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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board of directors (the "Board") of China Renewable Energy Investment Limited (the "Company" or "CRE") wishes to present the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016

		Unaudited Six months ended 30 June	
	Note	**2016**	2015
		HK$'000	*HK$'000*
Revenue	*5*	**68,366**	74,303
Cost of sales		**(43,458)**	(44,118)
Gross profit		**24,908**	30,185
Other income		**163**	22
Administrative expenses		**(10,625)**	(11,228)
Operating profit	*6*	**14,446**	18,979
Finance income	*7*	**1,573**	3,405
Finance costs	*7*	**(16,347)**	(22,198)
Finance costs – net	*7*	**(14,774)**	(18,793)
Share of profits less losses of associated companies		**49,122**	39,179

	Note	Unaudited Six months ended 30 June 2016 HK$'000	2015 HK$'000
Profit before income tax		**48,794**	39,365
Income tax expense	*8*	**(4,726)**	(3,686)
Profit for the period		**44,068**	35,679
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences		**(18,501)**	(1,587)
Other comprehensive loss for the period, net of tax		**(18,501)**	(1,587)
Total comprehensive income for the period		**25,567**	34,092
Profit attributable to:			
Equity holders of the Company		**44,309**	36,228
Non-controlling interests		**(241)**	(549)
		44,068	35,679
Total comprehensive income attributable to:			
Equity holders of the Company		**25,786**	34,658
Non-controlling interests		**(219)**	(566)
		25,567	34,092
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)			
Basic earnings per share	*10(a)*	**1.88**	1.54
Diluted earnings per share	*10(b)*	**1.88**	1.36

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2016

	Note	**Unaudited 30 June 2016 *HK$'000***	Audited 31 December 2015 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**990,859**	1,039,197
Construction in progress		**3,686**	1,055
Prepaid land lease payments		**13,221**	13,937
Intangible assets		**4,456**	4,718
Prepayments and other receivables	*11*	**17,900**	22,719
Interests in associated companies		**896,590**	923,940
Total non-current assets		**1,926,712**	2,005,566
Current assets			
Inventory		**6,356**	5,920
Trade and other receivables	*11*	**108,401**	65,674
Short-term bank deposits		**40,549**	4,269
Cash and cash equivalents		**182,249**	181,250
Total current assets		**337,555**	257,113
Total assets		**2,264,267**	2,262,679
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**23,564**	23,564
Reserves		**1,604,196**	1,583,123
Equity attributable to equity holders of the Company		**1,627,760**	1,606,687
Non-controlling interests		**60**	279
Total equity		**1,627,820**	1,606,966

	Note	**Unaudited 30 June 2016** *HK$'000*	Audited 31 December 2015 *HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**457,392**	471,874
Deferred income tax liabilities		**30,751**	33,072
Total non-current liabilities		**488,143**	504,946
Current liabilities			
Trade and other payables	*12*	**64,490**	65,911
Current portion of bank borrowings		**83,814**	84,856
Total current liabilities		**148,304**	150,767
Total liabilities		**636,447**	655,713
Total equity and liabilities		**2,264,267**	2,262,679

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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").

This unaudited condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars (HK$ thousand or HK$'000), unless otherwise stated. This unaudited condensed consolidated interim financial information was approved by the board of directors of the Company for issue on 18 August 2016.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting". The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

For the financial year beginning on 1 January 2016, the Group has adopted the following amendments to standards and interpretation:

Annual improvements project	Annual improvements to HKFRSs 2012–2014 cycle
HKAS 1 (Amendment)	Disclosure initiative
HKAS 27 (Amendment)	Equity method in separate financial statements
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations
HKFRS 14	Regulatory deferral accounts

The Group has assessed the impact for the adoption of these amendments to standards and interpretation and considered that there was no significant effect on the Group's interim financial information.

The Group has not early adopted the new standards, amendments to standards and interpretations, which have been issued but are not effective for the financial year beginning 1 January 2016. 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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

5 REVENUE

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

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
Sales of electricity	**68,366**	74,303

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 six months ended 30 June 2016, the Group's revenue for reportable segments from external customers of HK$68.4 million (six months ended 30 June 2015: HK$74.3 million) is only attributable to the China market.

For the six months ended 30 June 2016, the Group has two customers with revenue exceeding 10% of the Group's total revenue (six months ended 30 June 2015: two customers). Revenues from the customers amounting to HK$46.8 million and HK$21.6 million (six months ended 30 June 2015: HK$50.4 million and HK$23.9 million) respectively are solely attributable to alternative energy business.

