2012
ANNUAL REPORT

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

** For identification purpose only*

Contents

Chairman's Statement

DEAR SHAREHOLDERS,

Looking back to 2012, the European debt crisis continued to rage, growth in developed economies remained meek and economy of emerging countries slowed, leading to a bumpy recovery of global economy.

With the overall economy of China entering a period of structural adjustment and international economic situation complex and changing, slowing domestic macro-economy and dropping national electricity consumption resulted in intensifying grid curtailment, which, combined with other unfavorable factors including low wind speed throughout the year and substantial decline in CDM prices, left the wind power industry facing unprecedented difficulties.

Confronted by challenging global economic environment and complicated situation of the domestic new energy industry, the board of the directors (the "Board") of the Group rapidly changed its thinking in decision-making, timely adjusted development strategy, tried to press home the Company's advantages in strategic geographical layout, engineering construction, production safety and technological innovation, kept advancing the shift in revenue mode amid transmission limitations, and went all out to create profits for shareholders and investors. During the reporting period, in fulfilling our corporate mission and social responsibility for energy conservation and emission reduction, the Group was actively committed to the development of renewable energy projects, posting total annual profit of RMB176.3 million and electricity generation of 8.54 billion KWh, which represented a saving of 2,779,400 tons standard coal and reduction of 7,695,900 tons carbon dioxide emission.

Looking into 2013, the international economic situation will remain complex and full of uncertainties and global economy will continue to grow at a slow pace; the domestic development is still in an important period of strategic opportunities with the government further accelerating economic structural adjustment and transforming economic development pattern to achieve high-quality, efficient and sustainable development. As the government places more and more emphasis on environment and resources, optimized utilization of renewable energy will be strengthened. It is expected that the wind power industry will establish a better and sounder operation mode and the entire new energy industry of China will maintain robust development momentum.

Chairman's Statement *(Continued)*

In 2013, the Board of the Group will continue to faithfully perform its duties, enhance strengths, and exploit potentials. We will further improve management, revive existing assets, optimize geographical layout, keep track of industrial dynamics while maintaining our dominance in the domestic wind power sector in a bid to make new breakthroughs and progress and bring more satisfactory returns to investors.

Finally, on behalf of the Board, I would like to express our heartfelt gratitude to all the shareholders and friends from all circles in the society for their trust and support.

Chairman
Chen Jinhang

Message from the President

DEAR SHAREHOLDERS,

The Group saw the most complex and challenging business situation in 2012. In the face of slowing domestic macro-economic growth, a slowdown in the growth of national electricity consumption, intensifying grid curtailment, substantial decline in CDM prices, delayed government subsidy for electricity tariffs and other unfavorable factors, the Group proactively coped with the adverse situation with focus on economic benefits, made every endeavor to cut cost and improve efficiency to accomplish sustained, healthy and steady development with support from shareholders and investors and under the leadership of the Board.

During the reporting period, the Group narrowed down development areas in regions subject to transmission restriction and step up efforts to move to regions without transmission limitations such as Shandong, Shanxi, Shaanxi, Yunnan, Guizhou and Fujian whilst maintaining existing resources. While maintaining a focus on wind power business, the Group highlighted the development of high-yielding solar and EPC segments by following a diversification strategy, making regional layout increasingly reasonable.

The Group launched the initiative for building intrinsically safe enterprises, with three subsidiaries measuring up to the standards. In our continuous endeavor to promote standardized wind farm management, four projects including Jilin Xiangyang, Dalian Haipai, Chifeng Xichang and Shanghai Donghai Bridge were awarded 2012 China Power Outstanding Projects.

We pressed ahead with research on new energy technology and application, with two projects under the national "863" Program proceeding in an orderly way, research on cutting-edge technology pushed forward and new progress made in management innovation and standardization. As a result of our efforts to tighten up risk control, investment management, mechanism and system establishment and staff training, risk awareness and management ability of responsible persons at all levels were raised and management efficiency improved.

In 2013, China's economy will continue to stabilize and grow. Economic growth as well as rational resources development and optimized utilization of environment will be more coordinated, thus presenting more valuable development opportunities for wind power enterprises. The Group will center around efficiency and economic benefits, focus on development and optimization, vigorously promote technological innovation and strive to innovate operation and management models so as to continuously increase the value of the Company and make the Group stronger and more successful.

Message from the President *(Continued)*

Finally, on behalf of the management of the Group, I would like to extend our sincere gratitude to the shareholders, the Board and the Supervisory Committee for their trust and support and to all our staff for their hard work and contribution. In the coming new year, we will further improve management, speed up development transformation, implement all measures and fulfill our responsibility, seize opportunities and capitalize on emerging trends to build the Group into a renewable energy listed company with top-rank performance.

President
Hu Yongsheng

Company Profile

The predecessor of the Company was Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰賽罕壩風力發電有限責任公司), which was established on September 23, 2004 and subsequently renamed to China Datang Corporation Renewable Power Co., Ltd. (中國大唐集團新能源有限責任公司) on March 19, 2009. Initially, it was mainly engaged in development and utilization of renewable energy in the Inner Mongolia region. After over six years of operation and improvement, the Group built up a large scale wind power business and accumulated extensive expertise in development, operation and management of renewable energy projects. On July 9, 2010, the Group was reorganized and transformed into a joint stock company with limited liability with the approval of the State-owned Assets Supervision and Administration Commission of the State Council. On December 17, 2010, the Company was listed on the Main Board of the Hong Kong Stock Exchange with its stock code being 01798 and abbreviated name Datang Renewable. As at December 31, 2012, the Company had a total of 7,273,701,000 issued shares, with the Company's controlling shareholder China Datang Corporation holding an aggregate of 65.61%.

Principal activities: the Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; engineering, construction and installation, repair and maintenance of power projects at home and abroad; import and export services of renewable energy equipment and technologies; external investment; renewable energy-related trainings and consulting services; as well as lease of property.

Strategic objectives: under the principal of "Complete Industrial Chain, All-round Businesses, Advanced Technology, and International Operation" and with a persistent focus on economic benefits and work safety, the Company aspires to build itself into an internationally leading public renewable energy company with strong profitability, self-development capability and core competitiveness through maintaining its leading position in domestic wind power sector and first-mover advantage in offshore wind power, proactive promotion of industrialized, diversified and internationalized operations and enhanced efforts in team building, capital operation, technology and management innovation and corporate culture building.

Wind power business: as at December 31, 2012, the Group's wind power installed capacity amounted to 5,668.5 MW and wind resource reserves were 97,083 MW. Operating, under-construction and pipeline projects spread across 30 provinces (autonomous regions and municipalities directly under the central government), 156 prefecture-level cities and 312 regions.

Other renewable energy sources business: the Group is actively engaged in the development of other renewable sources business including solar power, biomass, coal bed methane ("CBM") as well as EPC. As at December 31, 2012, the installed capacity of other renewable energy sources amounted to 102.47 MW, the capacity of pipeline photovoltaic power generation projects 9,185 MW, biomass projects 680 MW, CBM projects 60 MW and EPC projects 500 MW. A model of diversified professional clean energy company, with principal business of wind power complemented by other renewable energy sources, has gradually taken shape.

Corporate Structure:

As of December 31, 2012, the Company's major corporate structure was as follows:

Shareholders of the Company:

- Datang Jilin — 8.24%
- Datang — 57.37%
- Shareholders of H Shares — 34.39%

the Company

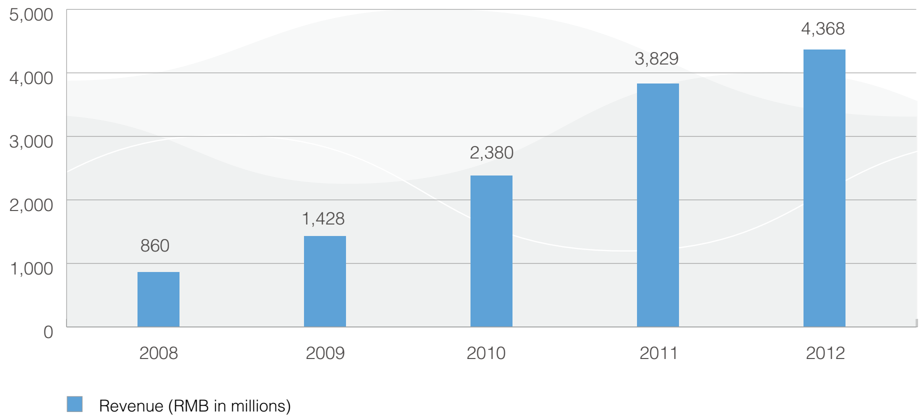
中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

Subsidiaries and associates of the Company:

