中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 1798

2012 Interim Report

* For identification purpose only

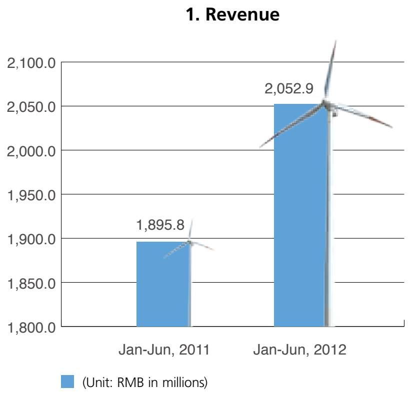
中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

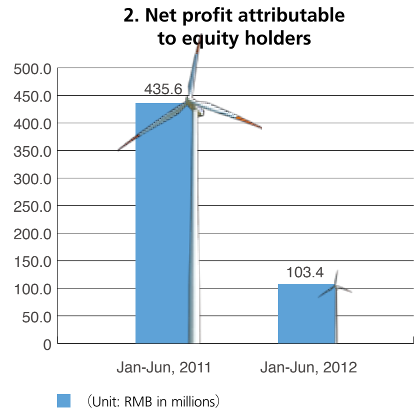
Contents

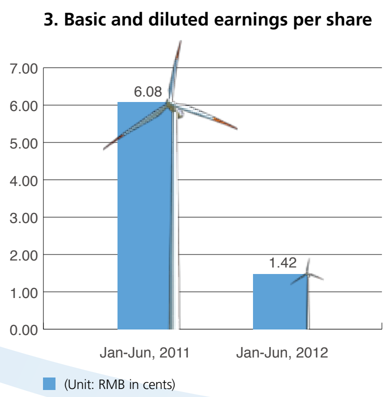
Unaudited Interim Results

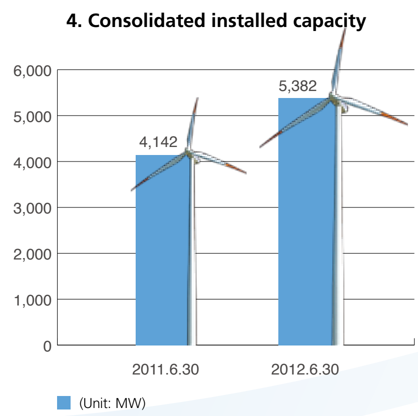
The board of directors (the "Board") of China Datang Corporation Renewable Power Co., Limited (the "Company") hereby announces the unaudited operating results of the Company and its subsidiaries (together, the "Group") for the six months ended June 30, 2012, together with the operating results for the six months ended June 30, 2011 (the "Corresponding Period in 2011") for comparison. For the six months ended June 30, 2012, the consolidated revenue of the Group amounted to RMB2,053 million, representing an increase of 8.29% over the Corresponding Period in 2011; profit before taxation amounted to RMB106 million, representing a decrease of 83.50% over the Corresponding Period in 2011; profit attributable to equity holders of the Company amounted to RMB103 million, representing a decrease of 76.27% over the Corresponding Period in 2011; basic earnings per share attributable to shareholders of the Company amounted to approximately RMB0.0142, representing a decrease of 76.64% as compared with that in the Corresponding Period in 2011.

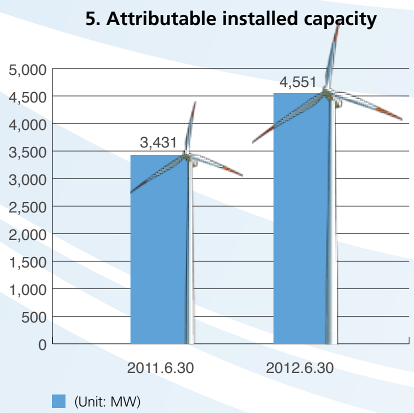
Key Operating and Financial Data

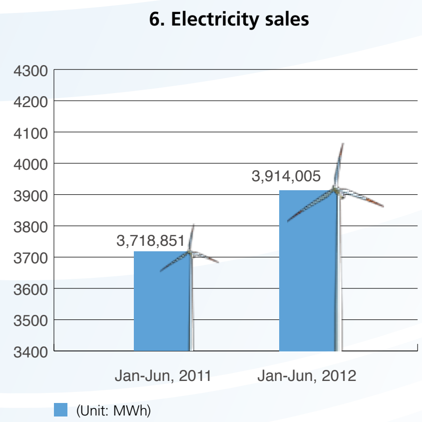












FINANCIAL HIGHLIGHTS

	For the six months ended June 30	
	2012	2011
	RMB'000	*RMB'000*
Revenue	2,052,915	1,895,773
Other income and other gains – net	110,009	244,714
Operating expenses	(1,163,884)	(832,498)
Operating profit	999,040	1,307,989
Profit before taxation	105,744	640,708
Income tax benefit/(expense)	40,912	(32,345)
Profit for the period	146,656	608,363
Total comprehensive income for the period	34,734	607,807
Profit attributable to:		
Equity holders of the Company	103,364	435,616
Non-controlling interests	43,292	172,747
	146,656	608,363
Total comprehensive income attributable to:		
Equity holders of the Company	(7,754)	435,060
Non-controlling interests	42,488	172,747
	34,734	607,807
Basic and diluted earnings per share for profit attributable to equity holders of the Company *(expressed in RMB per share)*	0.0142	0.0608

FINANCIAL HIGHLIGHTS *(Continued)*

	June 30, 2012	December 31, 2011
	RMB'000	*RMB'000*
Total non-current assets	46,834,707	44,975,075
Total current assets	8,588,980	9,307,830
Total assets	55,423,687	54,282,905
Equity attributable to equity holders of the Company	8,794,396	9,088,648
Non-controlling interests	2,606,956	2,647,019
Total equity	11,401,352	11,735,667
Total non-current liabilities	30,854,092	29,717,142
Total current liabilities	13,168,243	12,830,096
Total equity and liabilities	55,423,687	54,282,905

Management Discussion and Analysis

I INDUSTRY OVERVIEW

In the long run, the PRC government will aim to construct a modern energy industry system which is safe, stable, economical and clean during the "12th Five-Year Plan" period. It will optimize and adjust the energy structure through vigorously developing new energy and renewable energy, and promoting the development and utilization of non-fossil energy. The government will develop wind power in an orderly way, accelerate the diversified utilization of solar power, proactively develop other new energy sources including biomass power and geothermal energy on the premise of properly protecting the environment, and promote the application of the distributed energy system, thus giving a more prominent role to new energy and renewable energy in the adjustment of energy structure.

Meanwhile, the State Grid Corporation of China is proactively planning to build ultra-high voltage ("**UHV**") transmission lines from the Northeast China, North China and Northwest China ("**3N Region**") to North China, East China and Central China, and to develop and construct multiple DC transmission projects to support the hydroelectric power, coal power and wind power bases. After completion, these projects will further enhance the proportion of the wind power transmission capacity from the 3N Region and alleviate the problem of grid curtailment.

In sum, the new energy industry is still one of the major ways for the PRC government to transform development model and adjust economic structure. The industry has a positive development trend and a very bright business prospect.

II BUSINESS REVIEW

Since the beginning of 2012, the Group was confronted with such challenges as severe grid curtailment, slower wind speed in the first quarter and larger difference between CDM contracted price and market price. As a result, the Group faced unprecedented difficulties in business development and profitability. In view of these, the Company timely adjusted the layout of wind power installed capacity, improved quality of project construction, intensified power marketing strategy, and accelerated expansion of diversified profit models, thus continuously promoted profit transformation under the situation of grid curtailment.

As at June 30, 2012, the Group's consolidated installed capacity amounted to 5,382 MW, representing an increase of 29.93% as compared with the same period last year; the power generated in the first half of 2012 accounted to 4,074,853 MWh, representing an increase of 5.74% as compared with the same period last year; the average on-grid tariff for wind power was RMB0.6058 (tax inclusive), representing an increase of RMB0.027 as compared with the same period last year; profit attributable to the equity holders of the Group amounted to RMB103.36 million, representing a decrease of 76.27% as compared with the same period last year.

1. Optimizing wind resources distribution, with new projects approved in 4 provinces including Anhui, Hainan, Zhejiang and Jiangxi

The year 2012 witnessed more regions and higher percentage of wind power subject to grid curtailment in the PRC. Facing such new situation, the Group put more efforts in developing the projects in southern regions which are not subject to grid curtailment, proactively implemented diversified development, endeavored to innovate means of development, enhanced development efficiency and further optimized the layout of wind resource.

II BUSINESS REVIEW *(Continued)*

1. Optimizing wind resources distribution, with new projects approved in 4 provinces including Anhui, Hainan, Zhejiang and Jiangxi *(Continued)*

As at June 30, 2012, the aggregate wind resource reserves reached 94,180.30MW, of which reserves in central and western as well as southeastern coastline regions without grid curtailment grew by 21.5% year on year while reserves in Inner Mongolia and Three Northeastern Provinces with grid curtailment grew by 3.89% year on year. The Group set up presence in 45 counties and cities, 37 of which are not subject to grid curtailment. Meanwhile, wind power projects of the Group with capacity of 1.2 GW have been included in the second batch of wind power projects to be approved by the State, of which only 8% is from regions with grid curtailment. In particular, the Group got its projects approved for the first time in Anhui, Hainan, Zhejiang and Jiangxi.

