWh (or 2,113 utilisation hours).

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 minimal curtailment in 2015 and dispatched around 499.0 million kWh (an equivalent to 2,483 utilisation hours), which is higher than last year's 354.7 million kWh (or 1,765 utilisation hours) power dispatch due to better wind resources.

Lunaobao Wind Farm

Lunaobao wind farm is a joint venture with the wind division subsidiary of CECEP, and is adjacent to the Danjinghe wind farm. The Group has a 30% effective equity interest. The 100.5 MW wind farm commenced commercial operation in February 2011. Unlike Danjinghe, Lunaobao wind farm was not obtained through the national tendering process; and, hence, does not enjoy low curtailment. The power dispatched in 2015 was around 187.6 million kWh (an equivalent to 1,866 utilisation hours). Despite slightly lower wind resources, the performance in 2015 was close to last year's 188.9 million kWh (or 1,879 utilisation hours) as new and upgraded transmission lines in the region were completed in mid-2015, significantly reducing curtailment in the second half of 2015.

Outlook

On the Policy front, in December 2015, the National Development and Reform Committee ("NDRC" or, on regional level, "DRC") announced an adjustment to the onshore wind power benchmark feed-in-tariffs to partially compensate for the lower turbine prices. The price cut range was lower than expected, and is a positive signal to the industry, providing certainty for developers seeking to develop new projects under the 13th Five-Year Plan Period (2016-2020). For onshore wind power projects which are approved between 1 January 2016 and 31 December 2018, the tariff will be lowered by RMB2 cents/kWh in regions I, II and III, and by RMB1 cent/kWh in region IV. For onshore wind power projects which are approved between 1 January 2019 and 31 December 2020, the tariff shall be further lowered by RMB3 cents/kWh in regions I, II and III, and by RMB2 cents/kWh in region IV. There are no price cuts for existing wind farms.

Regarding our existing wind farms, the Group will continue to enhance the operational performance by optimizing our operation and maintenance strategy to achieve higher availability. The Group will continue to adopt industry best practices and strengthen various safety and operational related systems and procedures. In 2016, we expect that our wind farms in Northern China will continue to experience curtailment. However, curtailment is expected to reduce gradually in the coming two years as the new UHV transmission lines are commissioned.

On the development side, the Group's wind farm project in Songxian County of Luoyang City in Henan province, has a potential of 100 MW capacity, and will be developed in phases. Songxian Phase I, with a capacity of 74 MW, is at advanced stage of development, with a target of obtaining the final project approval before the end of 2016. Another 100 MW potential wind project is under wind measurement in Zhangbei County of Zhang Jiakou city in Hebei province. The China State Council has recently given Zhang Jiakou approval to serve as a demonstration site for renewable energy. The area will serve as a new energy base for Hebei, Beijing and Tianjin. Recently, Zhang Jiakou and Beijing successfully bid for the Olympic Games. The ensuing rapid economic development should further increase demand for renewable energy in Zhang Jiakou. The city aims to have renewable energy account for 30 percent of all energy consumed by 2020, and 50 percent by 2030. Although the project is still under early stage of development, it is expected to be developed within the 13th Five-Year Plan period.

The Group's wind farm investments are very capital intensive and require project loans. However, there is little currency risk as revenue, expenses, and project debt are denominated in Renminbi. The currently low interest rates will benefit the Group. While the Group has a strong balance sheet, we may explore additional financing channels that are available when required.

Although the Group is mainly investing in wind projects, we have also been closely monitoring the development of various other renewable technologies. Investment in solar power in China has accelerated over the last two years with the significant drop in the price for solar panels. The government has also implemented a variety of policies to support this industry, such as providing a favorable solar benchmark feed-in-tariff. Solar capacity is expected to grow significantly over the next decades, and is expected to exceed wind. The government targets solar to have installed capacity of 100-150 Giga-watt ("GW") in 2020 and 500-600 GW in 2030, compared to wind's 200-250 GW in 2020 and 400 GW in 2030. Given this expected growth, the Group will consider investing in solar projects if opportunities arise.

With nearly 10 years of experience as a long term investor-operator in the renewable energy industry, the Group has developed a strong base in China. We expect to continue our growth, not only by developing our own pipeline, but also by considering strategic alliances.

Employees

As at the end of December 2015, the Group's operations in Hong Kong and Mainland China employed a total of 69 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 660 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 Board has recommended the payment of a final dividend of HK0.2 cents (2014: Nil) per ordinary share for the year ended 31 December 2015 to shareholders whose names appear on the register of members of the Company on Friday, 3 June 2016. Subject to the approval of shareholders of the Company at the forthcoming annual general meeting which will be held on Thursday, 26 May 2016, the final dividend will be paid on Thursday, 23 June 2016.

CLOSURE OF REGISTER OF MEMBERS

The record date for the proposed final dividend will be Friday, 3 June 2016. The Company's register of members will be closed from Wednesday, 1 June 2016 to Friday, 3 June 2016 (both days inclusive) in order to determine entitlements to the proposed final dividend. During such period, no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 31 May 2016.

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 2015.

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 2015, except for the following:

Code Provision A.2.1

According to the Code Provision A.2.1 of the CG Code, 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 some of them were not in a position to attend the general meetings of the Company (as provided for in Code Provision A.6.7 of the CG Code) due to overseas commitment and pre-arranged business engagements.

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 2015.

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 comprises three members namely Mr. YU Hon To, David, Mr. TIAN Yuchuan and Mr. ZHANG Songyi. The Audit Committee, chaired by an independent non-executive director, is composed of all independent non-executive directors.

The Audit Committee has reviewed the Group’s audited consolidated financial statements for the year ended 31 December 2015.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2015 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 2015 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, 22 March 2016

As at the date of this announcement, the Board comprises six Directors, of which Mr. OEI Kang, Eric, Mr. LEUNG Wing Sum, Samuel and Mr. WONG Jake Leong, Sammy are executive Directors; and Mr. YU Hon To, David, Mr. TIAN Yuchuan and Mr. ZHANG Songyi are independent non-executive Directors.