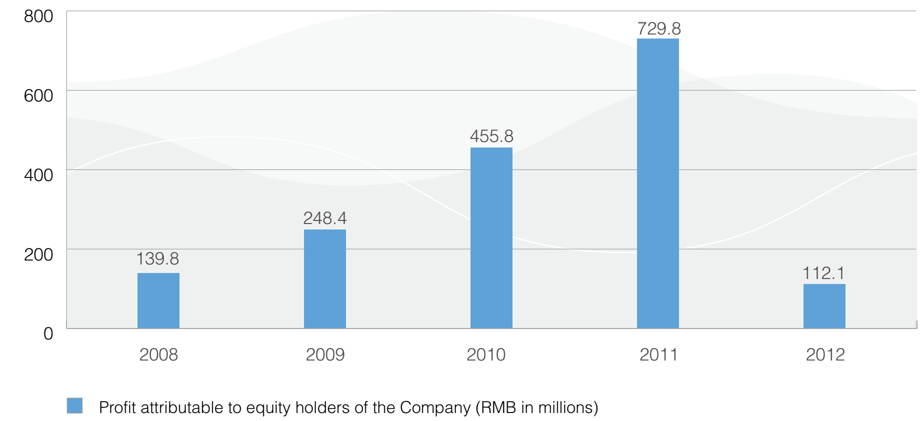
- 49% Guangdong Yueneng Datang Renewable Power Co., Ltd.
- 100% Datang Yiliang Renewables Co., Ltd.
- 100% Datang Renewables (H.K.) Co., Limited
  - 100% Datang Renewables (Sigapore) Pte., Limited
    - 87.5% Auschina Energy Development Limited
- 100% Datang Guilin Renewable Power Co., Ltd.
- 100% Datang Wuwei Renewable Power Co., Ltd.
- 100% Datang Changzhi Renewable Energy Power Generation Co., Ltd.
- 100% Datang Tongxin Renewable Power Co., Ltd.
- 100% Datang Jingbian Renewable Power Co., Ltd.
- 100% Datang Delhi Renewable Power Co., Ltd.
- 95% Datang Weifang Renewable Power Co., Ltd.
- 85% Harbin Ruichi Wind Power Co., Ltd.
- 100% Datang Dianbai Renewable Power Co., Ltd.
- 100% Datang Fuchuan Renewable Power Co., Ltd.
- 100% Datang (Zunhua) Renewable Power Co., Ltd.
- 100% Datang Huai'an Renewable Power Co., Ltd.
- 100% China Datang Times Energy Technology Co., Ltd.
- 95% Datang Yuxi Renewable Power Co., Ltd.
- 100% Datang Wulan Renewable Power Co., Ltd.
- 50% Asian Renewable Power Technology Engineering Company Limited
- 60% Datang Guoxin Binhai O shore Wind Power Generation Co., Ltd.
- 100% Datang Renewable Power (Chayouhouqi) Co., Ltd.
- 100% Datang Fengning Renewable Power Co., Ltd.
- 95% Datang Hubei Renewable Power Co., Ltd.
- 100% Datang Huludao Wind Power Generation Co., Ltd.
- 51% DTM (Beijing) Energy Technology Development Co., Ltd.
- 100% Datang Yan'an Renewable Power Co., Ltd.
- 100% Datang Pu'er Renewable Power Co., Ltd.
- 51% Datang Guazhou Renewable Power Co., Ltd.
- 100% Datang Shuyang Renewable Power Co., Ltd.
- 100% Datang Sihong Renewable Power Co., Ltd
- 100% Datang Lianyungang Renewable Power Co., Ltd.
- 100% Datang Siyang Renewable Power Co., Ltd.
- 60% Datang KEPCO (Chaoyang) Renewable Power Co., Ltd. (大唐韓電（朝陽）新能源有限公司)
- 51% Datang Yaneng Renewable Power Nantong Co., Ltd.
- 100% Datang Renewable Qujing Qilin Wind Power Generation Co., Ltd.
- 100% Datang Renewable Shuozhou Wind Power Generation Co., Ltd.
- 100% Datang Renewable Power Shuozhou Pinglu Wind Power Co., Ltd.
- 100% Datang Weihai Renewable Power Co., Ltd.
- 100% Datang Wuzhong Renewable Power Co., Ltd.
- 100% Datang (Zhangzhou) Renewable Power Co., Ltd.
- 100% Datang Hulumber Wind Power Generation Co., Ltd
- 100% Datang Lingwu Renewable Power Co., Ltd.
- 100% Datang Wengniute Qi Renewable Power Co., Ltd.
- 100% Datang Aluke'erqin Qi Renewable Power Co., Ltd
- 100% Datang Kailu Renewable PowerCo., Ltd.
- 100% Datang Xianghuang Qi Renewable Power Co., Ltd.
- 100% Datang Zhalute Qi Renewable Power Co., Ltd.
- 100% Ning'an Jingbo Erdaoling Wind Power Generation Co., Ltd.
- 100% Datang Renewable Power Qingtongxia Co., Ltd.
- 100% Datang Tuquan Wind Power Co., Ltd.
- 100% Datang Hunyuan Mimazongliang Renewable Power Co., Ltd.
- 100% Datang (Kezuohouqi) Renewable Power Co., Ltd.
- 100% Datang (Keyouzhongqi) Renewable Power Co., Ltd.
- 100% Datang Suibin Renewable Power Co., Ltd.
- 100% Beijing Tanghao Electricity Engineering Technology Reasearch Co., Ltd.
- 100% Datang Jiaonan Wind Power Generation Co., Ltd.
- 60% Datang (Chifeng) Renewable Power Co., Ltd.
  - 100% Datang Duolun Renewable Power Co., Ltd.
- 51% Datang Sino-Japan (Chifeng) Renewable Power Co., Ltd.
- 100% Datang (Tongliao) Huolinhe Renewable Power Co., Ltd.
- 100% Bayannur Wulate Zhongqi Fuhui Wind Power Generation Co., Ltd.
- 100% Bayannur Wulate Houqi Fuhui Wind Energy Power Co., Ltd.
- 51% Inner Mongolia Datang Wanyuan Renewable Power Co., Ltd.
- 60% Datang (Chaoyang) Renewable Power Co., Ltd.
- 80% Dalian Datang Haipai Renewable Power Co., Ltd.
- 51% Datang Baotou Yaneng Power Co., Ltd.
- 100% Datang Baotou Renewable Power Co., Ltd.
- 100% Datang Xing'anmeng Renewable Power Co., Ltd.
- 70% Datang Huludao Renewable Power Co., Ltd.
- 100% Datang (Hohhot) Renewable Power Co., Ltd.
- 100% Datang Yantai Renewable Power Co., Ltd.
- 30% Xiangdian Wind Power (Fujian) Company Limited
- 100% Chifeng Tangneng Renewable Power Co., Ltd.
- 28% Shanghai Dong Hai Wind Power Generation Co., Ltd.
- 100% Datang Eryuan Wind Power Generation Co., Ltd.
- 90% Datang Sanmenxia Wind Power Generation Co., Ltd.
- 70% Datang Huanan Wind Power Generation Co., Ltd.
- 82.33% Datang Yilan Wind Power Generation Co., Ltd.
- 100% Datang Huachuan Wind Power Generation Co., Ltd.
- 100% Datang Jixian Wind Power Generation Co., Ltd.
- 100% Datang Tsitsihar Wind Power Generation Co., Ltd.
- 100% Datang Xilin Gol Wind Power Generation Co., Ltd.
- 100% Datang Bayannur Wind Power Generation Co., Ltd.
- 100% Datang Zhangbei Wind Power Generation Co., Ltd.
- 60% Gansu Datang Yumen Wind Power Co., Ltd.
- 100% Datang Yumen Changma Wind Power Generation Co., Ltd.
- 100% Datang Jingtai Wind Power Generation Co., Ltd.
- 51% Datang Zhongdian (Jilin) Renewable Power Company Limited
- 51% Datang Zhongdian (Jilin) Power Generation Co., Ltd.
- 31% Datang Jilin Wind Power Generation Co., Ltd.
- 100% Datang Xiangyang Wind Power Generation Co., Ltd.
- 75% Jianping Shiyingzi Wind Power Generation Company Limited
- 51% Datang Sanhe (Linxi) Renewable Power Co., Ltd.
- 51% Datang Hailin Wind Power Generation Co., Ltd.
- 60% Inner Mongolia Longxin Wind Power Co., Ltd. (內蒙古隆欣風力發電有限責任公司)
- 57.51% Datang Guizhou Renewable Energy Development Co., Ltd.
- 100% Datang Shandong Renewable Power Co., Ltd.
- 100% Datang Wendeng Clean Energy Development Co., Ltd.
- 100% Datang Laizhou Renewable Power Co., Ltd.