As at June 30, 2012, the geographical distribution of the Group's wind resources reserve was detailed as follows:

	Wind resources reserve capacity *(MW)*	Percentage of wind resources reserve in relevant regions *(%)*
Inner Mongolia	36,979.5	39.26%
Three Northeastern Provinces	17,495.6	18.58%
Central and Western Regions	27,997.7	29.73%
Southeastern Coastline Regions	11,707.5	12.43%
Total	94,180.30	100.00%

II BUSINESS REVIEW *(Continued)*

2. Continuously boosting its project construction capability, with 3 projects granted the "China Power Outstanding Project Award"

During the first half of 2012, as a result of grid curtailment in northern regions, the Group adjusted its overall wind power grid-connection target in order to reduce finance expenses and ensure economical operation of wind farms. As at June 30, 2012, the Group's consolidated installed capacity amounted to 5,382 MW, including 5,294.5 MW of consolidated wind power installed capacity and 87.5 MW of consolidated installed capacity of other renewable energy sources. The consolidated installed capacity in Inner Mongolia, northeastern, central and western as well as southeastern coastline regions is detailed as follows:

Region	Consolidated installed capacity as at June 30, 2012 *(MW)*	Consolidated installed capacity as at June 30, 2011 *(MW)*	Change in consolidated installed capacity *(%)*
Inner Mongolia	2,309.4	2,016.6	14.52%
Northeastern Regions	1,225.4	1,091.9	12.23%
Central and Western Regions	1,078.8	597.3	80.61%
Southeastern Coastline Regions	768.5	436.5	76.06%
Total	5,382.1	4,142.3	29.93%

During the reporting period, the Group rigorously reviewed project planning and construction schemes, and exercised strict control over preliminary project design and budgetary estimates for relevant projects. While the price of wind turbines remained basically the same as compared with that in the end of 2011, the construction cost in the first half of 2012 was still controlled within RMB7,780/KW, representing an increase of 0.39% as compare with the same period last year. Meanwhile, the Group endeavored to enhance its construction quality of wind farms, and its three wind power projects including Jilin Xiangyang, Dalian Haipai and Chifeng Xichang were granted "China Power Outstanding Project Award" by China Electric Power Construction Enterprise Association. The Company made admirable breakthroughs in respect of wind power project construction quality and technology-based management.

II BUSINESS REVIEW *(Continued)*

3. Constantly enhancing its production safety management capability, with standardised ratings on safety fully launched

In the first half of 2012, due to the combined effect of rapid growth in wind power nationwide, premature grid structure and insufficient peak load modulation capability in 3N Region, the Company suffered a rise in the proportion of wind power subject to grid curtailment. During the reporting period, the Group's average wind power utilization hours were 879.88 hours, representing a decrease of 17.31% as compared with the same period last year. The breakdown of average utilization hours of the Company's wind farms by four regions is set out as follows:

Region	Average utilization hours of wind power in the first half of 2012 *(hours)*	Average utilization hours of wind power in the first half of 2011 *(hours)*
Inner Mongolia	855.91	1,104.99
North-eastern Regions	860.00	1,050.33
Central and Western Regions	923.75	958.61
South-eastern Coastline Regions	941.91	1,028.89
Half-year average	879.88	1,064.07

II BUSINESS REVIEW *(Continued)*

3. Constantly enhancing its production safety management capability, with standardised ratings on safety fully launched *(Continued)*

In view of the situations above, the Group has continuously enhanced the safety, reliability and economical efficiency of wind power equipment, and the average availability factor of our wind turbines was 98.59%. In the meantime, the Group also studied the requisite technical features for operation of wind farms with connection to the grid, with a focus on the research and renovation of active/reactive power control, communication and signal, low voltage ride-through and electricity quality. In addition to the "centralized monitoring, and slightly attended" model adopted in Chifeng company, the Group conducted a pilot operation of the "unattended" model with Phase II and Phase III of Ningxia Taiyangshan Wind Farm.

For the six months ended June 30, 2012, the electricity generated by the Group amounted to 4,074,583 MWh, representing an increase of 5.74% as compared with the same period last year.

4. Actively exploring electricity marketing channels by conducting in-depth study over wind power absorption plans

The Group proactively explored various solutions to the issues of grid curtailment, such as heat supply with idle wind power units and distributed wind power projects. The demonstration project on the heat supply with idle wind power units we carried out in regions with worst grid curtailment in Jilin obtained strong support from the National Energy Administration and the Energy Bureau of Jilin Province. In the first half of 2012, the Group's Jilin Xiangyang company achieved its utilization hours 70 hours higher than the province average through the project on heat supply with idle wind power units, which is equivalent to 28 million KWh of electricity compensated.

II BUSINESS REVIEW *(Continued)*

5. Accelerating the advancement of the diversified strategy by speeding up development and utilization of other renewable energy projects

In face of the grid curtailment situation in the wind power industry, the Group put more emphasis on the diversified development strategy, accelerated the development and utilization of other renewable energy projects and proactively conducted preliminary development for a variety of new energy projects such as solar power generation, biomass and energy performance contracting ("**EPC**").

As at June 30, 2012, the increase in the Group's other renewable energy resources reserve was as follows:

Source of energy	Reserve capacity as at June 30, 2012 *(MW)*	Reserve capacity as at June 30, 2011 *(MW)*	Change *(%)*
Solar power	8,887.4	8,565	3.76%
Biomass	680	560	21.43%
Coal bed methane ("CBM")	60	21	185.71%
EPC	500	151.5	230.03%
Total	10,127.4	9,297.5	8.93%

II BUSINESS REVIEW *(Continued)*

6. Continuously increasing the Company's industrialised earnings, with successively expansion of the business of companies with technological expertise

In the first half of 2012, the Group continuously expanded the market of the wind power repair business by exerting the role of our repair company's qualification in general contracting of projects, and installation, repairing and testing of power projects, and vigorously explored the external markets. While constantly enhancing its initiative in the carbon trade market, the Company, amid the lingering recession of the international carbon trade market, endeavored to boost its capability in independent development of CDM through the platform of Datang Mercuria Company (大唐摩克瑞公司). Accordingly, the Company plans to carry out transaction as a dealer in emission reduction, instead of doing that through intermediaries, to directly purchase carbon emission quotas from the primary market and trade in the European secondary market to avoid cuts taken by intermediary buyers and maximize the Company's future carbon assets revenue. In the mean time, the Group has always closely tracked the dynamics of the domestic emission reduction market, and maintained close contact and cooperation with the first batch of 7 pilot carbon exchanges to be fully prepared for future trade in the domestic carbon emission reduction market.

As at the end of June 2012, the Group had 29 new CDM projects with additional registered capacity of 1,406MW, and 79 registered CDM projects in aggregate, with installed capacity of 4,322 MW. In particular, Datang Mercuria Company completed registration of 8 CDM projects by itself, with registered capacity of 395MW, representing 28% of the additional registered capacity.

II BUSINESS REVIEW *(Continued)*

7. Enhancing the technology-related profit growth points, with the "863" technology project formally launched

Since the beginning of 2012, the Group has further reinforced its cooperation and communication with scientific research institutions and intensified its construction towards a technology-based enterprise, thus providing strong impetus for the Company's profit growth under the impact of grid curtailment. Relevant moves mainly include the followings:

The Group took the lead in compiling the National Technical Standards for Lightning Protection and Earthing for Photovoltaic Power Generation (《太陽能光伏發電防雷接地技術標準》) and the Specifications on Design for Parabolic-trough Solar Thermal Power Stations (《槽式太陽能光熱電站設計規範》). Besides, the Group officially started the "renewable energy pilot and demonstration project on 1.5MW complementary power generation between solar thermal power and coal at mining areas in Gansu" (甘肅礦區新能源1.5MW光煤互補試驗示範項目) under the State's "863" Program.

The Group proactively carried out the preliminary work on the phase I project for compressed air energy storage which is included under the State's "863" Program, and continuously conducted research and analysis on the technology of local consumption of idle wind power for hydrogen production.

The Group also vigorously pressed ahead solar power generation, the biomass electricity-alcohol-gas cyclic economic park project (生物質電-醇-氣循環經濟園區項目), the biomass thermoelectricity distributed energy project (生物質電熱分佈式能源項目), and the research on biomass moulded fuel technology (生物質成型燃料技術). It launched the State's non-food biomass Research and Development Center project, established the joint raw material working team and raw materials company, and carried out research over the plans for the standards for, and production management policies on non-food biomass raw material, as well as the collection, storage, transportation and processing of raw materials and utilisation of relevant mechanical equipments.

II BUSINESS REVIEW *(Continued)*

8. Constantly boosting its management capability by implementing comprehensive risk control

Since the beginning of 2012, the Group placed more emphasis on all-round training of staff quality, control over costs and expenses, construction of mechanisms and systems, and comprehensive risk management.

The Group improved the establishment of the risk control system, and tightened up its monitor on investment risks, capital risks and the risks in key stages and important project. In addition, the Group optimised priorities of projects under planning and under construction, and preferably ensured the availability of capital for projects with relevant procedures ready and completed, and in regions not subject to grid curtailment. The Group also strengthened capital risk control, did its utmost to maximize profit, accelerated internal flows of its own capital, boosted capital utilisation efficiency, reasonably controlled the scale of additional external financing, enhanced centralized management and comprehensive coordination of capital, all above to ensure the safety of the Company's capital chain during its development.

III FINANCIAL POSITION AND OPERATING RESULTS

The following discussion should be read in conjunction with the unaudited interim financial information of the Group together with the accompanying notes.

1. Overview

The Group's net profit for the six months ended June 30, 2012 decreased by 75.89% to RMB146.66 million as compared to RMB608.36 million for the same period of 2011. Profit attributable to the equity holders of the Company for the period amounted to RMB103.36 million, representing a decrease of 76.27% as compared to RMB435.62 million for the same period of 2011.

III FINANCIAL POSITION AND OPERATING RESULTS *(Continued)*

2. Revenue

The Group's revenue for the six months ended June 30, 2012 increased by 8.29% to RMB2,052.92 million as compared to RMB1,895.77 million for the same period of 2011, primarily due to the increase in on-grid electricity as a result of higher installed capacity.

The Group's electricity sales revenue for the six months ended June 30, 2012 increased by 8.33% to RMB2,026.53 million as compared to RMB1,870.67 million for the same period of 2011, primarily due to the increase in on-grid electricity as a result of higher installed capacity.

The Group's other revenue from provision of transmission line lease and installation services for the six months ended June 30, 2012, amounted to RMB26.39 million, primarily due to the external service income generated by the repair and installation companies of the Group.

3. Other income and other gains — net

The Group's "other income and other gains — net" for the six months ended June 30, 2012 decreased by 55.05% to RMB110.01 million as compared to RMB244.71 million for the same period of 2011, primarily due to the decrease in income from CDM projects.