6 OPERATING PROFIT

Operating profit is arrived at after (charging)/crediting the following items:

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
Auditor's remuneration	**(575)**	(575)
Amortisation of prepaid land lease payments	**(554)**	(521)
Amortisation of intangible assets	**(213)**	(226)
Depreciation of property, plant and equipment	**(36,677)**	(38,544)
Cost of other operations	**(3,487)**	(2,612)
Net exchange gain	**183**	57
Employee benefit expenses (including directors' emoluments)	**(7,590)**	(7,658)
Operating lease rental	**(820)**	(842)
Corporate expenses	**(509)**	(524)
Legal and professional fees	**(677)**	(708)
Management service fee	**(495)**	(495)
Repair and maintenance expenses	**(1,117)**	(800)

7 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
Finance costs:		
– interest expenses on bank borrowings not wholly repayable within 5 years	**(16,347)**	(22,198)
Finance income:		
– interest income on bank deposits	**1,573**	3,405
Finance costs – net	**(14,774)**	(18,793)

8 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group has no assessable profit for the period (six months ended 30 June 2015: Nil). Taxation on PRC profits has been calculated on the estimated assessable profit for the period at 25% (six months ended 30 June 2015: 25%), which is the rate of taxation prevailing in the PRC. Withholding tax on dividend income has been provided at rate 10% (six months ended 30 June 2015: 10%) on profit distribution upon declaration.

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
Withholding tax on dividends	**(6,657)**	(4,935)
Deferred income tax credit	**1,931**	1,249
Income tax expense	**(4,726)**	(3,686)

9 DIVIDENDS

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
Interim dividend proposed, of HK0.2 cents (six month ended 30 June 2015: nil) per ordinary share	**4,713**	–

On 18 August 2016, the Board has resolved to declare an interim dividend of HK0.2 cents per ordinary share payable in cash for the six month ended 30 June 2016. As the proposed interim dividend is declared after the balance sheet date, such dividend is not recognised as liability as at 30 June 2016.

No interim dividend was proposed for the six months ended 30 June 2015. A dividend of HK$4.7 million for the year ended 31 December 2015 was paid in June 2016 (2015: Nil).

10 EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2016	2015
Profit attributable to equity holders of the Company *(HK$ thousand)*	**44,309**	36,228
Weighted average number of ordinary shares in issue *(thousand)*	**2,356,372**	2,356,372
Basic earnings per share *(HK cents per share)*	**1.88**	1.54

(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.

	Six months ended 30 June	
	2016	2015
Profit attributable to equity holders of the Company *(HK$ thousand)*	**44,309**	36,228
Weighted average number of ordinary shares in issue *(thousand)*	**2,356,372**	2,356,372
Adjustments for:		
– Assumed conversion of convertible preference shares *(thousand)*	**–**	300,000
Weighted average number of ordinary shares for diluted earnings per share *(thousand)*	**2,356,372**	2,656,372
Diluted earnings per share *(HK cents per share)*	**1.88**	1.36

Diluted earnings per share for the six months ended 30 June 2015 did not assume the exercise of the share options outstanding during the period since the exercise would have an anti-dilutive effect.

11 PREPAYMENTS AND TRADE AND OTHER RECEIVABLES

		As at	
		30 June	31 December
		2016	2015
	Note	**HK$'000**	HK$'000
Non-current			
Prepayments		**929**	2,527
Other receivables	*(b)*	**16,971**	20,192
		17,900	22,719
Current			
Trade receivables	*(a)*	**65,785**	48,741
Prepayments and other receivables	*(b)*	**42,616**	16,933
		108,401	65,674
		126,301	88,393

Notes:

(a) At 30 June 2016 and 31 December 2015, the ageing analysis of trade receivables by the Group's revenue recognition policy is as follows:

	As at	
	30 June	31 December
	2016	2015
	HK$'000	HK$'000
Less than 30 days	**21,744**	18,768
More than 30 days and within 60 days	**2,948**	1,975
More than 60 days and within 90 days	**2,533**	1,864
More than 90 days	**38,560**	26,134
	65,785	48,741

At 30 June 2016 and 31 December 2015, the ageing analysis of trade receivables by invoice due date is as follows: *(Note i)*

	As at	
	30 June	31 December
	2016	2015
	HK$'000	HK$'000
Less than 30 days	**65,714**	48,741
More than 30 days and within 60 days	**71**	–
More than 60 days and within 90 days	**–**	–
More than 90 days	**–**	–
	65,785	48,741

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. The receivables relating to such invoices which were not issued as at 30 June 2016 amounted to HK$54.7 million (31 December 2015: HK$44.8 million) and 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 30 June 2016, trade receivables of HK$3.1 million (31 December 2015: Nil) 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. There were no 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$21.6 million (31 December 2015: HK$26.2 million) arising from purchase of property, plant and equipment.