Key Operating and Financial Data

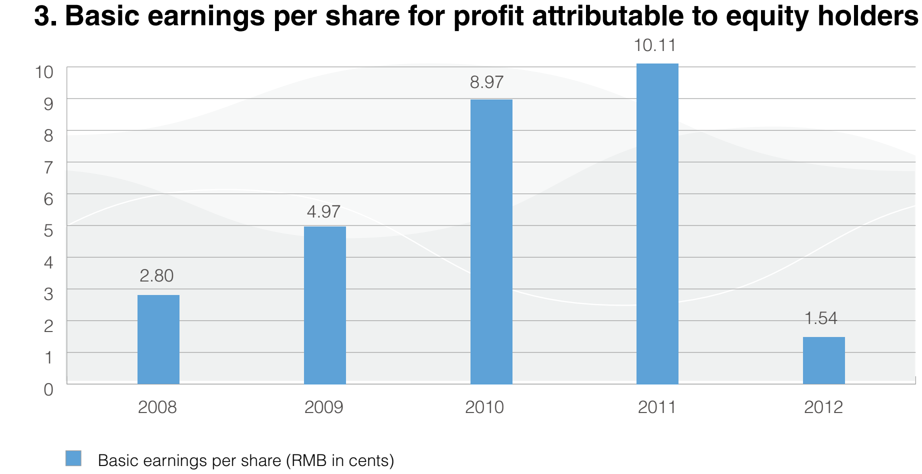
1. Revenue



2. Profit attributable to equity holders of the Company

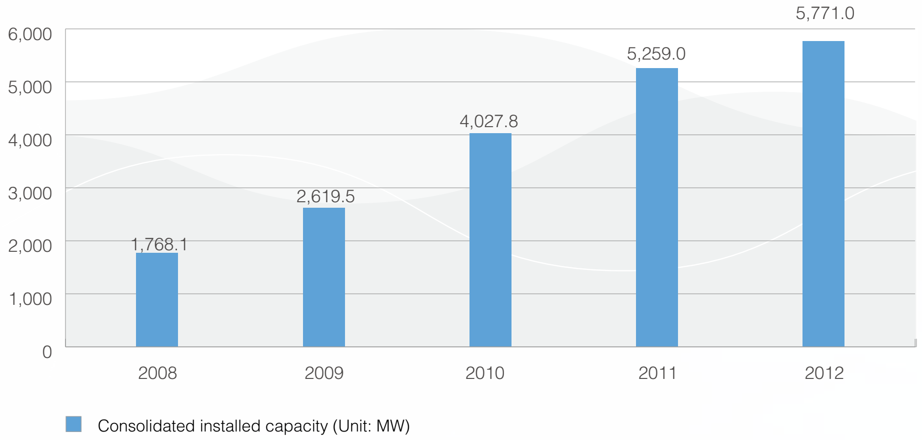


3. Basic earnings per share for profit attributable to equity holders of the Company

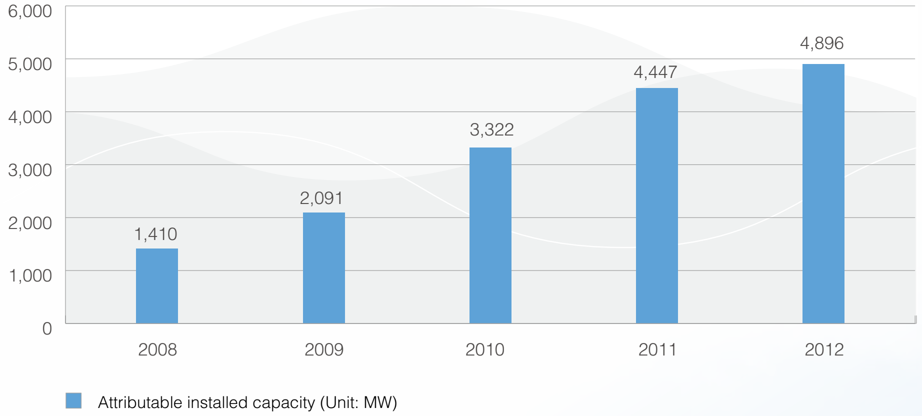


Key Operating and Financial Data *(Continued)*

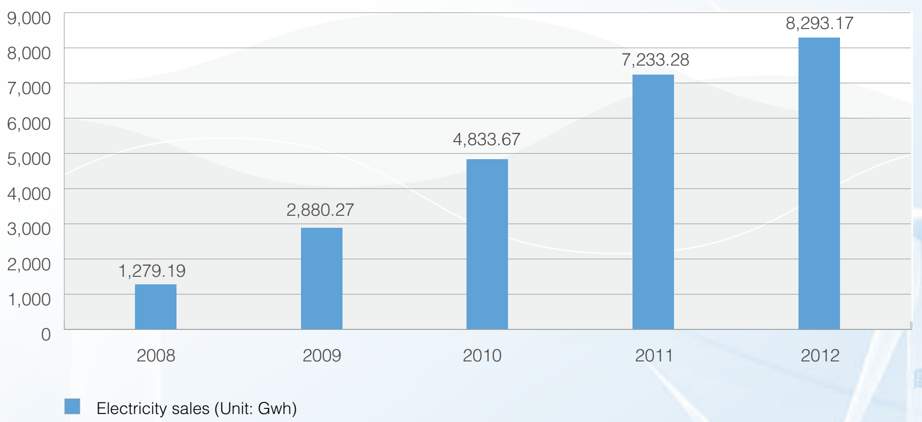
4. Consolidated installed capacity



5. Attributable installed capacity



6. Electricity sales



Financial Highlights

	Year ended December 31				
	2012	2011	2010	2009	2008
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**4,368,015**	3,828,808	2,379,727	1,428,072	860,282
Other income and other gains-net	**277,394**	518,350	368,705	206,838	120,664
Operating expenses	**(2,530,991)**	(1,918,177)	(1,245,808)	(775,120)	(519,173)
Operating profit	**2,114,418**	2,428,981	1,502,624	859,790	461,773
Profit before taxation	**176,337**	1,005,258	734,586	384,203	240,235
Income tax benefit/(expense)	**10,217**	(34,954)	(57,105)	(17,326)	(21,725)
Profit for the year	**186,554**	970,304	677,481	366,877	218,510
Total other comprehensive loss	**(98,144)**	(75,695)	—	—	—
Total comprehensive income for the year	**88,410**	894,609	677,481	366,877	218,510
Profit attributable to:					
— Equity holders of the Company	**112,148**	729,842	455,831	248,386	139,825
— Non-controlling interests	**74,406**	240,462	221,650	118,491	78,685
	186,554	970,304	677,481	366,877	218,510
Total comprehensive income attributable to:					
— Equity holders of the Company	**14,447**	654,147	455,831	248,386	139,825
— Non-controlling interests	**73,963**	240,462	221,650	118,491	78,685
	88,410	894,609	677,481	366,877	218,510
Basic and diluted earnings per share for profit attributable to equity holders of the Company *(expressed in RMB per share)*	**0.0154**	0.1011	0.0897	0.0497	0.0280

	At December 31				
	2012	2011	2010	2009	2008
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**49,010,536**	44,975,075	33,835,144	21,950,708	14,117,990
Total current assets	**7,372,131**	9,307,830	7,524,786	2,588,986	1,463,034
Total assets	**56,382,667**	54,282,905	41,359,930	24,539,694	15,581,024
Equity attributable to equity holders of the Company	**8,815,729**	9,088,648	8,352,742	3,852,074	2,825,977
Non-controlling interests	**2,680,917**	2,647,019	2,197,650	1,793,193	1,485,347
Total equity	**11,496,646**	11,735,667	10,550,392	5,645,267	4,311,324
Total non-current liabilities	**32,922,165**	29,717,142	22,023,169	14,354,287	7,642,550
Total current liabilities	**11,963,856**	12,830,096	8,786,369	4,540,140	3,627,150
Total liabilities	**44,886,021**	42,547,238	30,809,538	18,894,427	11,269,700
Total equity and liabilities	**56,382,667**	54,282,905	41,359,930	24,539,694	15,581,024

Note:

The financial information of the Group for the years ended December 31, 2008 and 2009 was extracted from the Company's 2010 annual report published on April 10, 2011, which also set forth the details of the basis of presentation of the consolidated financial statements. The financial information of the Group as at December 31, 2010 and for the year then ended was restated for the business combinations under common control which occurred during 2011. The financial information of the Group for the year ended December 31, 2012 is set forth on pages 96 to 221, and is presented on the basis set out in Note 2.1 to the consolidated financial statements.

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

During 2012, electricity consumption nationwide increased at a moderate pace, as a result of the slowdown in the growth of macro economy development and other factors. According to the Brief Overview of the Operation of China's Electric Power Industry for 2012 (《2012年全國電力工業運行簡況》) released by the China Electricity Council, electricity consumed nationwide totalled 4,959.1 billion kWh, representing an increase of 5.5% year on year, but dropped 6.5 percentage points compared to the growing rate in 2011. Newly-increased capacity from infrastructure construction nationwide amounted to 80.20 million kW, among which hydroelectric power accounted for 15.51 million kW, coal power accounted for 50.65 million kW, on-grid wind power accounted for 12.85 million kW, and on-grid solar power accounted for 1.19 million kW. Accomplished investment in the construction of electric power projects nationwide was RMB746.6 billion, representing a decrease of 1.9% year on year; among which wind power projects accounted for RMB61.5 billion, representing a substantial decrease of 31.8% from last year.

In order to improve energy structure and raise the proportion of renewable power, the government introduced a number of measures in the year to regulate the industry and encourage orderly development, which safeguarded the sustainable development of the renewable energy industry.

In January 2012, China raised its tariff surcharge of renewable energy to RMB0.8 cent from RMB0.4 cent, further replenishing the subsidies for renewable energy.

In March 2012, the Finance Ministry of the PRC released the Interim Measures for the Management of Subsidies for Renewable Energy Tariff Surcharge (《可再生能源電價附加補助資金管理暫行辦法》, the "Measures") which is jointly enacted by the Finance Ministry of the PRC, the National Development and Reform Commission and the National Energy Administration. The Measures explicitly provides that grid companies shall make settlement on electricity with renewable power generation enterprises on a monthly basis. Meanwhile, the "Measures" stipulates new rules on the grant of construction and maintenance subsidies for power grids, as an economic incentive to encourage power grids to absorb new energy.

In April 2012, the National Energy Administration released the Notice concerning Relevant Requirements for the Enhancement of Wind Power Grid Connection and Absorption (《關於加強風電並網和消納工作有關要求的通知》), urging grid companies to give priority to wind power grid connection in the management of power operation. The "12th Five-Year Plan for Ultra-high Voltage Grids" (《特高壓電網「十二五」規劃》) drafted by the State Grid Corporation of China was also submitted to the National Energy Administration, which is expected to further boost the grid connection as well as transmission capabilities of wind power enterprises.

In June 2012, the Technical Standards for Connecting Wind Farms to Power Systems (《風電場接入電力系統技術規定》) officially came into force, and the implementation of which will well facilitate the healthy and orderly development of wind power sector in the PRC toward the large-scale direction, and ensure the safety and stability as well as reliable power supply of power systems after grid connection of large-scale wind power.

From July to October 2012, the National Energy Administration successively issued the "12th Five-Year Plan for Wind Power Development" and the "12th Five-Year Plan for Renewable Energy Development" and the State Council standing meeting discussed and approved the "12th Five-Year Plan for Energy Development" which reaffirms accelerating the development of wind energy and other renewable energy. All of these three plans propose further advancing development of wind power toward the large-scale direction, and, on the principle of both centralized and decentralized development, coordinating distribution of wind energy resources, power transmission and market absorptions, optimizing development layout, establishing the power dispatching and operation mechanism adapted to wind power development, and enhancing the utilisation efficiency of wind power, so that wind power could become an important type of new energy in the process of adjusting energy structure and addressing climate changes.

In November 2012, the National Energy Administration circulated the Table of the Wind Power Standards System of the Energy Industry (《能源行業風電標準體系項目表》) in a bid to continuously step up wind power standardisation in the energy sector and further promote the healthy development of the wind power industry.

In December 2012, the State Electricity Regulatory Commission released the Basic Rules on Cross-province/Cross-region Electric Energy Transactions (Provisional) (《跨省跨區電能交易基本規則(試行)》), which specifies that an electricity buyer in cross-province/cross-region electric energy transactions could be provincial-level grid companies, or eligible independent electricity distribution and sales enterprises and users, and that priority should be given to the absorption and utilisation of clean energy during transactions in a year.

II. BUSINESS REVIEW

As at December 31, 2012, the Group's consolidated installed capacity amounted to 5,771.02 MW, representing an increase of 9.74% over last year. Electricity generation for the year amounted to 8,542,434 MWh, representing an increase of 14.65% over last year. The Group's average wind power on-grid tariff (tax inclusive) was RMB0.6032 per kWh, representing an increase of RMB0.0118 per kWh over 2011. Profit attributable to the equity holders of the Company amounted to RMB112.1 million, representing a decrease of 84.63% from last year.

1. Further progress achieved in optimisation of portfolio with proactive adjustment of development strategies

In 2012, in spite of such adverse challenges as severe grid curtailment and slower wind speed in the first quarter, the Group proactively adjusted its development strategies, and managed to fulfil steady and sustainable development by taking a benefit-oriented and controlled-development approach.

During the reporting period, the Group strived down the development in regions subject to grid curtailment, and while retaining existing resources, stepped up development in regions not subject to grid curtailment such as Shandong, Shanxi, Shaanxi, Yunnan, Guizhou and Fujian instead. As at the end of 2012, the aggregate wind resources reserve capacity reached 97,082.90 MW. Wind power projects of the Group with total installed capacity of 3,241.4 MW have been included in the first two batches of the "12th Five-Year" wind power projects to be approved by the State Energy Administration, of which 59.23% are from regions not subject to grid curtailment. This marked an increasingly rational distribution of wind power development of the Company.

As at December 31, 2012, the geographical distribution of the Group's wind resources reserve was as follows:

Regions	Wind resources reserve capacity *(MW)*	Percentage of wind resources reserve in relevant regions *(%)*
Inner Mongolia	38,709.50	39.87%
Three Northeastern Provinces	17,495.60	18.02%
Central and Western Regions	28,937.60	29.81%
Southeastern Coastline Regions	11,940.20	12.30%
Total	97,082.90	100%

Meanwhile, the Group keenly studied wind power absorption and constantly innovated development methods. Among such efforts, the heat supply project in Jilin, as the first demonstration project of heat supply with abandon wind, obtained favourable economic and social benefits. Our three wind power projects in Jietoumiao, Wangjiawan and Yushuwan in Shaanxi were included in the State's decentralized wind power development plan, with further breakthroughs in decentralized development.

Throughout 2012, whilst actively developing its wind power business, the Group stuck to the diversified development strategy, and also focused on developing the highly profitable solar power and energy performance contracting ("EPC") sectors. As at the end of 2012, the Group's consolidated installed capacity of other renewable energy amounted to 102.47 MW, representing an increase of 17.15% over the same period of 2011. The Group's solar power resources reserve, biomass resources reserve, CBM resources reserve, and EPC projects reserve amounted to 9,185 MW, 680 MW, 60 MW and 500 MW respectively.

2. New achievements accomplished in projects construction with strengthened projects management and control and optimized design

In 2012, the Group kept promoting the scientific and standardized management of projects construction, tightened projects management and control, arranged project schedules in a scientific way, worked hard on project design optimization and constantly improved management of project schedule. During the reporting period, four projects, namely the Jilin Xiangyang 400 MW wind power project, Dalian Haipai 99 MW wind power project, Chifeng Xichang 99 MW wind power project and Shanghai Donghai Bridge offshore 102 MW wind power project, were awarded 2012 China Power Outstanding Projects with Jilin Xiangyang, Dalian Haipai and Shanghai Donghai Bridge projects granted the 2012 Silver Award for National Quality Project.

In 2012, the Group focused on constant optimization of design and improvement of efficiency to reduce costs while steadily improving project quality during the whole construction period. However, with wind power companies moving in droves to southeast coastal, central and western and other regions subject to fewer grid curtailment, project costs including labor and civil engineering increased slightly. As a result, the average full-year project costs increased by 2.2% over 2011 but still remained at a low level in the national wind power industry.