The Group's income from CDM projects for the six months ended June 30, 2012 decreased by 52.09% to RMB86.60 million as compared to RMB180.74 million for the same period of 2011. The Group noted that CER price has been lingering at low level since the beginning of 2012 and certain international buyers have delayed in performance of their contracts. In response of this, the Company established a special taskforce to strengthen carbon assets management, and started the negotiation with the relevant buyers to ensure their performance under the relevant contracts, so as to ensure the reasonable gain of the Company's CDM business. The management expects that the final negotiation results will not bring significant adverse impact on the operating results and financial position of the Group.

III FINANCIAL POSITION AND OPERATING RESULTS *(Continued)*

3. Other income and other gains — net *(Continued)*

The Group's government grants for the six months ended June 30, 2012 decreased by 15.49% to RMB38.32 million as compared to RMB45.34 million for the same period of 2011, primarily due to the decrease in our VAT refund.

4. Operating expenses

The Group's operating expenses for the six months ended June 30, 2012 increased by 39.81% to RMB1,163.88 million as compared to RMB832.50 million for the same period of 2011. This increase was mainly attributable to the increases in (i) depreciation and amortization expenses of wind turbines; (ii) labor costs; (iii) cost of repairs and maintenance; and (iv) other operating expenses.

The Group's depreciation and amortization expenses for the six months ended June 30, 2012 increased by 37.73% to RMB867.53 million as compared to RMB629.87 million for the same period of 2011, primarily due to the increased number of operating wind turbines that were subject to asset depreciation.

The Group's labor costs for the six months ended June 30, 2012 increased by 21.59% to RMB87.33 million as compared to RMB71.82 million for the same period of 2011, primarily due to the increased number of employees we hired to manage our expanded business.

The Group's cost of repairs and maintenance for the six months ended June 30, 2012 increased by 76.43% to RMB30.27 million as compared to RMB17.16 million for the same period of 2011, primarily due to the increased number of wind turbines of which the warranty period expired.

The Group's other operating expenses for the six months ended June 30, 2012 increased by 59.56% to RMB169.90 million as compared to RMB106.48 million for the same period of 2011, primarily due to the increased administrative expenses we incurred to manage an increased number of projects and expanded business scale.

III FINANCIAL POSITION AND OPERATING RESULTS *(Continued)*

5. Operating profit

The Group's operating profit for the six months ended June 30, 2012 decreased by 23.62% to RMB999.04 million as compared to RMB1,307.99 million for the same period of 2011, primarily due to a lower increase rate of operating revenue than of operating expenses as a result of grid curtailment and low wind speed, as well as the decrease in income from CDM projects.

6. Finance income

The Group's finance income for the six months ended June 30, 2012 increased by 195.05% to RMB22.12 million as compared to RMB7.50 million for the same period of 2011, primarily due to the increase in the average balance of our bank deposits.

7. Finance expenses

The Group's finance expenses for the six months ended June 30, 2012 increased by 35.76% to RMB918.79 million as compared to RMB676.76 million for the same period of 2011, primarily due to (i) the termination of capitalization of the interest on loans for projects completed; (ii) the increase in the average balance of our bank loans as compared with the same period of 2011; (iii) higher average finance expenses for this year than those in the same period of 2011.

8. Share of profit of associates and share of loss of a jointly controlled entity

The Group's share of profit of associates for the six months ended June 30, 2012 was RMB3.50 million as compared to RMB1.98 million for the same period of 2011.

The Group' share of loss of a jointly controlled entity for the six months ended June 30, 2012 was RMB0.13 million.

III FINANCIAL POSITION AND OPERATING RESULTS *(Continued)*

9. Income tax benefit/(expense)

The Group's income tax benefit for the six months ended June 30, 2012 was RMB40.91 million, representing a decrease of 226.49% from tax expense of RMB32.35 million for the same period of 2011. This was mainly because, pursuant to CaiShui (2012)10 document promulgated by Ministry of Finance and State Administration of Taxation on January 12, 2012, public infrastructure projects approved before December 31, 2007, which were not qualified to enjoy "three-year tax exemption and three-year 50% reduction", are also entitled to the preferential tax treatment starting from January 1, 2008 until respective expiration dates. In this connection, a subsidiary of the Company obtained the approval from the relevant tax authority allowing the subsidiary to deduct from its future income tax liabilities by income tax paid from 2008 to 2011.

10. Profit for the period

The Group's profit for the six months ended June 30, 2012 decreased by 75.89% to RMB146.66 million as compared to RMB608.36 million for the same period of 2011. Our profit as a percentage of our total revenue for the six months ended June 30, 2012 decreased to 7.14% from 32.09% for the same period of 2011, primarily due to a lower increase rate of operating revenue than of operating expenses as a result of grid curtailment and low wind speed, the increase in net finance expenses , and the decrease in income from CDM projects.

11. Profit attributable to the equity holders of the Company

Our profit attributable to the equity holders of the Company for the six months ended June 30, 2012 decreased by 76.27% to RMB103.36 million as compared to RMB435.62 million in for same period of 2011.

12. Profit attributable to non-controlling interests

Our profit attributable to non-controlling interests for the six months ended June 30, 2012 decreased by 74.94% to RMB43.29 million as compared to RMB172.75 million for the same period of 2011.

III FINANCIAL POSITION AND OPERATING RESULTS *(Continued)*

13. Liquidity and capital resources

The Group's cash and cash equivalents as of June 30, 2012 decreased by 31.19% to RMB2,864.07 million as compared to RMB4,162.42 million as of December 31, 2011. The main sources of our operating capital include: (i) approximately RMB82,917 million as of June 30, 2012 under unutilized bank line of credit, primarily including the undrawn credit lines under the strategic cooperative framework agreements the Company entered into with eleven commercial banks in China; (ii) approximately RMB2,864.07 million of cash and cash equivalents as of June 30, 2012.

As of June 30, 2012, the Group's borrowings increased by 4.78% to RMB36,863.89 million as compared to RMB35,181.31 million as of December 31, 2011. In particular, RMB6,246.18 million (including RMB2,979.19 million of long-term borrowings due within 1 year) was short-term borrowings, and RMB30,617.72 million was long-term borrowings.

14. Capital expenditure

The Group's capital expenditure for the six months ended June 30, 2012 decreased by 25.43% to RMB2,651.26 million as compared to RMB3,555.42 million for the same period of 2011. Capital expenditure mainly comprises costs for purchase and construction of property, plant and equipment.

15. Net gearing ratio

As of June 30, 2012, the Group's net gearing ratio (net debt (i.e., total borrowings minus cash and cash equivalents) divided by total equity and net debt) was 74.89%, representing an increase of 2.34 percentage points as compared to 72.55% as of December 31, 2011, which was mainly due to the increase in the borrowings of the Company and dividend distribution for 2011 during the period.

16. Significant investment

The Group had no significant investment during the six months ended June 30, 2012.

III FINANCIAL POSITION AND OPERATING RESULTS *(Continued)*

17. Material acquisitions and disposals

The Group had no material acquisitions and disposals during the six months ended June 30, 2012.

18. Pledge of assets

Some of our loans are secured by property, plant and equipment, intangible assets and tariff collection right. As of June 30, 2012, net carrying value of the pledged assets amounted to RMB2,552 million.

19. Contingent liabilities

As of June 30, 2012, the Group had no material contingent liabilities.

IV RISK FACTORS AND RISK MANAGEMENT

1. Policy risk

Since 2005, the PRC government has offered increasing policy support to the renewable energy industry and implemented a series of preferential measures to bolster the development of domestic wind power projects, including compulsory grid connections, on-grid tariff subsidies, and tax incentives like the reduction/exemption or a 50% refund for value-added tax. Although the PRC government has reiterated that it would continue to intensify its support for the development of the wind power industry, there is still possibility that it might alter or repeal the current preferential measures and favorable policies without any prior notice.

2. Grid curtailment risk

As the Group's grids construction and wind farm construction in certain regions are out of sync, it is difficult to transmit all the potential electricity that could be generated when wind farms run at full load, thus hindering our power transmission upon completion of relevant projects. In addition, if all electricity generated by our wind farms upon operation at full load fails to be consumed locally, the Company may reduce its power generation.

IV RISK FACTORS AND RISK MANAGEMENT *(Continued)*

3. Technological risk

The energy industry develops rapidly amid fierce competition. Technological progress may result in the reduction of development costs for different types of energy, and put the existing wind power projects and technologies at an uncompetitive or obsolete situation. Failure to adopt newly-developed technologies may have an adverse impact on our business, financial position and operating results.

4. Competition risk

In China, the competition in the wind power industry is increasingly fierce as many entities are investing in wind power projects, all of which are competing for resources through different ways and measures. As a result, the Group will continue to scientifically adjust its portfolio, consolidate existing resource reserves, explore new area of resources and further expand resource reserves. At the same time, the Company will enhance efforts in technology and management innovation and keep improving its core competitiveness by making use of its existing advantages.

5. Risks related to development of CDM projects

Objectively, as the first commitment period under the Kyoto Protocol ends by the end of 2012 and the European debt crisis is worsening, the price of emissions units in secondary carbon market in Europe saw a substantial decline as compared with the beginning of 2011 and the possibility of risks of international buyers' default (or non-performance) was increased. Meanwhile, most of the Group's CDM contracts are due to expire by the end of 2012, the transaction price of contracts to be entered into subsequently may be substantially lower than previous prices.

IV RISK FACTORS AND RISK MANAGEMENT *(Continued)*

6. Risks related to geographical concentration of wind power projects

The Group's wind power projects are primarily located in Inner Mongolia region. Although this region offers abundant wind resources for developing wind power projects, and the local government provides wind power companies with relatively lower benchmark on-grid tariffs compared to other regions in the PRC, the Group's wind power projects in Inner Mongolia are currently adversely affected by grid curtailment due to the mismatch between our wind farm construction and the local power grids construction. Any change adversely affecting the local wind conditions, local grid transmission capacity, on-grid tariffs and changes in government policy in Inner Mongolia, could reduce the electricity we generate and have an adverse impact on our wind power business To cope with this, the Group will timely and accordingly adjust its project portfolio in response to the changes in its business strategy, government policy and other factors.