12 TRADE AND OTHER PAYABLES

	As at	
	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
Trade payables	**680**	546
Payables for acquisition and construction of property, plant and equipment	**56,274**	58,832
Other payables and accruals	**7,536**	6,533
	64,490	65,911

At 30 June 2016 and 31 December 2015, the ageing analysis of trade payables by the Group's recognition policy is as follows:

	As at	
	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
Less than 12 months	**174**	456
12 months and more	**506**	90
	680	546

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the six months ended 30 June 2016, China Renewable Energy Investment Limited ("CRE" or the "Company", and with its subsidiaries, collectively, the "Group") recorded HK$68.4 million in turnover from its alternative energy business. Some of the Group's wind farms experienced a higher than expected curtailment. This led to a drop of 8% in the revenue as compared to last year's HK$74.3 million. The gross profit for the period decreased 18% to HK$24.9 million (2015: HK$30.2 million).

Despite wind resources being similar to last year, low curtailment to the wind farms operating under the associated companies led to better overall performance and higher net profit for the Group. The net profit contributed from the associated companies was HK$49.1 million as compared to last year's HK$39.2 million.

Benefiting from a slight decrease in administrative expenses and lower net finance costs, the Group's net profit after tax attributable to the equity holders of the Group was around HK$44.3 million for the six months ended 30 June 2016 as compared to HK$36.2 million for the same period in 2015, an increase of 22%. This represents basic earnings per share of HK1.88 cents, compared to 2015 basic earnings per share of HK1.54 cents.

Liquidity and Financial Resources

The Group's total bank borrowing was HK$541.2 million as at 30 June 2016, compared to HK$556.7 million as at 31 December 2015. The difference was mainly due to repayment of bank loan and currency exchange fluctuation.

The bank borrowings represent interest-bearing Renminbi bank loans to the Group's wind farm projects in the People's Republic of China ("PRC", or "China"), with interest rates with reference to 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$83.8 million repayable within one year, HK$339.9 million repayable within two to five years and HK$117.5 million repayable after five years.

As at 30 June 2016, the Group's unrestricted bank deposits and cash increased to HK$222.8 million as compared to HK$185.5 million as at 31 December 2015. The increase was due to receipt of dividends HK$40.3 million from wind farm assets in the associated companies after paying off normal operating expenses.

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 pledged their assets including wind power equipment, prepaid land lease payments and trade receivables, worth approximately RMB899.5 million (equivalent to HK$1,048.5 million) as security for the bank borrowings as at 30 June 2016. Assets, worth approximately RMB917.5 million (equivalent to HK$1,082.9 million), were charged as at 31 December 2015.

Gearing Ratio

As at 30 June 2016, the Group's gearing ratio was 20% as compared to 23% as at 31 December 2015. It represents the total borrowings less unrestricted bank deposits and cash divided by total equity.

Contingent Liabilities

The Group did not have any contingent liabilities as at 30 June 2016 (Nil as at 31 December 2015).

Business review

In the first half of 2016, China economic growth and increase in electricity consumption remained stable and met expectations. About 7.7 Giga-Watt ("GW") of wind capacity was installed in China, bringing total installed wind capacity to around 137 GW. Overall, wind conditions were normal and similar to the same period last year. However due to higher curtailment in some Western and Northern provinces, the national average utilization hours was 917 hours (lower than the first half of 2015 by 85 hours). Various national and provincial government's policies and regulations to resolve the curtailment issues and to encourage the use of renewable energy to meet the target of having 15% consumption from non-fossil fuel by 2020 continued in 2016. The government has announced that no new projects will be approved and construction should be suspended for regions with curtailment exceeding 20%. In addition, the Provincial Renewable Energy Quota System has been announced, requiring provinces to meet a certain minimum percentage of renewable energy consumption by 2020.