In order to guarantee the Company's income from the wind power business amid severe grid curtailment, the Group proactively controlled the construction progress of wind power projects on the premise of constantly increasing approved wind power capacity. As at December 31, 2012, the Group's consolidated installed capacity increased by 9.74% over the same period last year to 5,771.02 MW, including 5,668.55 MW of consolidated wind power consolidated installed capacity and 102.47 MW of consolidated installed capacity of other renewable energy.

As at December 31, 2012, the consolidated wind power installed capacity of the Company by region is as follows:

Region	Consolidated installed capacity as at the end of 2012 *(MW)*	Consolidated installed capacity as at the end of 2011 *(MW)*	Change in consolidated installed capacity *(%)*
Inner Mongolia	2,457.85	2,309.35	6.43%
Heilongjiang	351.50	301.50	16.58%
Jilin	598.10	598.10	0.00%
Liaoning	325.80	277.80	17.28%
Gansu	393.80	393.80	0.00%
Guangxi	3.00	—	—
Hebei	49.50	49.50	0.00%
Henan	100.75	100.75	0.00%
Ningxia	247.50	198.00	25.00%
Shanxi	198.00	148.50	33.33%
Shaanxi	49.50	—	—
Yunnan	98.25	48.75	101.54%
Guangdong	49.50	—	—
Shandong	643.50	643.50	0.00%
Shanghai	102.00	102.00	0.00%
Total	5,668.55	5,171.55	9.61%

3. Production safety constantly improved with scientifically improved wind power operation system

In 2012, embracing the philosophy of scientific and safe development, the Group arranged strict examination of wind farms in service by internal experts and competent staff to improve the production safety and prevention management systems. For regions subject to severe grid curtailment, we studied and took advantage of the wind power policy, further optimized power generation structure, earnestly adjusted the generator operation modes, implemented the overhaul and maintenance and remote monitoring strategies for the grid curtailment mode, so as to constantly enhance capabilities for wind power transmission. Meanwhile, the Group kept pace with the research and development of advanced technology and its application, put in place a mechanism for communication and coordination among wind turbines manufacturers, operators and technical service providers, established twelve wind turbine technology cooperation networks and strengthened technological innovation to constantly improve the economic performance of generating units.

As at December 31, 2012, the Group generated electricity of 8,542 million kWh on an accumulative basis, representing a year-on-year increase of 14.65%. In particular, wind power electricity generated amounted to 8,437 million kWh, representing a year-on-year increase of 13.29%. Due to the combined effect of insufficient peak load modulation capability in the Inner Mongolia and northeastern region and intensified grid curtailment in certain regions, the Group's loss in electricity amounted to 2,279 million kWh. The average wind power utilization hours for the whole year were 1,752 hours, representing a year-on-year decrease of 10.19%. The average availability factor of the Group's wind turbines was 98.73%, representing a rise of 0.17 percentage point from 98.56% for the same period of 2011.

During the reporting period, the consolidated wind power generation of the Group by geographical area was as follows:

Region	As at the end of 2012 *(MWh)*	As at the end of 2011 *(MWh)*	Change in consolidated installed capacity *(%)*
Inner Mongolia	3,667,470	3,888,865	–5.69%
Heilongjiang	537,096	649,370	–17.29%
Jilin	873,392	868,405	0.57%
Liaoning	563,906	304,183	85.38%
Gansu	626,851	545,807	14.85%
Hebei	83,819	105,190	–20.32%
Henan	245,847	123,307	99.38%
Ningxia	298,385	95,502	212.44%
Shanxi	244,618	187	130,711.76%
Shaanxi	185	—	—
Yunnan	173,555	121,547	42.79%
Guangdong	13,391	—	—
Shandong	840,660	517,243	62.53%
Shanghai	268,010	227,642	17.73%
Total	8,437,185	7,447,248	13.29%

During the reporting period, the average utilization hours of the Company's wind farms by geographical area were as follows:

Region	2012 average wind power utilization hours *(hours)*	2011 average wind power utilization hours *(hours)*	Change
Inner Mongolia	1,750.71	2,054.63	–14.79%
Heilongjiang	1,780.23	2,153.80	–17.34%
Jilin	1,460.28	1,639.15	–10.91%
Liaoning	1,890.40	2,069.98	–8.68%
Gansu	1,591.80	1,591.46	0.02%
Hebei	1,693.31	2,125.05	–20.32%
Henan	2,440.17	2,211.78	10.33%
Ningxia	1,625.19	2,527.85	–35.71%
Shanxi	2,083.63	—	—
Shaanxi	1,850.00	—	—
Yunnan	2,824.33	2,500.45	12.95%
Guangdong	2,060.15	—	—
Shandong	1,656.15	1,669.66	–0.81%
Shanghai	2,627.55	2,231.78	17.73%
Total	1,752.03	1,950.84	–10.19%

4. New progress made in technological innovation by promoting the "advanced technology" strategy

In 2012, the Group continued to strengthen technological management, scale up training of scientific and technological talents and promoted the independent R&D and intellectual property rights protection. The Group obtained a total of three patents and two software copyrights and received four prizes of the Management Innovation Achievement Awards for National Electricity Enterprises (全國電力行業企業管理創新成果獎).

The technological development and engineering demonstration of large-scale compressed-air energy storage power station for wind power (適用於風電的大規模壓縮空氣儲能電站成套技術開發與工程示範) and demonstration test on thermal power generation complementary between solar power and coal(光煤互補太陽能熱發電示範試驗) under the State's "863" Programs, are well underway.

We actively researched into application of clean energy such as wind power, solar power and by-product heat and pressure, and made new achievements in technologies of remote power collection, power forecast for photovoltaic station, micro site selection, wind resources assessment, automatic tracking of solar energy and intensive management of information, creating favorable conditions for more efficient use of clean energy in the future.

We launched the research on the subject of collecting, storing, processing and transporting straws and household garbage under the State's Non-food Biomass Research and Development Center project, kicked off the pilot work on biomass raw materials in Deyang City and conducted preliminary work on the production of fuel ethanol with straws and garbage. Meanwhile, we actively kept track of cutting-edge technology relating to unconventional oil and gas resources such as domestic shale gas and coal bed methane as well as wind power absorptions, laying a solid technological foundation for the Company's diversified development.

5. Great efforts made to reduce capital costs, and capital operation capability improved

In 2012, the Group endeavoured to revive existing assets and promote the reasonable flow of resources to maximize the value of assets while focusing on strengthening overall risk management and enhancing control ability. We vigorously expanded financing channels, and conducted more direct financing by leveraging the platform of a listed company, good reputation and AAA rating. We registered for the first time the issuance of RMB3 billion private bonds with a valid period of 2 years and again successfully issued one-year RMB2 billion short-term debentures. In a bid to build domestic and foreign financing channels by playing to our strengths as a Hong Kong listed company, Datang Renewable Power (HK) Company Limited, a subsidiary of the Company contributed RMB200 million (for 20% equity interests) in the establishment of a foreign-invested finance lease company in Tianjin, a successful move to bring in low-cost capital from Hong Kong, achieving two-way capital flow between Hong Kong and the mainland, and promoting the reasonable optimization of the Group's interests.

III. MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND OPERATING RESULTS

The following discussion should be read in conjunction with the financial information of the Group together with the accompanying notes included in this results announcement and other sections therein.

1. Overview

The Group's profit for the year decreased by 80.77% to RMB186.6 million compared to RMB970.3 million in 2011. Profit attributable to the equity holders of the Company amounted to RMB112.1 million.

2. Revenue

The Group's revenue increased by 14.08% to RMB4,368.0 million in 2012 compared to RMB3,828.8 million in 2011, primarily due to increases in on-grid electricity as a result of higher installed capacity.

The Group's electricity sales revenue increased by 16.93% to RMB4,275.4 million in 2012 compared to RMB3,656.2 million in 2011, primarily due to increases in on-grid electricity as a result of higher installed capacity.

3. Other income and other gain-net

The Group's other income and other gain-net decreased by 46.49% to RMB277.4 million in 2012 compared to RMB518.4 million in 2011, primarily due to decrease in income generated from CDM projects.

The Group's income generated from CDM projects decreased by 74.46% to RMB94.7 million in 2012 compared to RMB370.8 million in 2011, primarily due to decrease in the trading price of Certified Emission Reductions ("CERs").

The Group noted that CER price has been lingering at low level since the beginning of 2012. In response to this, the Company established a special taskforce team to proactively strengthen carbon assets management. On a prudent basis, a provision of RMB34.1 million has been made as at December 31, 2012.

The Group's government grants decreased by 27.77% to RMB133.6 million in 2012 compared to RMB184.9 million in 2011, primarily due to the decreases in value-added tax refund and fiscal interest subsidies.

4. Operating expenses

The Group's operating expenses (excluding service concession construction costs) increased by 33.21% to RMB2,522.8 million in 2012 compared to RMB1,893.9 million in 2011. This increase is mainly attributable to the increase in depreciation as a result of higher installed capacity.

The Group's depreciation and amortization increased by 36.44% to RMB1,856.7 million in 2012 compared to RMB1,360.8 million in 2011, primarily due to the increase in installed capacity.

The Group's labor costs increased by 41.11% to RMB264.9 million in 2012 compared to RMB187.7 million in 2011, primarily due to the increase in employees as a result of business expansion.

The Group's other operating expenses increased by 19.76% to RMB294.4 million in 2012 compared to RMB245.8 million in 2011, primarily due to the increase in administration expenses incurred to manage an increased number of projects and expanded business scale.

5. Operating profit

The Group's operating profit decreased by 12.95% to RMB2,114.4 million in 2012 compared to RMB2,429.0 million in 2011.

6. Finance expenses

The Group's finance expenses increased by 35.03% to RMB1,932.8 million in 2012 compared to RMB1,431.3 million in 2011, primarily due to the increase in interest-bearing liabilities and the cessation of capitalization of the interest expenses for projects completed.

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

The Group recorded a loss of RMB6.1 million in share of loss of associates in 2012 whilst the loss was RMB7.4 million in 2011.

The Group recorded a profit of RMB0.8 million in share of profit of a jointly controlled entity in 2012 whilst the profit was RMB15.0 million in 2011.

8. Income tax benefit/(expense)

The Group's income tax benefit was RMB10.2 million in 2012, representing a decrease of 129.23% from tax expense of RMB35.0 million in 2011. This was mainly due to certain tax losses for which no deferred income tax assets were recognized, impact of change in applicable income tax rates, tax credits entitlement, and the fluctuation in profitability of certain subsidiaries of the Company located in regions with preferential income tax rate as well as initiation and expiration of tax benefit of other subsidiaries of the Company.

9. Profit for the year

The Group's profit for the year decreased by 80.77% to RMB186.6 million in 2012 compared to RMB970.3 million in 2011. For the year ended December 31, 2012, the Group's profit for the year as a percentage of our total revenue (excluding service concession construction revenue) decreased to 4.3% compared to 25.5% in 2011.

10. Profit attributable to the equity holders of the Company

The profit attributable to the equity holders of the Company decreased by 84.63% to RMB112.1 million in 2012 compared to RMB729.8 million in 2011.