7. Climate risk

The commercial viability and profitability of the Group's wind farms are highly dependent on suitable wind resources and weather conditions. The electricity and revenue generated from a wind power project are highly dependent on local climatic conditions, particularly conditions of wind resources, which vary substantially in different seasons and regions and are difficult to predict. Turbines will only start to operate when the wind speed reaches a certain threshold, and must be disconnected when the wind speed exceeds a certain maximum velocity to avoid damage. The Group's investment decisions for each wind power project are based on the findings of feasibility studies conducted on site before starting construction. However, the actual climatic conditions at a project site, particularly wind conditions, may not conform to the findings of these feasibility studies, and, therefore, the wind power projects may not meet anticipated production levels, which could adversely affect our forecasted profitability.

IV RISK FACTORS AND RISK MANAGEMENT *(Continued)*

8. Project construction risk

The Group's rapid expansion of wind power projects range in the southern coastal regions further increases the number of places unfavourable for wind farm construction and land and labour costs for wind farm construction. The Group may encounter such risks as delays in completion of project construction due to increased construction difficulties, and total construction costs for such wind power projects may thus exceed the budget.

9. Risks related to safety management

The Group has transformed its business from wind power generation to a diversified portfolio comprising wind power, solar power, biomass, CBM, and EPC, etc., with a focus on wind power. There will be more and more hazard sources and hidden hazards in the course of our business diversification, as we are yet to be familiar with the features and patterns of production safety management in these sectors and it takes time for us to establish a rigorous, sound and orderly production safety management system. In this regard, our Group will put more efforts in scientific research and promote the establishment and improvement of our production safety management system through thorough studies and practical experience.

10. Interest risk

Interest risk may result from fluctuations in bank loan rates. Such interest rate changes will impact our capital expenditure and ultimately our operating results. As our Group highly relies on external financing to obtain the required investment capital to expand wind power business, we are particularly sensitive to the capital cost in securing such loans.

IV RISK FACTORS AND RISK MANAGEMENT *(Continued)*

11. Exchange rate risk

Fluctuations of RMB exchange rates could adversely affect the Group's financial position and operating results. Though the Group conducts substantially all of its business operations in China and the major revenue is denominated in RMB, we also derive revenue from the sales of certified emission reductions ("CERs") which is denominated in foreign currencies. Meanwhile, we convert RMB into foreign currencies to purchase equipment and services from abroad, make investments and acquisitions overseas, or pay dividends to our shareholders. We are therefore subject to risks associated with foreign currency exchange rate fluctuations. Fluctuations in the value of RMB against foreign currencies may reduce our RMB revenue from the sales of CERs, increase our RMB costs for foreign acquisitions and foreign currency borrowings, or affect the prices of our imported equipment and materials. To this end, the Group will keep a close eye on the movement of exchange rates in the capital market and conduct research thereon, and use various means to enhance our control over exchange rate risk.

12. Risks related to high gearing ratio

The Group operates in a capital-intensive industry, and a significant increase in capital costs could have a material adverse effect on our business, financial condition or operating results. We have significant construction and capital expenditure requirements, and the recovery of the capital investment in a wind farm or other renewable energy facility occurs over a long period of time. Meanwhile, the capital investment required to develop and construct a wind power project generally varies based on the cost of the necessary fixed assets. A significant increase in the costs of developing and constructing our wind power projects could have a material adverse effect on our ability to achieve our targets and on our business, financial condition and operating results. Our Group will monitor the market dynamics closely and make adjustment to our strategy accordingly. At the same time, our Group will make use of various financing channels to adjust our finance structure.

V. OUTLOOK FOR BUSINESS IN SECOND HALF OF 2012

In the second half of 2012, we will face increasingly complex situations for further development. On one hand, the adverse influence of grid curtailment will not be mitigated in a short time and there will still be a high uncertainty regarding CDM, which will both place great pressure on the development of the Group; and on the other hand, the central bank's rounds of interest rate cuts this year will help reduce the financial expenses of the Group; the Ministry of Finance is expected to pay wind power companies the original tariff subsidies based on the confirmed amount of electricity, which will bring the Group large amount of additional cash flow thus ensuring the sound operation of the Group's projects. During the second half of 2012, the Group will bravely face all the difficulties under changing circumstances and seek to achieve new breakthroughs and advancement while meeting the challenges and leveraging on the opportunities of the industry.

In the second half of 2012, the Group will focus on the following tasks:

1. Put more efforts in the development of wind power projects in regions with no grid curtailment.

We'll put more efforts in guidance, supervision and coordination of the preliminary works in regions with no grid curtailment such as Yunnan, Fujian, Hunan, Guangdong and other southern provinces, timely grab effective resources and promote the approval of projects to constantly boost the proportion of electricity generated in regions with no grid curtailment.

2. Expedite the development of diversified profit-making model

While strengthening the development of the principal segment of wind power, we'll continue to advance the development of solar power, comprehensive utilization of biomass, power generation from CBM, EPC projects, and proactively conduct researches on new energy development methods and technologies to transform the Company's profit model under the situation of grid curtailment and to find new impetus for profit growth.

V. OUTLOOK FOR BUSINESS IN SECOND HALF OF 2012 *(Continued)*

3. Vigorously push forward the construction of large wind power projects

We will enhance communication and coordination with the National Bureau of Energy, energy bureaus of various provinces and the grid corporation and spare no efforts to obtain approval for major projects in Inner Mongolia, Jiangsu, Gansu, Shanxi and other provinces.

4. Aggressively innovate the wind power utilization method for regions with grid curtailment

In the "3N Region" with grid curtailment, we will develop projects with priority, innovate development models combined with livelihood and energy storage, press ahead with the development of new types of wind power projects such as the joint operation of the wind power plant and industrial park, and heat supply.

5. Build financing channels between local and overseas

We will set up mutually supportive financing channels between local and overseas, creating a relaxed platform for the Group to tap funds in mainland China and Hong Kong, ensuring the capital retained in Hong Kong maintains and increases its value while lowering the gearing ratio of the Company.

Other Information

1. SHARE CAPITAL

As of June 30, 2012, the total share capital of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each.

2. INTERIM DIVIDENDS

The Board does not recommend payment of an interim dividend for the six months period ended June 30, 2012.

3. INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2012, none of the Directors, supervisors or senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2012, to the best of the Directors' knowledge, having made all reasonable enquiry, the following persons (other than the Directors, senior management or supervisors of the Company) had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Class of Shares	Capacity	Number of Shares/ Underlying Shares Held *(Share)*	Percentage in the Relevant Class of Share Capital *(%)*	Percentage in the Total Share Capital *(%)*
Datang Corporation *(Note)*	Domestic Shares	Beneficial owner and interest of controlled corporation	4,772,629,900 (Long position)	100%	65.61%
Datang Jilin *(Note)*	Domestic Shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%

Note: Datang Corporation directly held 4,173,255,395 domestic shares and is deemed to be interested in 599,374,505 domestic shares held by Datang Jilin, by virtue of the fact that Datang Jilin is a wholly-owned subsidiary of Datang Corporation, therefore, Datang Corporation, directly and indirectly, held 4,772,629,900 domestic shares of the Company in total.

5. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended June 30, 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

6. MATERIAL LITIGATION AND ARBITRATION

As of June 30, 2012, the Company was not involved in any material litigation or arbitration, and there was no litigation or claim of material importance to be pending or threatened by or against the Company.

7. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AS SET OUT IN APPENDIX 14 TO THE LISTING RULES

The Company has always been in strict compliance with the principles and requirements of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (the "Listing Rules"). For the six months ended June 30, 2012, the Company was not involved in any material litigation liable by any Director. Each Director of the Company has the necessary qualification and experience required for performing his duty. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Director shall take responsibility. Therefore, the Company confirmed that no liability insurance was arranged for Directors.

As provided for in the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, the Nomination Committee under the Board shall be chaired by an independent non-executive director or the chairman of the Board (effective from April 1, 2012). The Company's Nomination Committee is chaired by Mr. Wu Jing, a non-executive Director and the vice chairman of the Company. However, the Company is of the opinion that Mr. Wu Jing has rich experience in personnel appointment and dismissal, and is familiarized with the requirements on the necessary qualifications and experience for relevant positions regarding the Company's business; and Mr. Wu Jing, as a non-executive Director and the vice chairman of the Company, often performs relevant duties on behalf of the chairman of the Company. Therefore, the Company considered that Mr. Wu Jing is able to perform relevant duties as the chairman of the Nomination Committee and that these arrangements did not constitute a deviation from the original intention of the code provisions. The Company confirmed that no arrangement would be made to replace the chairman of the Nomination Committee.

Pursuant to Rule 3.25 of the Listing Rules, the Remuneration and Appraisal committee under the Board shall be chaired by an independent non-executive director (effective from April 1, 2012). The Company has approved the proposal regarding the change of the chairman of the Remuneration and Appraisal committee at a Board meeting. Mr. Liu Chaoan, an independent non-executive Director of the Company, would replace Mr. Wu Jing, a non-executive Director of the Company, to serve as the chairman of the Remuneration and Appraisal committee.

For the six months ended June 30, 2012, save as disclosed above, the Company has been in strict compliance with the principles and code provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules, as well as certain recommended best practices.

8. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the code of conduct and rules governing dealings by all of our Directors, supervisors and relevant employees (as defined in the Corporate Governance Code) in the securities of the Company. Upon specific enquiries of the Directors and supervisors of the Company, all Directors and supervisors have confirmed that they have strictly complied with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers during the reporting period.

The Board of Directors will examine the corporate governance and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to protect shareholders' interests.

9. INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the relevant requirements of the Listing Rules, the Company has appointed sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or related financial management expertise. The Company has appointed a total of three independent non-executive Directors: Mr. Wang Guogang, Mr. Yu Hon To David and Mr. Liu Chaoan, respectively.