As of June 2016, the Group has seven wind farms with total gross generating capacity of 660 mega-watt ("MW"). Throughout the period, ensuring our wind farms continue to operate in a safe, reliable and efficient manner remains as our top priority. The Group's operational team has continued to focus on optimising our operation and maintenance strategy to enhance wind turbine availability while implementing various measures in minimising cost and curtailment.

Although some of our wind farms in Northern China still experienced heavy curtailment, with all these efforts, our wind farms dispatched a total of 759.1 Giga-Watt-hour ("GWh") as of 30 June 2016, representing an increase of around 5% as compared to same time last year. The average utilization hours was 1,150 hours, representing an increase of 53 hours as compared to the first half of 2015 and 233 hours above the national average utilisation hours for the first half of 2016. This outperformance is a strong indicator of the Group's prudent selective investment approach and technical expertise in operating wind farms efficiently.

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 dispatch for the first six months of 2016 was around 30.4 GWh, which was equivalent to 511 utilization hours. Wind resources was slightly lower in the first half of 2016; but with an improved curtailment situation, the performance was comparable to last year's six-month dispatch of 31.7 GWh, or an equivalent of 533 utilization hours.

Siziwang Qi Phase One and Two Wind Farms

Siziwang Qi Phase One & Two wind farms have a total of 99 MW of wind power capacity and are wholly-owned by the Group. They are located 16 kilometres ("km") north of Wulanhua under Siziwang Qi of Western Inner Mongolia. Commercial operation of Phase One and Two 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. During the interim period, Siziwang Qi Phase One and Two wind farms dispatched approximately 86.1 GWh, which was equivalent to 870 utilization hours. Higher curtailment accounted for the drop from last year's six-month dispatch of 91.1 GWh (920 utilization hours). However the curtailment situation is expected to improve once the ultra-high-voltage ("UHV") transmission lines are commissioned by the end of 2016 and 2017.

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 power division of China Energy Conservation and Environmental Protection Group (collectively "CECEP"), which holds 60%. The entire wind farm started commercial operation in September 2010. During the first six months of 2016, the power dispatched was around 254.9 GWh, which was equivalent to 1,275 utilization hours. As this project was obtained through national tender, the wind farm enjoyed minimal curtailment. Wind resource was normal in the first half of 2016. With improved operational efficiencies, slightly better performance was achieved as compared to last year's power dispatch of 234.4 GWh (1,172 utilization hours).

Changma Wind Farm

Changma wind farm, located in Gansu province, is a joint venture with CECEP. The Group has a 40% effective interest in the project company. The 201 MW wind farm started commercial operation in November 2010. This wind farm was also obtained through national tender and enjoyed low curtailment. With a similar level of wind resources as last year, Changma dispatched around 257.8 GWh, which was equivalent to 1,282 utilization hours, for the first six months of 2016. The wind farm's output was close to last year's power dispatch of 259.7 GWh (1,292 utilization hours).

Lunaobao Wind Farm

Lunaobao wind farm is a joint venture with CECEP and is adjacent to the Danjinghe wind farm. The Group has a 30% effective equity interest. The wind farm capacity is 100.5 MW and started commercial operation in February 2011. Unlike Danjinghe, Lunaobao was not obtained through national tendering process; hence, does not enjoy low curtailment. However Hebei North Grid has strengthened the transmission network around the area. A new transmission line was commissioned in the second half of 2015. As a result, the curtailment situation has improved. For the first six months of 2016, Lunaobao dispatched around 129.9 GWh, which was equivalent to 1,293 utilization hours, a significantly better performance as compared to last year's 104.9 GWh (1,044 utilization hours).

Business model and risks

CRE's main business is acting as an investor operator in China's renewable energy sector, in which we secure, develop, construct and operate power stations for the long term. As one of the main external investors in China's renewable energy sector, the Group is well positioned to contribute to the government's plan for a low-carbon economy. All investment opportunities are evaluated thoroughly based on a balance of their economic, environmental and social benefits. The Group's vision is to continuously improve and evolve in the renewable energy sector to adapt to the changing expectation of our stakeholders while balancing the needs of our shareholders, environment and the communities we operate in.

Risk management is the responsibility of everyone within the Group; risk is inherent in our business and the market in which it operates. Rather than being a standalone process, risk management is integrated into our daily business process, from project level day-to-day operation to corporate level strategy development and investment decisions.