11. Profit attributable to the holders of non-controlling interests

The profit attributable to the holders of non-controlling interests of the Group decreased by 69.06% to RMB74.4 million in 2012 compared to RMB240.5 million in 2011.

12. Liquidity and capital sources

As at December 31, 2012, the Group's cash and cash equivalents decreased by 49.46% to RMB2,103.8 million compared to RMB4,162.4 million as at December 31, 2011. The main sources of the Group's operating capital are revenue from sales of electricity.

As at December 31, 2012, the Group's borrowings increased by 8.47% to RMB38,161.8 million compared to RMB35,181.3 million as at December 31, 2011. In particular, RMB5,456.6 million (including RMB2,287.3 million of long-term borrowings due within one year) was short-term borrowings, and RMB32,705.2 million was long-term borrowings. The above borrowings include RMB37,906.8 million of borrowings denominated in RMB, and RMB255.0 million of borrowings denominated in USD.

13. Capital expenditure

The Group's capital expenditure decreased by 48.91% to RMB5,722.6 million in 2012 compared to RMB11,200.6 million in 2011. Capital expenditure mainly comprises engineering construction costs such as purchase or construction of property, plant and equipment, land use rights and intangible assets, etc..

14. Net gearing ratio

In 2012, the Group's net gearing ratio (net debt (total borrowings minus cash and cash equivalents) divided by total equity and net debt) was 75.82%, 3.27 percentage points higher than 72.55% in 2011.

15. Major investment

In the second half of 2012, Datang Renewable Power (Hong Kong) Co., Ltd., a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with China Datang Corporation Capital Holding Co., Ltd., China Datang Overseas (Hong Kong) Co., Ltd. and Datang International Power Generation Co., Ltd. in relation to the establishment of Datang Financial Leasing Co., Ltd.. Datang Renewable Power (Hong Kong) Co., Ltd. contributed in United States dollar, equivalent to RMB200 million, representing 20% of the total registered capital of Datang Financial Leasing Co., Ltd..

16. Major acquisition and disposal

In 2012, the Group had no major acquisitions or disposals.

17. Pledge of assets

Some of our bank loans and other loans are secured by property, plant and equipment, intangible assets and electricity tariff collection rights. As at December 31, 2012, net carrying value of the pledged assets amounted to RMB3,079.3 million.

18. Contingent liabilities

As at December 31, 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 wind farm construction and grid 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.

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 more 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 own strength.

5. Risks related to development of clean development mechanism (CDM) projects

Objectively, as the European debt crisis persisted, the supply and demand in European carbon emissions trading market became imbalanced amidst a weak economy, the trading price of emissions units revealed a substantial decline as compared with the beginning of 2012 and the possibility of risks of international buyers' default (or non-performance) increased. Meanwhile, most of the Group's CDM contracts expired at the end of 2012, the transaction price of contracts to be entered into subsequently may be substantially lower than previous prices.

6. Risks related to geographical concentration of wind power projects

The Group's wind power projects are primarily located in Inner Mongolia and Northeastern Regions. Although these regions offer 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 these regions are currently adversely affected by grid curtailment due to the mismatch between our wind farm construction and the local power grid construction. Any change adversely affecting the local wind conditions, local grid transmission capacity, on-grid tariffs and changes in government policy in Inner Mongolia and Northeastern Regions could reduce the electricity we generate and have an adverse impact on our wind power business. To cope with this, the Group will timely 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 the conditions of wind resources that 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 the wind conditions, may not conform to the findings of these feasibility studies, and, therefore, the wind power projects may not meet anticipated production levels, and hence adversely affect our forecasted profitability.

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 the 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 have impact on our capital expenditure and ultimately our operating results. As our Group highly relies on external financing to obtain investment capital to expand wind power business, we are particularly sensitive to the capital cost in securing such loans.

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 its 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 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 takes 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 explore on various financing channels to adjust our finance structure.

V. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

1. Opportunities and challenges faced by the Group

Although the US financial market is stabilizing and the banking sector's earnings slightly improve in 2013, the prospects of European debt crisis remain uncertain and the economic growth of countries with emerging markets slows down. As such, the global economic prospect is hardly optimistic in 2013.

Given the weak growth of the global economy, China takes "structural adjustment" as its top priority in macro control and continues to implement the proactive fiscal policy and prudent monetary policy. In 2013, China's economy is likely to maintain a steady growth amidst structural adjustment.

Constrained by international and domestic factors, the growth of China's overall demand for energy will stabilize, thus the development of renewable energy industry will be affected. In addition, the "absorption difficulty" resulted from local overdevelopment will remain the principal crux plaguing operators of the wind power industry for some time.

However, with the emergence of hazy weather in many regions, the Chinese society puts forward higher requirements on clean energy supply whilst demanding transformation of economic development pattern. At the Doha climate change conference, the Chinese government reiterated China's determination to deliver a 40%-45% reduction in carbon intensity (carbon dioxide emissions per unit of GDP) of the 2005's level by 2020. In the face of growing demand for clean energy, in 2013, the government will continue to adhere to the principle of encouraging orderly development of the renewable energy industry and accelerate industrial standardization through policy, technology and taxation measures. Therefore, the severe grid curtailment problem in certain regions is likely to be eased.

First, in the report of the 2013 National Energy Work Conference, Mr. Liu Tienan, the then head of the National Energy Administration, reiterated that more efforts will be made in the development of new energy and renewable energy, aiming at increasing the newly-added wind power installed capacity and photovoltaic installed capacity for the year to 18 million kW and 10 million kW respectively. Meanwhile, the Interim Measures on Power Transactions regarding Transmission of Surplus Wind Power from Northeast China to North China (《東北電網富餘風電送華北電量交易暫行辦法》) which has been approved by the State Electricity Regulatory Commission will be implemented step by step, which would alleviate the intensifying grid curtailment in Northeast China. In addition, the State Grid Corporation of China also expressed that it will spare no effort to push forward the construction of ultra-high-voltage ("UHV") transmission lines and smart power grids in 2013 and has planned to commence the construction of "Four AC Three DC" project which includes four UHV AC lines (namely, Huainan-Nanjing-Shanghai, North Zhejiang-Fuzhou, Ya'an-Wuhan and west Inner Mongolia - Changsha UHV AC transmission lines) and three UHV DC transmission lines (namely Ningdong-Zhejiang, Ximeng-Taizhou and west Inner Mongolia-Hubei UHV DC transmission lines), thereby giving technical support to the grid connection and outward transmission of wind power and other renewable electricity. The National Energy Administration plans to introduce the Administrative Measures for Preferential Grid Connection of Renewable Electricity (《可再生能源電力優先上網管理辦法》) and the Administrative Measures for Renewable Electricity Quota (《可再生能源電力配額管理辦法》), aiming at providing policy safeguard for the absorption and utilization of wind power and other renewable electricity. Currently, Beijing, Shanghai and Guangdong have launched pilot carbon emission trading, which indicates that certain progress has been made in exploring the establishment of a domestic carbon asset market in China and will thereby further promote the development of China's renewable energy industry.

2. Company's operating policies for 2013

(1) Focus on operation optimization

Enhance efforts in building an intrinsically-safe enterprise and reducing losses resulting from abandoning wind and grid curtailment. More efforts will be made in equipment management and enhancement of management practices.

(2) *Emphasize development optimization*

Press ahead with the optimization of geographical distribution, and steadily push forward the development of other business segments. Refine preliminary work and enhance the rigid implementation of plans.

(3) *Promote design optimization*

Establish stringent project management procedures and rigorously implement the project legal person responsibility system. Pay adequate attention to project progress management and project quality management.

(4) *Enhance management level*

Strengthen comprehensive planning management, overall budget management, all-arounded risk management and full responsibility management. Make great efforts in overall promotion and specific upgrade. Improve the systems of standards and processes. Strengthen assessment and implement rectifications.

(5) *Improve technological level*

Promote the application and R&D of technologies based on production and operation. Study on the application of cutting-edge technologies of renewable energies and the technology for local absorption of wind power and solar power. Proactively push forward the national scientific and technological projects and the technology standardization management.

(6) *Deepen capital operation idea*

Relying on the platform of the Company being a listed company, deepen capital operation idea, raise capital operation level and enhance capital control ability so as to promote the development of the Company through asset operation.

(7) *Innovate in operation and management modes*

With a view to improve efficiency and benefits, actively explore mechanisms, systems and modes that could accommodate the development needs of a renewable energy company, streamline management relations and endeavour to innovate on operation and management.

Major Events in 2012

In February 2012, the Company held the 2012 working conference in Beijing, at which we reviewed the main work of 2011 and made arrangement for the work of 2012 and determined the work approaches and priorities.

In May 2012, China Entrepreneurs Annual Symposium 2012 was held in Chongqing, at which Mr. Hu Yongsheng, executive Director and President of the Company, was named "National Outstanding Entrepreneur" for 2011-2012.

In May 2012, Shanghai Donghai Bridge 102 MW offshore wind power demonstration project, Dalian Datang Haipai 99 MW wind power plant project, Datang Jilin Xiangyan power plant 400 MW project and Datang Renewable Chifeng Xichang 99 MW wind power project were granted "2012 China Power Outstanding Project Award ".

In June 2012, the Company was named "Civilized Unit of the Capital" by the Capital Civilization Development Commission.

In July 2012, the Company held a solar technology seminar, at which attendees involved in in-depth discussion on future technology and current problems in respect of public bidding, management and electricity generation of solar energy projects. The conference was of profound guiding significance in promoting the development of the solar energy business of the Company.

In August 2012, the Company's Chifeng Hanshan 400 MW wind power project was officially approved by National Development and Reform Commission. The approval adopted an examining mode for large wind power project (differing from the previous approving a capacity of 50 MW or below at a time), which led to a further enhancement of the Company's strengths in this regard.

In August 2012, Jia Qinglin, who was then a member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee and Chairman of the Chinese People's Political Consultative Conference, paid a visit to the wind power plants of the Group in Yumen and Changma of Gansu.

In October 2012, the repair company of Datang Renewable obtained the accreditation certificates for quality, environment and occupational health and safety management systems, which enhanced its competitiveness in the marketplace.

Major Events in 2012 *(Continued)*

In October 2012, Jilin Xiangyang power plant phase I 400 MW project, Shanghai Donghai Bridge 102 MW offshore wind power demonstration project and Dalian Datang Haipai 99 MW wind power plant project of the Group received the "Silver Award for National Quality Project for 2011-2012".

In October 2012, the Shaanxi Jingbian Yuanlianshan 49.5 MW wind power project of the Group officially entered the stage of installing wind turbines. The tension-free cast-in-place pile foundation（無張力灌注樁基礎）adopted for the project helped save over an amount of RMB10 million in construction cost, providing a good example for the Company's project cost control campaign in future.

In December 2012, Datang Financial Leasing Company Limited was formally established in Dongjiang Free Trade Port Zone of Tianjin with 20% of its registered capital contributed by Datang Renewable Power (Hong Kong) Co., Ltd., a subsidiary of the Company. It will provide the Group with a platform for capital flow and promote the rational optimization of the Group's capital.

In December 2012, the Group held the first extraordinary general meeting for 2012 in Beijing, at which Mr. Hu Guodong was elected as the Company's executive Director and Mr. Su Min as the Company's non-executive Director.