10. REVIEW BY THE AUDIT COMMITTEE

The Company has complied with Rule 3.21 of the Listing Rules and established an audit committee in accordance with the board resolution adopted on July 12, 2010. The audit committee was established with specific written terms of reference which deal clearly with the committee's authority and duties as set out in the Corporate Governance Code. The audit committee consists of three members (including two independent non-executive Directors), namely Mr. Wang Guogang, Mr. Yu Hon To David and Mr. Jian Yingjun.

The audit committee has reviewed the accounting standards and practices adopted by the Company and discussed the matters related to audit, internal control and financial reporting. The audit committee has reviewed the unaudited condensed consolidated interim financial information of the Company for the six months ended June 30, 2012 and the 2012 interim report.

Unaudited Condensed Consolidated Statement of Financial Position

As of June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

	Note	June 30, 2012	December 31, 2011
ASSETS			
Non-current assets			
Property, plant and equipment	9	42,893,331	41,111,111
Intangible assets	9	416,532	422,237
Land use rights		301,924	301,043
Investments in associates		36,834	28,430
Investment in a jointly controlled entity		49,870	55,012
Available-for-sale financial assets	3(a)	—	433,386
Financial assets at fair value through other comprehensive income	3(a)	320,483	—
Deferred income tax assets		38,770	7,959
Other non-current assets	10	2,776,963	2,615,897
Total non-current assets		46,834,707	44,975,075
Current assets			
Inventories		12,723	12,464
Trade and bills receivable	11	3,478,433	2,693,738
Prepayments, other receivables and other current assets	12	2,203,525	2,395,409
Current income tax prepayments		17,117	14,995
Restricted cash		13,114	28,800
Cash and cash equivalents		2,864,068	4,162,424
Total current assets		8,588,980	9,307,830
Total assets		55,423,687	54,282,905

Unaudited Condensed Consolidated Statement of Financial Position (Continued)

As of June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

	Note	June 30, 2012	December 31, 2011
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		7,273,701	7,273,701
Share premium		2,080,969	2,080,969
Other reserves		(1,718,941)	(1,607,823)
Retained earnings		1,158,667	1,341,801
		8,794,396	9,088,648
Non-controlling interests		2,606,956	2,647,019
Total equity		11,401,352	11,735,667
LIABILITIES			
Non-current liabilities			
Borrowings	13(a)	30,617,718	29,514,045
Deferred income tax liabilities		33,195	59,932
Other non-current liabilities		203,179	143,165
Total non-current liabilities		30,854,092	29,717,142

Unaudited Condensed Consolidated Statement of Financial Position (Continued)

As of June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

	Note	June 30, 2012	December 31, 2011
Current liabilities			
Borrowings	13(b)	6,246,176	5,667,269
Trade and bills payable	14	183,248	503,708
Current income tax liabilities		20,865	22,256
Other payables	15	6,717,954	6,636,863
Total current liabilities		13,168,243	12,830,096
Total liabilities		44,022,335	42,547,238
Total equity and liabilities		55,423,687	54,282,905
Net current liabilities		(4,579,263)	(3,522,266)
Total assets less current liabilities		42,255,444	41,452,809

The accompanying notes are an integral part of this financial information.

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

		For the six months ended June 30,	
	Note	2012	2011 Restated *(Note 20(a))*
Revenue	7	2,052,915	1,895,773
Other income and other gains — net	8	110,009	244,714
Depreciation and amortization		(867,526)	(629,872)
Labor costs		(87,333)	(71,824)
Repairs and maintenance		(30,267)	(17,155)
Material costs		(8,862)	(7,169)
Other expenses		(169,896)	(106,478)
		(1,163,884)	(832,498)
Operating profit		999,040	1,307,989
Finance income	16	22,117	7,496
Finance costs	16	(918,786)	(676,760)
Net finance expenses		(896,669)	(669,264)
Share of profit of associates		3,503	1,983
Share of loss of a jointly controlled entity		(130)	—
Profit before taxation		105,744	640,708
Income tax benefit/(expense)	17	40,912	(32,345)
Profit for the period		146,656	608,363
Other comprehensive loss			
Currency translation differences		981	(556)
Loss arising on revaluation of financial assets at fair value through other comprehensive income		(112,903)	—
Total other comprehensive loss for the period		(111,922)	(556)
Total comprehensive income for the period		34,734	607,807

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

	Note	For the six months ended June 30, 2012	For the six months ended June 30, 2011 Restated *(Note 20(a))*
Profit attributable to:			
Equity holders of the Company		103,364	435,616
Non-controlling interests		43,292	172,747
		146,656	608,363
Total comprehensive income attributable to:			
Equity holders of the Company		(7,754)	435,060
Non-controlling interests		42,488	172,747
		34,734	607,807
Basic and diluted earnings per share for profit attributable to equity holders of the Company *(expressed in RMB per share)*	18	0.0142	0.0608

The accompanying notes are an integral part of this financial information.

	Note	For the six months ended June 30, 2012	For the six months ended June 30, 2011
Dividends	19	—	—

Unaudited Condensed Consolidated Statement of Changes in Shareholder's Equity

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to equity holder's of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
At January 1, 2011 *(Note 20(a))*	7,142,610	1,971,884	(1,442,011)	680,259	8,352,742	2,197,650	10,550,392
Comprehensive income							
Profit for the period	—	—	—	435,616	435,616	172,747	608,363
Other comprehensive income							
Currency translation difference	—	—	(556)	—	(556)	—	(556)
Total comprehensive income for the period	—	—	(556)	435,616	435,060	172,747	607,807
Transaction with owners							
Issuance of shares, net of issuance costs	131,091	109,085	—	—	240,176	—	240,176
Capital contributions from non-controlling interests	—	—	—	—	—	179,431	179,431
Common controlled business combination — capital contributions by the then equity owners	—	—	40,000	—	40,000	—	40,000
Other appropriations	—	—	—	(8,485)	(8,485)	(5,656)	(14,141)
Dividends by subsidiaries to non-controlling interests	—	—	—	—	—	(165,904)	(165,904)
Transaction with owners	131,091	109,085	40,000	(8,485)	271,691	7,871	279,562
At June 30, 2011	7,273,701	2,080,969	(1,402,567)	1,107,390	9,059,493	2,378,268	11,437,761

Unaudited Condensed Consolidated Statement of Changes in Shareholder's Equity (Continued)

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to equity holder's of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
At January 1, 2012	7,273,701	2,080,969	(1,607,823)	1,341,801	9,088,648	2,647,019	11,735,667
Comprehensive income							
Profit for the period	—	—	—	103,364	103,364	43,292	146,656
Other comprehensive income							
Currency translation difference	—	—	1,785	—	1,785	(804)	981
Change in fair value of financial assets at fair value through other comprehensive income	—	—	(112,903)	—	(112,903)	—	(112,903)
Total comprehensive income for the period			(111,118)	103,364	(7,754)	42,488	34,734
Transaction with owners							
Capital contributions from non-controlling interests	—	—	—	—	—	120,560	120,560
Other appropriations	—	—	—	(2,824)	(2,824)	(1,764)	(4,588)
Dividends	—	—	—	(283,674)	(283,674)	(201,347)	(485,021)
Transaction with owners	—	—	—	(286,498)	(286,498)	(82,551)	(369,049)
At June 30, 2012	7,273,701	2,080,969	(1,718,941)	1,158,667	8,794,396	2,606,956	11,401,352

The accompanying notes are an integral part of this financial information.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

		For the six months ended June 30,	
	Note	2012	2011 Restated *(Note 20(a))*
Net cash generated from operating activities		1,049,997	1,603,987
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		(3,289,802)	(4,379,184)
Entrusted loans to related parties		(10,000)	—
Proceeds from repayments of entrusted loans		8,000	—
Investment in associates		(14,900)	(9,000)
Proceeds from repayments of notes receivable and interest earned		400,736	—
Investment in available-for-sale financial assets		—	(269,401)
Acquisition of subsidiaries, net of cash required	20(b)	(9,985)	(31,399)
Increase in restricted cash		(7,114)	—
Proceeds from disposal of property, plant and equipment		11,282	—
Dividends received from associates		15,011	—
Increase in other receivables		(4,738)	(19,193)
Net cash used in investing activities		(2,901,510)	(4,708,177)

Unaudited Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

	Note	For the six months ended June 30, 2012	2011 Restated *(Note 20(a))*
Cash flows from financing activities			
Capital contributions		—	40,000
Cash proceeds from issuance of shares, net of issuance costs		—	249,228
Capital contributions from the non-controlling interests		78,560	179,428
Proceeds from borrowings		2,452,776	3,843,946
Repayments of borrowings		(878,342)	(902,781)
Dividends paid by subsidiaries to the non-controlling interests		(21,600)	(137,317)
Dividends paid to equity owners of the Company		(8,867)	—
Interest paid		(976,277)	(763,392)
Proceeds from loans from related parties		300,000	400,000
Repayments of loans from related parties		(300,000)	—
Decrease in other payables		(94,074)	(171,119)
Net cash generated from financing activities		552,176	2,737,993
Net decrease in cash and cash equivalents		(1,299,337)	(366,197)
Cash and cash equivalents at beginning of period		4,162,424	5,031,346
Exchange gains/(losses) on cash and cash equivalents		981	(54,731)
Cash and cash equivalents at end of period		2,864,068	4,610,418

The accompanying notes are an integral part of this financial information.

Notes To Unaudited Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

1. GENERAL INFORMATION

China Datang Corporation Renewable Power Co., Limited（中國大唐集團新能源股份有限公司）(the "Company") was established as a joint stock company with limited liability in the People's Republic of China (the "PRC") on July 9, 2010. The Company's ultimate holding Company, China Datang Group Corporation ("Datang Corporation") is a limited liability company incorporated in the PRC and is controlled by the PRC government. The address of its registered office is Room 149, Building 1, No. 3, Xijing Road, Badachu Hi-tech Zone of Shijingshan District, Beijing, the PRC.

The Company and its subsidiaries (together the "Group") are principally engaged in generation and sales of wind power.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

This unaudited condensed consolidated interim financial information is presented in Chinese Renminbi ("RMB"), unless otherwise stated. It was approved for issue by the Company's Board of Directors on August 29, 2012.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the six months ended June 30, 2012 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". It should be read in conjunction with the annual financial statements for the year ended December 31, 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB").