Through a bottom up approach, we identify and review existing and emerging risks semi-annually. Identified risks are then monitored and discussed at the Group level. The risk management process is overseen by the Executive Committee and the Board as an element of our strong corporate governance. Within CRE, all risks factors are classified under 6 different categories, (i) Policy and Regulations, (ii) Legal and Compliance, (iii) Safety, Health and Environmental, (iv) Financial, (v) Operational and (vi) Reputational and evaluated through assessing their consequences and likelihood. With a continuous and proactive approach to risk management, the Group is committed to identify material risks and then manage these so that they can be understood, minimized, mitigated or avoided.

Outlook

2016 was the first year of China's 13th Five-Year Plan (2016-2020). As a result, the country continued to see strong investment in the renewable energy sector, especially wind and solar. Under the National Energy Administrations ("NEA") 2016 Wind Projects Development and Construction Plan, a total of 30.8 GW of new wind capacity has been allocated to various provinces. However, no increased wind capacity was allocated to provinces experiencing heavy curtailment such as in Jilin, Inner Mongolia, Heilongjiang, Gansu, Xinjiang and Ningxia. This should improve curtailment in these regions, especially as new transmission lines are completed.

In the first half of 2016, NEA continued to issue various policies and guidelines to support the healthy growth and sustainability of the industry such as setting minimum guarantee utilisation hours for wind and solar projects in each province. At the same time, the planning for new UHV transmission lines and the construction of approved UHV transmission lines are progressing well. Although we still foresee a certain degree of curtailment in the second half of 2016, the degree of curtailment for our wind farms in Northern China should be reduced as two UHV DC transmission lines and one UHV AC transmission line from Inner Mongolia will be commissioned by the end of 2016 and 2017 respectively. Therefore, we expect curtailment will be reduced in 2017, 2018, and future years.

For our existing wind farms, the Group will continue to enhance the operational performance by optimizing our operation and maintenance plan to minimise energy losses and to achieve higher availability. Siziwang Qi Phase One and Changma wind farms wind turbines will be out of warranty before the end of 2016; therefore, considerable efforts will be made in the second half of 2016 to ensure all wind turbines are in good condition and that there is a smooth handover of the wind turbine maintenance work going forward.

On the development front, the Group has an over 1.3 GW wind project pipeline; however around 1.1 GW of the pipeline in Inner Mongolia will only be developed when we are satisfied that the curtailment problem is resolved. The Group is actively pursuing a 74 MW wind farm project in Songxian County of Luoyang City in Henan province. Based on the capacity allocated by the NEA, the project has been included in the Henan 2016 Wind Project Development and Construction. The development work is progressing well, with a target of obtaining the final project approval before the end of 2016 and of construction to begin in 2017. Another 100 MW potential wind project is under wind measurement in Zhangbei County of Zhangjiakou city in Hebei province. At the same time, we are exploring opportunities to secure and develop new wind projects in other areas with minimal or no curtailment in Southern and Eastern China.

Although the Group has been mainly focused in the wind industry, we have also been closely monitoring the development of other renewable energy in terms of their technology advancement, commercial and economical viability. It is noted that solar power investment has increased substantially in China with favourable supporting policies in recent years. As such, the Group is also considering investing in solar projects. Given we are a long term investor-operator in the renewable energy industry, we will continue to follow a prudent and selective investment strategy while evaluating various opportunities. We will also continue to look into entering strategic alliances that may provide further growth prospects so as to create and enhance shareholder value.

Employees

As at 30 June 2016, the Group's operations in Hong Kong and mainland China employed a total of 69 employees. The Group has 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 profit 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 generates 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 operational 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.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK0.2 cents (2015:Nil) per ordinary share for the six months ended 30 June 2016 to the shareholders of the Company. The interim dividend will be paid on Friday, 23 September 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 5 September 2016 to Tuesday, 6 September 2016 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer agent in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 2 September 2016.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three Independent Non-executive Directors with written terms of reference in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and reports to the Board. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2016, which has also been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2016.

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 Listing Rules throughout the six months ended 30 June 2016, 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 of the Company were encouraged to attend the general meeting to inter-face with shareholders of the Company but one Independent Non-executive Director was not in a position to attend the annual general meeting of the Company held on 26 May 2016 (as provided for in Code Provision A.6.7 of the CG Code) due to 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 (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2016.

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.

PUBLICATION OF INTERIM REPORT

The 2016 interim report will be published on the websites of the Company (www.cre987.com) and the Stock Exchange (www.hkexnews.hk) 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, 18 August 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.