Report of Directors

I. PRINCIPAL OPERATIONS

The Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technologies; research, sale, testing and maintenance of renewable energy-related equipments; power designing; engineering, construction and installation, repair and maintenance of power projects at home and abroad; import and export services of renewable energy equipments and technologies; external investment; renewable energy-related trainings and consulting services; as well as lease of properties.

Details of the Company's subsidiaries and associated companies are set out in Notes 16 and 17 to the consolidated financial statements respectively.

II. RESULTS

The audited results of the Group for the year ended December 31, 2012 are set out in the consolidated statement of comprehensive income on pages 96 to 97 of the annual report. The financial position of the Group and of the Company as at December 31, 2012 is set out in the consolidated statement of financial position and the statement of financial position on pages 98 to 102 of the annual report. The cash flows of the Group for the year ended December 31, 2012 are set out in the consolidated statement of cash flows on pages 105 to 107 of the annual report.

A discussion and analysis of the Group's performance during the year and the key factors affecting its results and financial position are set out in the management's discussion and analysis on pages 22 to 27 of this annual report.

III. PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group and of the Company as at December 31, 2012 are set out in Note 13 to the consolidated financial statements.

IV. SHARE CAPITAL

As of December 31, 2012, the share capital of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each. Details of the changes in share capital of the Company during the year ended December 31, 2012 are set out in Note 24 to the consolidated financial statements.

V. PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the PRC laws, which require the Company to offer new shares on a pro-rata basis to existing shareholders.

VI. RESERVES

Changes in reserves of the Group and of the Company during the year ended December 31, 2012 are set out in Note 25 to the consolidated financial statements, of which, details of reserves distributable to the equity holders of the Company are set out in Note 25 to the consolidated financial statements.

VII. DIVIDENDS

The Board has proposed distribution of a final dividend of RMB0.023 per share (tax inclusive) in cash to shareholders for the year ended December 31, 2012. All the dividends will be paid upon approval by shareholders at the Company's Annual General Meeting.

VIII. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

As of December 31, 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

IX. MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2012, the amount of purchase from our five largest suppliers (as defined in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange ("Listing Rules") in aggregate accounted for not more than 30% of that of our total purchase for the year.

For the year ended December 31, 2012, the sales to our five largest customers (as defined in the Listing Rules) in aggregate accounted for not more than 65.80% of our total sales for the year. All of our five largest customers are subsidiaries of the State Grid Corporation of China.

X. BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group as at December 31, 2012 are set out in Note 26 to the consolidated financial statements.

XI. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following table sets forth certain information concerning the Directors, supervisors and senior management of the Company during the year and as at the date of this report:

Name	Position in the Company	Date of Appointment
Directors		
Mr. Chen Jinhang	Chairman of the Board and non-executive Director	July 1, 2010
Mr. Wu Jing	Vice Chairman of the Board and non-executive Director	July 1, 2010
Mr. Yin Li	Non-executive Director	July 1, 2010
Mr. Su Min	Non-executive Director	December 27, 2012
Mr. Hu Yongsheng	Executive Director and president	July 1, 2010
Mr. Hu Guodong	Executive Director and	December 27, 2012
	vice president	July 1, 2010
Mr. Wang Guogang	Independent non-executive Director	July 1, 2010
Mr. Yu Hon To David	Independent non-executive Director	July 1, 2010
Mr. Liu Chaoan	Independent non-executive Director	July 1, 2010
Mr. Zhang Xunkui	Former non-executive Director	He, as a former executive Director, was re-designated as a former non-executive Director on May 16, 2012 and resigned on December 27, 2012.
	Former vice president	He resigned on May 16, 2012.
Mr. Jian Yingjun	Former non-executive Director	He resigned on December 27, 2012.
Supervisors		
Mr. Wang Guoping	Chief Supervisor	July 1, 2010
Mr. Zhang Xiaochun	Supervisor	July 1, 2010
Mr. Dong Jianhua	Employee Representative Supervisor	July 1, 2010
Senior management		
Mr. Wang Wenpeng	Vice president,	July 1, 2010
	Board secretary and joint company secretary	August 29, 2012
Mr. Meng Lingbin	Vice president	July 1, 2010
Mr. Zhang Xuefeng	Chief Financial Officer	July 1, 2010

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that each of the independent non-executive Directors is independent of the Company.

XII. CHANGE OF DIRECTORS AND SUPERVISORS

According to the requirement of Rule 13.51B(1) of the Listing Rules, the changes in information of Directors and supervisors of the Company are set out as follows:

Mr. Su Min has been serving as a non-executive Director of the Company since December 27, 2012.

Mr. Hu Guodong has been serving as an executive Director of the Company since December 27, 2012.

The former executive Director Mr. Zhang Xunkui was re-designated as a former non-executive Director on May 16, 2012 and resigned as a non-executive Director of the Company on December 27, 2012.

Mr. Jian Yingjun resigned as a non-executive Director of the Company on December 27, 2012.

As at December 31, 2012, there is no information relating to supervisors of the Company which is discloseable according to Rule 13.51B(1) of the Listing Rules.

XIII. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, supervisors and senior management are set out on pages 84 to 90 of this annual report.

XIV. SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with each of the Directors. Such service contracts (1) are for a term of three years commencing from the date of appointment and (2) are subject to termination in accordance with their respective terms.

Each of the supervisors has entered into a contract with the Company in respect of provisions on compliance with relevant laws and regulations, observations of the Articles of Association and arbitration.

Save as disclosed above, none of the Directors or supervisors has entered into a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

XV. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of the Company's Directors, supervisors and senior management are set out in Note 12 to the consolidated financial statements.

XVI. INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

As at December 31, 2012, no contract of significance to which the Company was involved in its establishment either directly or indirectly, with which the Company's business is connected and in which a Director or supervisor had material interests, subsisted during the year or at the end of the year.

XVII. SIGNIFICANT SUBSEQUENT EVENTS

On January 21, 2013, the Company entered into an agreement with Datang Shandong Power Generation Company Limited (大唐山東發電有限公司) ("Datang Shandong") in respect of the cancellation of the acquisition of equity interests in Datang Laizhou Renewable Power Company Limited (大唐萊州新能源有限公司) ("Datang Laizhou"). On the same day, the Company entered into an agreement with Datang Shandong Electric Power Overhaul & Operation Company Limited (大唐山東電力檢修運營有限公司) ("Datang Overhaul") in respect of the cancellation of the acquisition of equity interests in Datang Wendeng Clean Power Development Company Limited (大唐文登清潔能源開發有限公司) ("Datang Wendeng"). Pursuant to the agreements, the Company agreed to return the 100% equity interests acquired in Datang Laizhou and Datang Wendeng to Datang Shandong and Datang Overhaul, respectively, and Datang Shandong and Datang Overhaul agreed to return the consideration paid by the Company of RMB83.0 million and RMB19.0 million, respectively, and all remaining consideration payable amounting to RMB102.0 million was waived.

Apart from the above, there were no significant subsequent events occurred from January 1, 2013 to the date of this annual report.

XVIII. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at December 31, 2012, save as disclosed below, none of the Directors or their associates had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Company:

Name of Director	Position in the Company	Other Interests
Mr. Chen Jinhang	Chairman of the Board and non-executive Director	General manager of Datang Corporation
Mr. Wu Jing	Vice Chairman of the Board and non-executive Director	Chief economist of Datang Corporation
Mr. Yin Li	Non-executive Director	Deputy chief engineer of Datang Corporation

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

As at December 31, 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.

XX. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As of December 31, 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 or underlying shares 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 Shareholder	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 interests in 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.

XXI. MANAGEMENT CONTRACTS

As at and during the year ended December 31, 2012, the Company did not enter into any contract in respect of the management or administration of the entire or any significant part of the business of the Company nor any such contract subsisted.

XXII. CONNECTED TRANSACTIONS

Major connected transactions of the Company during 2012 are as follows:

(1) Non-exempt One-off Connected Transactions

The Group has entered into the following non-exempt one-off connected transactions during the year:

Establishment of Financial Leasing Company through joint venture

On November 29, 2012, Datang Renewable Power (Hong Kong) Co., Ltd. (大唐新能源(香港)有限公司) ("Datang Renewable Power HK"), a wholly-owned subsidiary of the Company, entered into the joint venture agreement ("Joint Venture Agreement") with China Datang Corporation Capital Holding Co., Ltd. (中國大唐集團資本控股有限公司) ("CDC Capital Holding"), China Datang Overseas (Hong Kong) Co., Ltd. (中國大唐海外(香港)有限公司) ("Datang Overseas HK") and Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) ("Datang International") in relation to the establishment of Datang Financial Leasing Co., Ltd. (大唐融資租賃有限公司) ("Financial Leasing Company"). Datang Renewable Power HK is a wholly-owned subsidiary of the Company. As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. CDC Capital Holding is a wholly-owned subsidiary of Datang Corporation and Datang International is a non wholly-owned subsidiary of Datang Corporation, and therefore they are connected persons of the Company. Datang Overseas HK is a wholly-owned subsidiary of China Datang Corporation Overseas Investment Co., Ltd. (中國大唐集團海外投資有限公司), which in turn is a wholly-owned subsidiary of Datang Corporation and therefore is a connected person of the Company. Accordingly, the establishment of Financial Leasing Company according to the Joint Venture Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Joint Venture Agreement, the Financial Leasing Company shall have a registered capital of RMB1 billion. Datang Renewable Power HK would make capital contribution in United States dollar or Hong Kong dollar, which was equivalent to RMB200 million, representing 20% of the registered capital; CDC Capital Holding would make capital contribution of RMB400 million, representing 40% of the registered capital; Datang Overseas HK would make capital contribution in United States dollar or Hong Kong dollar which was equivalent to RMB200 million, representing 20% of the registered capital; Datang International would make capital contribution of RMB200 million, representing 20% of the registered capital. The Financial Leasing Company, registered in the Dongjiang Free Trade Port Zone of Tianjin in the Binhai New Area of Tianjin (天津濱海新區東疆保税港區), is principally engaged in financial leasing, leasing, purchase of leased property from domestic and overseas sellers, treatment of residual value of and maintenance of leased property, consultation on leasing transactions and other businesses approved by the examination and approval authorities (the scope of such other businesses shall be those as approved by the company register authority and subject to the examination and approval by the Tianjin Commission of Commerce). The terms of the Joint Venture Agreement were negotiated on an arm's length basis among the parties. All parties agreed to pay in full the above contribution within 30 days after the establishment of the Financial Leasing Company. The establishment of Financial Leasing Company will help strengthen economic collaboration among all parties, improve services of the Company by using advanced business management approaches and bring satisfactory investment returns while promoting the sustainable and healthy development of the Company and enhancing comprehensive competitiveness of the Company.

(2) Non-exempt Continuing Connected Transactions

The Company has entered into certain non-exempt continuing connected transactions during the year.

In terms of the non-exempt continuing connected transactions of category 1 as stated below, the Company obtained approval from the Hong Kong Stock Exchange in respect of the annual caps of such continuing connected transactions, and was granted a waiver from strict compliance with the announcement and independent shareholders' approval requirements. In terms of the non-exempt continuing connected transactions of category 2 as stated below, their respective annual caps for 2013-2015 were approved at the 2012 first extraordinary general meeting ("EGM") held on December 27, 2012. In terms of the non-exempt continuing connected transactions of category 3 as stated below, amendments to their respective annual caps for 2012 as well as their respective annual caps for 2013-2018 were approved at the 2012 first EGM held on December 27, 2012.