2.1 Going concern

As of June 30, 2012, the Group's current liabilities exceeded its current assets by approximately RMB4,579 million (December 31, 2011: RMB3,522 million). The Group meets its day-to-day working capital requirements through its bank facilities. As of June 30, 2012, the Group's unutilized banking facilities amounted to approximately RMB82,917 million, of which approximately RMB21,466 million are subject to renewal during the next 12 months from the date this financial information is approved. The Group is confident and expects that it will continue complying with the relevant requirements and covenants of these banking facilities. Further information on the Group's borrowings is given in Note 13.

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION *(Continued)*

2.1 Going concern *(Continued)*

Based on its assessment, the Board of Directors of the Company is confident that the Group has adequate working capital to continue in operation for the foreseeable future not less than 12 months from the date this financial information is approved. The Group therefore continues to adopt the going concern basis in preparing this financial information.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2011, as described in those annual financial statements.

(a) Change in accounting policy

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Adoption of IFRS 9 is mandatory from 1 January 2015; earlier adoption is permitted.

The Group has early adopted IFRS 9 from January 1, 2012, as well as the related consequential amendments to other IFRSs, because this new accounting policy provides reliable and more relevant information for users to assess the amounts, timing and uncertainty of future cash flows. In accordance with the transition provisions of the standard, comparative figures have not been restated.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Change in accounting policy *(Continued)*

The Group's management has assessed the financial assets held by the Group at the date of initial application of IFRS 9 (January 1, 2012). The main effects resulting from this assessment were:

(i) Equity investments not held for trading that were previously measured at fair value and classified as available-for-sale financial assets amounted to RMB433 million have been designated as at fair value through other comprehensive income. As a result, fair value losses of RMB74 million were reclassified from the available-for-sale investments reserve to the investments revaluation reserve, both are being classified as other reserves, at January 1, 2012.

(ii) There was no impact on the Group's financial liabilities as the Group does not have any financial liabilities where the fair value option is taken.

(iii) There was no difference between the previous carrying amount (IAS 39) and the revised carrying amount (IFRS 9) of the financial assets at January 1, 2012 to be recognized in opening retained earnings. There is no impact on earnings per share from this change in accounting policy.

Upon adoption of IFRS 9 on January 1, 2012, the related accounting policy on financial assets is amended as follows:

Classification

As from January 1, 2012, the Group classifies its financial assets in the following categories: those to be measured subsequently at fair value, and those to be measured at amortized cost. This classification depends on whether the financial asset is a debt or equity investment.

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3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Change in accounting policy *(Continued)*

Classification (Continued)

A debt investment is classified as 'amortized cost' only if both of the following criteria are met: the objective of the Group's business model is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. The nature of any derivatives embedded in the debt investment are considered in determining whether the cash flows of the investment are solely payment of principal and interest on the principal outstanding and are not accounted for separately.

If either of the two criteria above are not met, the debt instrument is classified as 'fair value through profit or loss'. The Group has not designated any debt investment as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss. For all other equity investments, the Group can make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date-the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Change in accounting policy *(Continued)*

Recognition and measurement (Continued)

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value though profit or loss are expensed in the income statement.

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognized in profit or loss and presented in the income statement within 'other (losses)/gains -net' in the period in which they arise.

A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method.

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present unrealized and realized fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in profit or loss as long as they represent a return on investment.

The Group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) New accounting standards, amendments and interpretations pronouncement

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning January 1, 2012 and have not been early adopted:

- IFRS 10 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group intends to adopt IFRS 10 no later than the accounting period beginning on or after January 1, 2013.

- IFRS 12 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group intends to adopt IFRS 12 no later than the accounting period beginning on or after January 1, 2013.

- IFRS 13 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. The Group intends to adopt IFRS 13 no later than the accounting period beginning on or after January 1, 2013.

The Group has already commenced an assessment of the related impact of the above standards to the Group's financial statements and is not expecting any significant impact to the Group's financial position and results. There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

For the six months ended June 30, 2012
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4. SEASONALITY OF OPERATIONS

The Group is engaged in wind power business, which generates more revenue in certain period in the year, primarily depending on different wind conditions such as wind speed of the wind farms. Generally the wind speed is more favorable for power generation in spring and winter. As a result, the revenue and profit from wind power business may fluctuate significantly during the year.

5. ESTIMATES

The preparation of interim financial information requires management to make judgments, 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 judgments 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 December 31, 2011.

6. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2011.

There have been no changes in the risk management function or in any risk management policies.

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Liquidity risk

Compared to December 31, 2011, there was no material change in the contractual undiscounted cash outflows for financial liabilities, except for the additions and the repayments of long-term borrowings amounted to RMB1,776 million and RMB683 million during the six months period ended June 30, 2012, respectively.

(c) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

As of June 30, 2012, except for the financial assets at fair value through other comprehensive income amounting to RMB269 million (December 31, 2011: available-for-sale financial assets amounted to RMB382 million) are measured at Level 1 fair value; all other financial assets at fair value through other comprehensive income (December 31, 2011: available-for-sale financial assets) are measured at Level 3 (December 31, 2011: Level 3) fair value.

There were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities during the six months period ended June 30, 2012.

For the six months ended June 30, 2012
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7. REVENUE

	For the six months ended June 30,	
	2012	2011
Sales of electricity	2,026,525	1,870,667
Other revenue *(Note)*	26,390	25,106
	2,052,915	1,895,773

Note:

Other revenue represented primarily revenue from the provision of repair and maintenance service to external wind farms.

Senior Management has determined the operating segments on the basis of internal reports provided. As Senior Management considers the performance of the operating segments on a consolidated basis and therefore, no segment information is presented as there is only one reportable segment.

The Company is domiciled in the PRC. For the six months ended June 30, 2012, all (2011: all) the Group's result of its revenue are derived from external customers in the PRC.

As of June 30, 2012, substantially all (December 31, 2011: substantially all) the non-current assets are located in the PRC (including Hong Kong).

For the six months ended June 30, 2012, all (2011: all) revenue from the sales of electricity is charged to the provincial power grid companies in which the group companies are operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

8. OTHER INCOME AND OTHER GAINS — NET

	For the six months ended June 30, 2012	2011
Income from Clean Development Mechanism ("CDM") projects	86,601	180,739
Foreign exchange (losses)/gains, in relation to receivables from CDM projects	(15,232)	18,396
	71,369	199,135
Government grants	38,317	45,341
Others	323	238
	110,009	244,714

9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment	Intangible assets
Opening book amount as of January 1, 2012	41,111,111	422,237
Acquisition of subsidiaries *(Note 20(b))*	268,454	—
Additions	2,382,805	4,215
Disposals	(1,420)	—
Depreciation and amortization	(867,619)	(9,920)
Closing book amount as of June 30, 2012	42,893,331	416,532
Opening book amount as of January 1, 2011	31,405,634	402,522
Acquisition of a subsidiary	148,081	—
Additions	3,407,338	1,667
Depreciation and amortization	(626,207)	(8,644)
Closing book amount as of June 30, 2011	34,334,846	395,545

As of June 30, 2012, included in intangible assets are concessive assets amounted to RMB336 million (December 31, 2011: RMB342 million).

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

10. OTHER NON-CURRENT ASSETS

As of June 30, 2012, included in other non-current assets are mainly VAT recoverables amounted to RMB2,573 million (December 31, 2011: RMB2,400 million), represent the input VAT relating to purchase of property, plant and equipment, which are allowed to be deducted from the VAT output arising from the sales of electricity in the future periods.

These VAT recoverables were included in other current assets in prior period, and have been reclassified to conform with of the current period's presentation.

11. TRADE AND BILLS RECEIVABLE

Trade and bills receivable primarily represent receivables from regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest bearing.

For trade and bills receivable arising from tariff revenue, the Group usually grant credit period of approximately one month to local power grid companies from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local grid companies.

Settlement of certain trade receivables due from the local power grid companies are subject to the allocation of government designated funds by the relevant government authorities to the local gird companies and tariff surcharge payable by the end-users, which consequently takes a relatively long time for the grid companies to make settlement. Based on past experience and industry practice, these tariff premiums are generally paid in 6 to 18 months from the date of invoice. The directors of the Company are of the opinion that these trade receivable from tariff premiums are fully recoverable considering there are no bad debt experiences in the past and the tariff premiums are funded by the PRC government.

Aging analysis of trade and bills receivable was as follows:

	June 30, 2012	December 31, 2011
Within 1 year	2,369,208	2,265,933
Between 1 and 2 years	1,050,206	422,457
Between 2 and 3 years	56,691	3,020
Over 3 years	2,328	2,328
	3,478,433	2,693,738

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	June 30, 2012	December 31, 2011
Prepayments or advances for plant constructions	1,007,206	864,344
CDM assets	615,425	590,652
Notes receivable *(Note (i))*	—	400,000
Receivables from provision of construction services	255,985	215,985
Entrusted loans and amounts due from related parties *(Note (ii))*	142,261	103,131
Others	182,648	221,297
	2,203,525	2,395,409

Notes:

(i) On October 31, 2011, a Hong Kong subsidiary of the Company entered into a promissory note agreement with China Everbright Financial Investments Limited (中國光大財務投資有限公司), a limited liability company incorporated in Hong Kong to lend a total of RMB400 million at simple interest rate of 0.7%, maturing in January 31, 2012. The principal and interest totalling to RMB400.7 million was fully settled on January 31, 2012.

(ii) Amounts due from related parties primarily included receivables from certain fellow subsidiaries of the Company, which represent electricity sales receivables collected by the relevant fellow subsidiaries of the Company on behalf of the Group. During the six months period ended June 30, 2012, total electricity sales receivables collected by the fellow subsidiaries of the Company on behalf of the Group amounted to approximately RMB39 million (2011: RMB15 million).

For the six months ended June 30, 2012
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13. BORROWINGS

(a) Long-term borrowings

	June 30, 2012	December 31, 2011
Bank loans		
— unsecured loans	19,304,862	18,928,667
— guaranteed loans *(Note (i))*	3,735,795	3,652,550
— secured loans *(Note (ii))*	2,936,650	2,274,220
Corporate bonds-unsecured	4,181,146	4,178,986
Other loans		
— guaranteed loans *(Note (i))*	3,160,463	3,165,801
— secured loans *(Note (iii))*	277,994	298,243
	33,596,910	32,498,467
Less: Current portion of long-term borrowings *(Note 13(b))*		
— bank loans	(2,742,479)	(2,798,928)
— other loans	(236,713)	(185,494)
	(2,979,192)	(2,984,422)
	30,617,718	29,514,045

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

13. BORROWINGS *(Continued)*

(a) Long-term borrowings *(Continued)*

Notes:

(i) Details of guaranteed loans are as follows:

	June 30, 2012	December 31, 2011
Guarantor		
— Company	5,545,978	5,467,968
— Non-controlling interests of subsidiaries and an ultimate holding company of non-controlling interests	1,350,280	1,350,383
	6,896,258	6,818,351

(ii) At June 30, 2012, secured loans amounting to RMB661 million (December 31, 2011: RMB577 million) were secured by certain property, plant and equipment amounting to RMB945 million (December 31, 2011: RMB884 million). Secured loans amounting to RMB280 million (December 31, 2011: RMB293 million) were secured by intangible assets amounting to RMB310 million (December 31, 2011: RMB318 million). The remaining balance of the secured loans amounting to RMB1,996 million (December 31, 2011: RMB1,404 million) were secured by the Group's tariff collection rights, amounting to RMB178 million (December 31, 2011: RMB106 million).

(iii) At June 30, 2012, secured other loans from other financial institutions amounting to RMB278 million (December 31, 2011: RMB298 million) were secured by tariff collection rights amounting to RMB599 million (December 31, 2011: RMB481 million), insurance contract and certain property, plant and equipment with carrying amount of RMB520 million (December 31, 2011: RMB535 million).

For the six months ended June 30, 2012
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13. BORROWINGS *(Continued)*

(b) Short-term borrowings

	June 30, 2012	December 31, 2011
Bank loans		
— unsecured	970,260	688,215
Short-term bonds	2,096,709	1,994,632
Other loans		
— unsecured loans	200,015	—
Current portion of long-term borrowings		
— bank loans	2,742,479	2,798,928
— other loans	236,713	185,494
	6,246,176	5,667,269

(c) Effective interest rates per annum on borrowings are as follows:

	For the six months ended June 30, 2012	2011
Long-term		
Bank loans	4.82%-7.76%	4.86%-6.80%
Other borrowings	5.44%-7.05%	5.22%-6.27%
Short-term		
Bank loans	4.17%-6.56%	4.78%-6.31%
Other borrowings	7.05%	4.35%-5.78%

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

13. BORROWINGS *(Continued)*

(d) Long-term borrowings are repayable as follows:

	June 30, 2012	December 31, 2011
Within 1 year	2,979,192	2,984,422
After 1 year but within 2 years	2,608,479	2,786,348
After 2 years but within 5 years	13,162,429	11,271,304
After 5 years	14,846,810	15,456,393
	33,596,910	32,498,467

14. TRADE AND BILLS PAYABLE

At June 30, 2012 and December 31, 2011, substantially all trade and bills payable are within one year since the invoice date.

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

15. OTHER PAYABLES

	June 30, 2012	December 31, 2011
Payables for property, plant and equipment	5,197,530	5,571,340
Amounts due to related parties	399,343	476,113
Interests payable	217,118	143,694
Payables for CDM projects	103,098	112,430
Accrued staff related costs	42,744	37,298
Payables for other taxes	28,530	32,648
Dividends payable	473,785	19,231
Consideration payables for business combinations under common control *(Note 20(a))*	102,000	102,000
Consideration payables for business combinations under non-common control *(Note 20(b))*	14,000	—
Other accruals and payables	139,806	142,109
	6,717,954	6,636,863

For the six months ended June 30, 2012
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16. FINANCE INCOME AND COSTS

	For the six months ended June 30, 2012	2011
Finance income		
Interest income on deposits with banks and other financial institutions	22,117	7,496
Finance expense		
Interest expense	(1,150,100)	(798,671)
Less: interest expenses capitalized in property, plant and equipment	232,549	200,383
	(917,551)	(598,288)
Foreign exchange losses, net	(1,235)	(78,472)
	(918,786)	(676,760)
Net finance expense recognized	(896,669)	(669,264)
Interest capitalization rate	5.37%-7.05%	4.9%-6.8%

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17. INCOME TAX

	For the six months ended June 30,	
	2012	2011
Current tax		
PRC enterprise income tax	16,636	32,382
Deferred tax		
Origination of tax deduction *(Note)*	(29,042)	—
Reversal of temporary differences	(28,506)	(37)
	(57,548)	(37)
Income tax (benefit)/expense	(40,912)	32,345

Note:

Pursuant to CaiShui (2012)10 document promulgated by Ministry of Finance and State Administration of Taxation on January 12, 2012, public infrastructure projects approved before December 31, 2007, which were not qualified to enjoy "three-year tax exemption and three-year 50% reduction", are also entitled to the preferential tax treatment starting from January 1, 2008 until respective expiration dates. In this connection, a subsidiary of the Company obtained the approval from the relevant tax authority allowing the subsidiary to deduct from its future income tax liabilities by income tax paid from 2008 to 2011.

Income tax expense is provided for based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The statutory tax rate for the year ending December 31, 2012 is 25% (2011: 25%) except for certain subsidiaries incorporated in the PRC which were exempted or entitled to preferential rates and subsidiaries incorporated outside of the PRC for which taxation is calculated at the rates of taxation prevailing in the countries the Group operates.

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18. EARNINGS PER SHARE

(a) Basic earnings per share

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

	For the six months ended June 30,	
	2012	2011
Profit attributable to equity holders of the Company	103,364	435,616
Weighted average number of ordinary shares in issue *(in '000)*	7,273,701	7,165,187
Basic earnings per share *(RMB)*	0.0142	0.0608

(b) Diluted earnings per share

Diluted earnings per share for the six months ended June 30, 2012 and 2011 are the same as the basic earnings per share as there are no potential dilutive shares.

19. DIVIDENDS

The Company's Board of Directors did not recommend the payment of an interim dividend for the six months ended June 30, 2012 (2011: nil).

A final dividend for the year ended December 31, 2011 of RMB0.039 per share, amounting to RMB283.7 million was declared and approved by the shareholders on May 8, 2012, and was fully paid in July 2012.

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20. BUSINESS COMBINATIONS

(a) Common controlled business combinations

In December 2011, the Company acquired 100% equity interests in Datang Laizhou Renewable Power Company Limited (大唐萊州新能源有限公司) ("Datang Laizhou") and Datang Wendeng Clean Power Development Company Limited (大唐文登清潔能源開發有限公司) ("Datang Wendeng"), both are limited liability companies incorporated in the PRC, from Datang Shandong Power Generation Company Limited (大唐山東發電有限公司) ("Datang Shandong Power") and Datang Shandong Electric Power Overhaul & Operation Company Limited (大唐山東電力檢修運營有限公司) ("Datang Overhaul"), limited liability companies incorporated in the PRC, for a cash consideration of RMB166 million and RMB38 million, respectively. The Company, Datang Shandong Power and Datang Overhaul are under common control of Datang Corporation.

A summary of the consideration and recognized amounts of carrying value of identifiable assets acquired and liabilities assumed at the respective acquisition date is as follows:

	Datang Laizhou	Datang Wendeng	Total
Consideration:			
— Cash paid in 2011	83,000	19,000	102,000
— Consideration payable *(Note 15)*	83,000	19,000	102,000
Total consideration	166,000	38,000	204,000
Recognized amounts of carrying value of identifiable assets acquired and liabilities assumed at the respective acquisition dates	63,048	23,392	86,440

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(Amounts expressed in thousands of RMB unless otherwise stated)

20. BUSINESS COMBINATIONS *(Continued)*

(a) Common controlled business combinations *(Continued)*

Datang Wendeng and Datang Laizhou were established and incorporated in November 2010 and March 2011, respectively. As of January 1, 2011 and December 31, 2011, the net assets of Datang Wendeng and Datang Laizhou in aggregate are RMB20 million and RMB86 million, respectively.

In accordance with the principles of the relevant amounting standards, the assets and liabilities of Datang Laizhou and Datang Wendeng are consolidated in the financial statements of the Company using the existing book values as stated in the consolidated financial statements of Datang Corporation immediately prior to the combination. The consolidated statement of comprehensive income for the six month ended June 30, 2011 has been restated as if the combination ocurred at January 1, 2011 or the date of the inception of the respective business acquired, whichever is earlier. As a consequence, total revenue and profit during the six months period ended June 30, 2011 has been increased by RMB37 million and RMB20 million, respectively.

There were no common controlled business combinations during the six months period ended June 30, 2012.

(b) Non-common controlled business combinations

In January 2012, the Company acquired 60% equity interests of Inner Mongolia Longxin Wind Power Company Limited（內蒙古隆欣風力發電有限責任公司）(“Inner Mongolia Longxin”), a limited liability company incorporated in the PRC, for a cash consideration of RMB48 million. The principle activity of which is wind power generation.