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2012:

Connected Transactions	Connected Person	Annual Cap for 2012	Actual Transaction Amount for 2012
1 Provision of products and services by the Group	Datang Corporation	RMB40 million	**RMB12.37 million**
2 Provision of products and services to the Group	Datang Corporation	RMB3,630 million	**RMB1,302.86 million**
3 Provision of financial assistance to the Group	KEPCO International Hong Kong Ltd. (KEPCO Hong Kong)	The balance of the principal and accrued interests at the end of the year were USD40.60 million and USD2.90 million respectively	**The balance of the principal at the end of the year and interests paid for the year were USD40.57 million and USD2.51 million respectively**
4 Provision of financial services to the Group	Datang Finance	Daily deposit balance: RMB480 million	**Maximum daily deposit balance: less than RMB480 million**

1. *Provision of products and services by the Group*

1.1 The Group entered into the master agreement on the mutual supply of products and services with Datang Corporation on November 15, 2010 ("Datang Master Agreement"). Pursuant to the agreement, the Group provides, among others, maintenance services, consulting and assessment services, wind farm design services, operation and maintenance data assessment services to Datang Corporation.

Principal terms of the agreement are set out as follows:

- The goods to be mutually supplied by each party include: spare parts, accessories, equipment, water, power, gas, heat, raw materials, fuels and minerals, etc.;

- The services to be mutually supplied by each party include: design consulting services, maintenance services, technical consulting services, construction services, operation management services, CDM consulting services, bidding agency services, logistics services, communication services, property services and other related or similar services;

- If the terms and conditions of similar products and services offered by an independent third party are no better than those offered by one party, the other party shall give priority in sourcing the requisite products and services from the other party of the agreement;

- Relevant subsidiaries or associated companies of both parties will enter into individual contracts which shall set out the specific scope of services, products, terms and conditions of providing such services and products according to the principles laid down by the Datang Master Agreement;

- The products to be provided under the agreement will be determined on the following pricing policy: the price prescribed by the state, if applicable; where there is no state-prescribed price but there is a state-guidance price, then the state-guidance price; where there is neither a state-prescribed price nor a state-guidance price, the market price; and where none of the above is applicable or where it is not practical to apply the above pricing policies in actual transactions, the price agreed between the relevant parties, which shall be the reasonable costs incurred in providing the products plus reasonable profits;

- The services to be provided under the agreement will be determined on the following pricing policy: the bidding price where the bidding process is required for selecting the service provider; where bidding process is not required to determine the service price, the market price; and

- The agreement is for a term of three years ending on July 8, 2013. Either party may terminate the agreement upon giving the other party an at least three months prior written notice.

1.2 The Group entered into the new master agreement on mutual supply of raw materials, products and services with Datang Corporation on November 6, 2012 (the "New Datang Master Agreement"). Pursuant to the agreement, the Group should provide, among others, spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and CDM-related services to Datang Corporation.

Principal terms of the agreement are set out as follows:

- the goods to be mutually supplied by each party include: spare parts, accessories, equipment, water, power, gas, heat, raw materials, fuels and minerals, etc.;

- the services to be mutually supplied by each party include: design consulting services, maintenance services, technical consulting services, construction services, operation management services, CDM consulting services, bidding agency services, logistics services, communication services, property services and other related or similar services;

- if the terms and conditions of similar products and services offered by an independent third party are no better than those offered by one party, the other party shall give priority in sourcing the requisite products and services from the other party of the agreement;

- relevant subsidiaries or associated companies of both parties will enter into individual contracts which shall set out the specific scope of services and/or products, terms and conditions of providing such services and/or products according to the principles laid down by the New Datang Master Agreement;

- the products to be provided under the agreement will be determined on the following pricing policy: the price prescribed by the PRC government, if applicable; where there is no government-prescribed price but there is a government-guidance price, then the government-guidance price; where there is neither a government-prescribed price nor a government-guidance price, the market price; where none of the above is applicable or where it is not practical to apply the above pricing policies in actual transactions, the price agreed between the relevant parties, which shall be the reasonable costs incurred in providing the products plus reasonable profits;

- the services to be provided under the agreement will be determined on the following pricing policy: the bidding price where the bidding process is required for selecting the service provider; where the bidding process is not required to determine the service price, the market price; and

- the agreement is for a term of three years commencing on January 1, 2013 and ending on December 31, 2015. Either party may terminate the agreement upon giving the other party an at least three-month prior written notice.

Datang Corporation is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

During the reporting period, the annual cap of this continuing connected transaction for 2012 was RMB40 million and the actual transaction amount was RMB12.37 million.

2. *Provision of products and services to the Group*

2.1 The Group entered into the Datang Master Agreement on the mutual supply of products and services with Datang Corporation on November 15, 2010. Pursuant to the Datang Master Agreement, Datang Corporation provides spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and CDM-related services to the Group.

Please refer to item 1.1 of relevant disclosure of non-exempt continuing connected transactions above for principal terms and conditions of the agreement.

2.2 The Group entered into the New Datang Master Agreement on mutual supply of materials, products and services with Datang Corporation on November 6, 2012. Pursuant to the agreement, Datang Corporation should provide, among others, spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and CDM-related services to the Group.

Please refer to item 1.2 of relevant disclosure of non-exempt continuing connected transaction above for principal terms and conditions of the agreement.

Datang Corporation is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person of the Company under the Listing Rules.

During the reporting period, the annual cap of this continuing connected transaction for 2012 was RMB3,630 million and the actual transaction amount was RMB1,302.86 million.

3. *Provision of financial assistance by KEPCO Hong Kong to the Group*

3.1 Datang (Chifeng) Renewable Power Company Limited (大唐（赤峰）新能源有限公司) ("Chifeng Renewable Power") entered into a loan agreement (as amended by the supplemental agreement dated November 6, 2012) with KEPCO Hong Kong on November 22, 2010 ("KEPCO Loan Agreement"). KEPCO Hong Kong is a Hong Kong registered company focusing on project investment and a subsidiary of Korea Electric Power Corporation, the largest Korean power company listed on the Korea Exchange (Stock Code: 015760) and the New York Stock Exchange (Stock Code: KEP). Pursuant to the KEPCO Loan Agreement, KEPCO Hong Kong granted to Chifeng Renewable Power a loan facility.

Principal terms and conditions of the agreement are set out as follows:

- KEPCO Hong Kong granted to Chifeng Renewable Power a loan facility in the principal amount of USD71 million to finance the construction and development of wind farms;

- The KEPCO Loan Agreement may be terminated if the borrower constitutes material breach under the agreement, which includes: failure of the borrower to pay any amount payable on due date, any representation or warranty from the borrower found to be inaccurate in any material aspect, failure to perform on the date of such representation or warranty or breach of any other provisions under the agreement which is irremediable or otherwise has not been remedied within thirty days;

- The loan is for a term of three years that will expire on November 21, 2013;

- The loan is repayable every six months and the interest rates charged by KEPCO Hong Kong are 10% below the benchmark interest rates set by People's Bank of China ("PBOC") on each interest determination date;

- Chifeng Renewable Power can make full and partial early repayment of the loan without any penalty; and

- The loan was secured by pledges of insurance policies, wind turbines and the tariff collection right of Chifeng Renewable Power.

3.2 Chifeng Renewable Power and KEPCO Hong Kong entered into the supplemental loan agreement on November 6, 2012 ("KEPCO Supplemental Loan Agreement"), pursuant to which, KEPCO Hong Kong granted to Chifeng Renewable Power a loan facility.

Principal terms and conditions of the agreement are set out as follows:

- KEPCO Hong Kong granted to Chifeng Renewable Power a loan facility to finance the construction and development of wind farms. As of November 6, 2012, the outstanding principal of the loan facility is USD40.57 million;

- the principal of the loan facility is repayable in 12 equal instalments every six months commencing in 2013 and ending in 2018; and

- the term of the loan facility is from November 6, 2012 to September 18, 2018.

Other terms of the KEPCO Supplemental Loan Agreement remain unchanged.

KEPCO Hong Kong is an associate of KEPCO Neimenggu International Ltd. (a Hong Kong registered company focusing on project investment and a subsidiary of Korea Electric Power Corporation) which, in turn, is the substantial shareholder of our subsidiary Chifeng Renewable Power by virtue of its shareholdings of 40% therein. Therefore, KEPCO Hong Kong will be deemed to be a connected person of the Company under Chapter 14A of the Listing Rules.

During the reporting period, the annual cap of this continuing connected transaction for 2012 was USD40.60 million. The interests payable for this continuing connected transaction for the year was USD2.90 million. The actual outstanding balance of the principal as at the end of 2012 was USD40.57 million and the actual interests paid for the year was USD2.51 million.

4. *Provision of financial services by Datang Finance to the Group*

The Company and Datang Finance entered into the Financial Services Agreement on August 30, 2011, pursuant to which Datang Finance would provide the Group with financial services. According to this agreement, Datang Finance provides the Group with loan services, intra-group transfer and settlement services, assistance in the receipt and payment of transaction proceeds, bill acceptance and discount services, deposit services, finance lease, investment and financing consultation services, financial consultation and training services, underwriting services concerning the issuance of bonds, guarantee trust services and relevant consultation, agent services and insurance agent services upon approval.

Principal terms and conditions of the agreement are set out as follows:

Datang Finance shall ensure the stable operation of fund management system to safeguard the fund, and to control the asset liability risk so as to satisfy the payments needs of the Group.

In respect of the provision of the loan services under the Financial Services Agreement, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for each of the three years ending December 31, 2013.

In respect of the provision of the deposit services under the Financial Services Agreement, the amount of the daily deposit balance (including any interest accrued thereon) for the Group's deposits with Datang Finance shall be not more than RMB480 million for each of the three years ending December 31, 2013.

The term of the Financial Services Agreement shall be three years, commencing from January 1, 2011 to December 31, 2013.

Datang Finance provides the aforementioned financial services to the Group based on the following pricing principles: the interest rate for the Group's deposits with Datang Finance shall be fixed as the deposit interest rate as published by the PBOC from time to time; the interest rate for loans granted to the Group by Datang Finance shall be 10% below the benchmark interest rates as published by the PBOC from time to time; and the fees charged by Datang Finance for the provision of financial services other than deposits and loans services shall not be higher than the rate charged by the other financial institutions in the PRC or charged to other customers for similar services.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Finance is a subsidiary of Datang Corporation, and is therefore a connected person of the Company.

During the reporting period, the annual cap of the daily deposit balance of deposit service of this continuing connected transaction for 2012 was RMB480 million and the actual maximum amount of daily deposit balance was less than RMB480 million.