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(Amounts expressed in thousands of RMB unless otherwise stated)

20. BUSINESS COMBINATIONS *(Continued)*

(b) Non-common controlled business combinations *(Continued)*

A summary of the consideration and recognized amounts of provisional fair value of identifiable assets acquired and liabilities assumed at the acquisition dates is as follows:

Consideration:	
— Cash paid in 2012	10,000
— Cash paid prior to 2012	24,000
— Consideration payable *(Note 15)*	14,000
Total consideration	48,000
Recognized amounts of provisional value of identifiable assets acquired and liabilities assumed at the acquisition dates:	
Cash and cash equivalents	13
Properties, plants and equipments	232,834
Prepayments, other receivables and other current assets	37,545
Other payables	(190,392)
Total identifiable net assets	80,000
Non controlling interests	(32,000)
	48,000
(Outflow)/Inflow of cash to acquire businesses, net of cash acquired:	
— Cash consideration paid in 2012	(10,000)
— Cash and cash equivalents in subsidiaries acquired	13
Cash outflow on acquisitions in 2012	(9,987)

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20. BUSINESS COMBINATIONS *(Continued)*

(b) Non-common controlled business combinations *(Continued)*

In March 2012, the Company acquired 75% equity interests of Guizhou Fengying Energy Technology Company Limited (「貴州風盈能源科技有限公司」) ("Guizhou Fengying"), a limited liability company incorporated in the PRC, by assuming its share of capital contribution commitment in Guizhou Fengying amounting to RMB60 million. The principle activity of which is wind power generation. At the date of the acquisition, Guizhou Fengying was still in development stage and has not commenced operation and the Company had made capital contribution amounted to RMB20 million. The provisional value of the net assets of Guizhou Fengying at the acquisition date amounted to RMB10 million, representing capital contribution by other equity owner, are credited to non-controlling interests, as follow:

Cash and cash equivalents	2
Properties, plants and equipments	35,620
Prepayments, other receivables and other current assets	1,390
Other payables	(27,012)
	10,000

The inflow of cash from the acquisition amounted to RMB0.002 million.

As Inner Mongolia Longxin and Guizhou Fengying are in construction stage and had not commence any commercial operation on the respective acquisition dates, the fair value of the identifiable assets acquired and liabilities assumed approximates their book value. The acquired identifiable assets are mainly prepayments and construction in progress of property plant and equipment.

There was no revenue and profit contributed to the Group by these acquired businesses since their respective acquisition dates to June 30, 2012.

All (2011: All) acquisition-related costs have been charged to other operating expenses in the consolidated statement of comprehensive income for the six months ended June 30, 2012.

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21. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party transactions disclosed elsewhere in this condensed consolidated financial information, the following is a summary of significant related party transactions entered into, in the ordinary course of business, between the Group and its related parties during the period.

(a) Significant related party transactions

	For the six months ended June 30,	
	2012	2011
Provision of installation, construction, general contracting services to/(by):		
— Fellow subsidiaries	9,707	—
— Fellow subsidiaries *(Note (i))*	(442,363)	(290,944)
Purchases of equipment from:		
— Fellow subsidiaries	(235,485)	(75,403)
Working capital provided to/(from):		
— Fellow subsidiaries *(Note (ii))*	34,419	77,550
— Fellow subsidiaries	(26,889)	(185,024)
	7,530	(107,474)
Entrusted loans to:		
— A fellow subsidiary	10,000	—
Borrowing from:		
— A fellow subsidiary	(300,000)	(400,000)

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21. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(a) Significant related party transactions *(Continued)*

	For the six months ended June 30,	
	2012	2011
Interest expense on working capital and borrowings from:		
— Fellow subsidiaries	(11,823)	(20,561)
Interest income on working capital and entrusted loans to:		
— Fellow subsidiaries *(Note (iii))*	7,573	—
Assets disposed to:		
— Fellow subsidiaries	10,679	—

Notes:

(i) Provision of general contracting services by certain fellow subsidiaries of the Group included purchase of equipment and constructions services.

(ii) Working capital provided to fellow subsidiaries included non-trade advances: (a) by two subsidiaries of the Company to two fellow subsidiaries of the Company amounted to RMB27 million (2011: nil); and (b) by Datang Wendeng to certain fellow subsidiaries of the Company amounted to RMB7 million (2011: RMB75 million, prior to Datang Wendeng was acquired by the Company in December 2011 (Note 20(a))).

(iii) In August 2011, the Company and China Datang Corporation Finance Company Limited (中國大唐集團財務有限公司) ("Datang Finance"), a fellow subsidiary of the Company which is a financial institution incorporated in the PRC, entered into an agreement for which Datang Finance agreed to provide certain loan, depository and other financial services to the Group for a period of three year ("Financial Service Agreement").As of December 31, 2011 and June 30, 2012, the Group has cash deposit held at Datang Finance both amounted to RMB480 million, there was no change during the six months period ended June 30,2012. For the six months ended June 30,2012, interest income from Datang Finance under the Financial Service Agreement was RMB7.4 million.

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

21. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(a) Significant related party transactions *(Continued)*

All above transaction with related parties are conducted on prices and terms mutually agreed by the parties involved, and determined with reference to market prices.

For the six months ended June 30, 2012, all revenue from the sales of electricity is made to the provincial power grid companies in which the group companies are operated (2011: All). These power grid companies are directly or indirectly owned or controlled by the PRC government. At June 30, 2012, all trade and bills receivable (Note 11) are due from these power grid companies (December 31, 2011: All).

Apart from the above, for the six months ended June 30, 2012 and 2011, the Group's other significant transactions with other State-owned Enterprises are a large portion of its purchases of materials, property, plant and equipment and services. Substantially all cash and cash equivalents and borrowings at June 30, 2012 and December 31, 2011, and the relevant interest income earned and expenses incurred are transacted with banks and other financial institutions owned/controlled by the PRC government.

The transactions of revenues and expenses in nature conducted with Other State-owned Entities are based on terms as set out in the underlying agreements, based on statutory rates or market prices or actual cost incurred, or as mutually agreed.

(b) Key management personnel compensation

	For the six months ended June 30,	
	2012	2011
Basic salaries, housing allowances, other allowances and benefits in kind	905	585
Discretionary bonus	1,115	1,230
Pension costs — defined contribution schemes	133	87
	2,153	1,902

For the six months ended June 30, 2012
(Amounts expressed in thousands of RMB unless otherwise stated)

22. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	June 30, 2012	December 31, 2011
Contracted but not provided for	5,842,557	6,718,272
Authorized but not contracted for	5,437,914	10,239,905
	11,280,471	16,958,177

(b) Commitment under operating leases

At June 30, 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	June 30, 2012	December 31, 2011
Within 1 year	1,894	10,544
Between 2 and 5 years	6,946	34,079
Over 5 years	5,323	4,877
	14,163	49,500

Glossary of Terms

"attributable installed capacity"	the aggregate installed capacity of our wind power projects in which we have an interest in proportion to the level of our ownership in those projects. It is calculated by multiplying our percentage ownership in each project in which we have an interest by its installed capacity
"availability factor"	the amount of time that a wind turbine or a power plant is able to produce electricity over a certain period divided by the amount of time in such period
"average on-grid tariff"	electricity sales revenue in a period divided by the corresponding electricity sales in such period
"average utilization hours"	the consolidated power generation in a specified period (in MWH or GWH) divided by the average consolidated installed capacity in the same period (in MW or GW)
"biomass"	plant material, vegetation or agricultural waste used as a fuel or energy source
"CDM"	the Clean Development Mechanism, an arrangement under the Kyoto Protocol allowing industrialized countries to invest in projects that reduce greenhouse gas emissions in developing countries in order to earn emission credits
"CER"	carbon credits issued by CDM Executive Board for emission reductions achieved by CDM projects and verified by a designated operating entity under the Kyoto Protocol
"consolidated installed capacity"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidate in our consolidated financial statements only. This is calculated by including 100% of the installed capacity or capacity under construction of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated installed capacity and consolidated capacity under construction do not include the capacity of our associated companies

"consolidated power generation"	the aggregate gross power generation or net electricity sales (as the case may be) of our project companies that we fully consolidate in our financial statements for a specified period
"Datang Corporation"	China Datang Corporation (中國大唐集團公司), a state-owned corporation established in the PRC and a controlling shareholder and one of the Promoters of our Company
"Datang Jilin"	Datang Jilin Power Generation Company Limited (大唐吉林發電有限公司), a wholly-owned subsidiary of Datang Corporation and also our controlling shareholder and one of the Promoters of our Company
"energy performance contracting" or "EPC"	the energy services mechanism under which energy services company and energy-consuming organizations agree on the energy saving targets by way of contract, the former provide necessary services to the latter for fulfilment of the energy saving targets and, in return, the latter pay for the former's input together with a reasonable profit margin, out of the energy saving benefit
"electricity sales"	the actual amount of electricity sold by a power plant in a particular period, which equals gross power generation less consolidated auxiliary electricity
"Group" or "we" or "us"	China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"renewable energy sources"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, water or sunlight
"kW"	unit of energy, kilowatt. 1 kW = 1,000 watts

"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"MW"	unit of energy, megawatt. 1MW=1,000 kW. The installed capacity of power plants is generally expressed in MW
"our Company" or "Company"	China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司)
"pipeline projects"	wind power projects that have been identified and reserved for future development pursuant to the wind energy investment and development agreements that we entered into with local governments at all levels under which we are authorized to develop wind farms at specified sites with certain estimated total capacity

Corporate Information

LEGAL NAME OF THE COMPANY

中國大唐集團新能源股份有限公司

ENGLISH NAME OF THE COMPANY

China Datang Corporation Renewable Power Co., Limited*

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LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Chen Jinhang

AUTHORIZED REPRESENTATIVES

Ms. Ma Sau-kuen Gloria

Mr. Hu Yongsheng

* *For identification Only*

JOINT COMPANY SECRETARIES

Mr. Wang Wenpeng

Ms. Ma Sau-kuen Gloria

COMMITTEES UNDER THE BOARD

AUDIT COMMITTEE

Mr. Wang Guogang *(Independent Non-Executive Director) (Chairman)*

Mr. Yu Hon To David *(Independent Non-executive Director)*

Mr. Jian Yingjun *(Non-executive Director)*

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Liu Chaoan *(Independent Non-executive Director) (Chairman)*

Mr. Wu Jing *(Non-executive Director)*

Mr. Yu Hon To David *(Independent Non-executive Director)*

NOMINATION COMMITTEE

Mr. Wu Jing *(Non-executive Director) (Chairman)*

Mr. Liu Chaoan *(Independent Non-executive Director)*

Mr. Wang Guogang *(Independent Non-executive Director)*

STRATEGIC COMMITTEE

Mr. Yin Li *(Non-executive Director) (Chairman)*

Mr. Hu Yongsheng *(Executive Director)*

Mr. Zhang Xunkui *(Non-executive Director)*

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- China Development Bank Corporation

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- China Everbright Bank Head Office Banking Operation Department

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- Standard Chartered Bank (China) Limited

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