The independent non-executive Directors of the Company have reviewed each of the above mentioned continuing connected transactions and confirmed that the transactions have been conducted:

(1) in the usual course of business of the Company;

(2) on normal commercial terms or, if there are no sufficient comparable transactions to determine whether they are on normal commercial terms, from the perspective of the Company, on terms no less favorable than the terms available to or from independent third parties; and

(3) in accordance with relevant agreements governing the relevant transactions on terms that are fair and reasonable and in the interests of the equity holders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged the auditor of the Company to conduct a limited assurance engagement on the above continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their conclusion to the Board, stating that:

a. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's Board.

b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company.

c. nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

d. with respect to the aggregate amount of each of the continuing connected transactions set out in the attached list of continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual value disclosed in the previous announcements dated December 17, 2010, August 31, 2011 and November 6, 2012 made by the Company in respect of each of the disclosed continuing connected transactions.

In respect of the above mentioned connected transactions, the Directors also confirmed that the Company was in compliance with the disclosure requirements under Chapter 14A of the Listing Rules. Please refer to Note 33 to the consolidated financial statements for details of the significant related party transactions pursuant to IFRSs. For the connected transactions and continuing connected transactions pursuant to the requirements of Listing Rules, please see this section.

XXIII. COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company entered into the Non-Competition Agreement with Datang Corporation on July 30, 2010. Under the agreement, Datang Corporation has undertaken to the Company that except in certain limited circumstances, for so long as the agreement remains effective, it shall not, and shall procure its associates (excluding the Company) not to, directly or indirectly and in whatever manner, engage, participate or be interested in, or provide support to, any business or activity which competes or is likely to compete with our wind, solar and biomass power business. Datang Corporation has also granted us an option and pre-emptive right to acquire certain interests retained by Datang Corporation following the Reorganization and certain future business.

Pursuant to the agreement, the independent non-executive Directors of the Company are responsible for reviewing and considering whether or not to exercise such options and pre-emptive rights and are entitled, on behalf of the Company, to review the implementation of the undertakings under the agreement on an annual basis. During the year, the independent non-executive Directors of the Company have reviewed the implementation of the Non-Competition Agreement and confirmed that Datang Corporation has been in full compliance with the agreement and there was no breach by Datang Corporation.

XXIV. RETIREMENT AND EMPLOYEES BENEFIT SCHEME

Details of the Company's retirement and employees benefit scheme are set out in Note 8 to the consolidated financial statements.

XXV. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Main Board of the Hong Kong Stock Exchange, the Company strives to maintain a high standard of corporate governance practices and complies with the code provisions as set out in the Code on Corporate Governance Practices (from January 1, 2012 to March 31, 2012) and the Corporate Governance Code (from April 1, 2012 to December 31, 2012) in Appendix 14 to the Listing Rules. Please refer to the Corporate Governance Report as set out on pages 59 to 79 of this annual report for details.

XXVI. PUBLIC FLOAT

Based on information publicly available to the Company and so far as the Directors are aware, not less than 25% of the issued share capital of the Company was held by the public as at the latest practicable date prior to the publication of this annual report, which was in compliance with the requirements under the Listing Rules.

XXVII. MATERIAL LITIGATION

As of December 31, 2012, the Group was not involved in any material litigation or arbitration. So far as the Directors are aware, no such litigation or claims are pending or threatened against the Group.

XXVIII. AUDIT COMMITTEE

The Company's 2012 annual results and the financial statements for the year ended December 31, 2012 prepared in accordance with the IFRSs have been reviewed by the audit committee of the Company.

XXIX. AUDITORS

PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company were appointed to audit the financial statements for the year ended December 31, 2012 prepared in accordance with IFRSs and Accounting Standards for Business Enterprises of the PRC, respectively. The enclosed financial statements prepared in accordance with IFRSs have been audited by PricewaterhouseCoopers.

XXX. FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 10 to 11 of this annual report.

XXXI. CHANGES IN ACCOUNTING POLICIES

Details of the changes in accounting policies are set out in Note 2 to the consolidated financial statements.

XXXII. MATERIAL CONTRACTS

Save as disclosed in the section headed "Connected Transactions" of this annual report, none of the Company or any of its subsidiaries entered into material contracts with the controlling shareholder or any of its subsidiaries other than the Group, nor was there any material contract between the Group and the controlling shareholder or any of its subsidiaries other than the Group in relation to provision of services.

Corporate Governance Report

I. CORPORATE GOVERNANCE PRACTICES

The Company has always been committed to improving corporate governance since its establishment. According to code provisions of the Code on Corporate Governance Practices (from January 1, 2012 to March 31, 2012) and the Corporate Governance Code (from April 1, 2012 to December 31, 2012) (the "Code") set out in Appendix 14 to the Listing Rules, it has established a modern corporate governance structure comprising a number of independently operated bodies including the General Meetings, the Board, the Supervisory Committee and the senior management in order to provide an effective check and balance. The Company has also adopted the Code as its own corporate governance practices. As of December 31, 2012, other than a deviation from Provisions A.1.8 and A.5.1 of the Code, the Company was in strict compliance with the principles and provisions as set out in the Code. Corporate governance practices adopted by the Company are outlined as follows:

1. Board

The Board carries out its duties and exercises its powers in accordance with the Articles of Association of the Company and in the best interest of the Company and its shareholders. It reports and is held accountable to the General Meetings, and implements the resolutions thereof.

(1) Composition of the Board

As of December 31, 2012, the Board consisted of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors.

The biographical details of the Directors as at the date of this report are set out on pages 84 to 90 of this annual report. There are no relationships (including financial, business, family or other material or relevant relationships) between members of the Board. The structure of the Board is well balanced, with each Director equipped with profound knowledge, experience and expertise relevant to the Company's business operation and development. All Directors are well aware of their joint and individual responsibilities toward the shareholders.

Since the listing of the Company, the Board has always been abiding by the requirements of the Listing Rules regarding the appointment of at least three independent non-executive Directors and that independent non-executive Directors shall represent at least one-third of the Board, and that the qualifications of the Company's three independent non-executive Directors are in full compliance with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. In addition, the Company has received annual confirmations dispatched by each independent non-executive Director in accordance with Rule 3.13 of the Listing Rules as to their respective independence. Therefore, the Company is of the view that each independent non-executive Director is independent as provided in the Listing Rules.

Current members of the Board of the Company are listed in the following table:

Name	Date of birth	Position	Date of appointment
Chen Jinhang	1955.07	Chairman of the Board and non-executive Director	July 1, 2010
Wu Jing	1957.03	Vice Chairman of the Board and non-executive Director	July 1, 2010
Yin Li	1951.11	Non-executive Director	July 1, 2010
Su Min	1962.09	Non-executive Director	December 27, 2012
Hu Yongsheng	1963.04	Executive Director and President	July 1, 2010
Hu Guodong	1963.10	Executive Director and vice president	December 27, 2012 July 1, 2010
Wang Guogang	1955.11	Independent non-executive Director	July 1, 2010
Yu Hon To David	1948.03	Independent non-executive Director	July 1, 2010
Liu Chaoan	1956.03	Independent non-executive Director	July 1, 2010

(2) *Board meetings*

According to the Articles of Association of the Company, the Board is required to hold Board meetings at least four times each year to be convened by the Chairman of the Board.

Notices of regular Board meetings shall be dispatched at least 14 days in advance stating the time, venue and the means to be adopted by the meeting.

Except where a Board meeting is convened to consider connected transactions as provided in the Articles of Association, a quorum for the Board meeting can only be formed by more than half of the Directors attending the meeting. Directors may attend the Board meeting in person or appoint another Director as his proxy in writing. The secretary of the Board is responsible for preparing and keeping minutes of Board meetings and making sure that such minutes are available for inspection by any Director.

In 2012, the Board held six meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Attendance/ number of meetings	Attendance rate
Chen Jinhang	Chairman of the Board and non-executive Director	6/6	100%
Wu Jing	Vice Chairman of the Board and non-executive Director	6/6	100%
Yin Li	Non-executive Director	6/6	100%
Su Min *(Note 1)*	Non-executive Director	1/1	100%
Hu Yongsheng	Executive Director and President	6/6	100%
Hu Guodong *(Note 2)*	Executive Director and vice president	1/1	100%
Wang Guogang	Independent non-executive Director	6/6	100%
Yu Hon To David	Independent non-executive Director	6/6	100%
Liu Chaoan	Independent non-executive Director	6/6	100%
Zhang Xunkui *(Note 3)*	Former non-executive Director and vice president	5/5	100%
Jian Yingjun *(Note 4)*	Former non-executive Director	5/5	100%

Notes: 1 Mr. Su Min was appointed as a non-executive Director of the Company on December 27, 2012. One Board meeting was held for the year ended December 31, 2012 after his appointment.

2 Mr. Hu Guodong was appointed as an executive Director of the Company on December 27, 2012. One Board meeting was held for the year ended December 31, 2012 after his appointment.

3 The former executive Director Mr. Zhang Xunkui was re-designated as a former non-executive Director on May 16, 2012 and resigned as a non-executive Director on December 27, 2012. Five meetings were held for the year ended December 31, 2012 before his resignation.

4 Mr. Jian Yingjun resigned as non-executive Director on December 27, 2012. Five meetings were held for the year ended December 31, 2012 before his resignation.

In particular, Mr. Chen Jinhang, Chairman of the Board of the Company, held one meeting with the non-executive Directors (including the independent non-executive Directors) of the Company in August 2012.

(3) Powers and responsibilities of the Board and the management

The powers and responsibilities of the Board and the management are specified in the Articles of Association, providing a sufficient restraint and balance mechanism for corporate governance and internal controls. The Board is responsible for corporate governance. The Company has formulated its corporate governance policy pursuant to the requirements of Appendix 14 to the Listing Rules. As of December 31, 2012, the Board performed its duties according to the corporate governance policy of the Company.

The Board is responsible for deciding on the Company's business and investment plans, deciding on establishment of the Company's internal management structure, formulating the Company's basic management system, deciding on other material business and administrative matters and monitoring the performance of the management.

The Board is responsible for the Company's corporate governance. In 2012, the Board mainly reviewed the Company's corporate governance policy and practices, reviewed and supervised the training and continuous professional development of Directors and senior management, reviewed and supervised the Company's policy and practices in respect of compliance with laws and regulatory regulations, reviewed and supervised the code of conduct and compliance manual for employees and Directors, and reviewed the Company's compliance with the Code and the disclosures made in the Corporate Governance Report.

The management of the Company, led by the President (who is also an executive Director), is responsible for implementing all the resolutions issued by the Board and organizing management of the Company's day-to-day operation.

(4) Chairman and President

The positions of the Chairman and the President (i.e., chief executive officer under the Listing Rules) of the Company are held by different persons in order to ensure independence and accountability of their respective functions and balanced distribution of power and authority between them. Mr. Chen Jinhang and Mr. Hu Yongsheng serve as the Chairman and the President respectively, whose powers and responsibilities are clearly divided.

Mr. Chen Jinhang, who leads the Board as the Chairman, decides on the Company's overall development strategies, ensures the effective operation of the Board, performs his bounden duties, and brings all important matters to discussion in a timely manner; makes sure that the Company has in place good corporate governance practices and procedures; and makes sure that the Board acts in the best interests of the Company and all its shareholders. The President Mr. Hu Yongsheng is mainly in charge of the Company's day-to-day operation management, including organizing the implementation of the Board resolutions and routine decision-making, etc..

(5) *Appointment and re-election of Directors*

As provided in the Articles of Association, Directors are elected by General Meetings for a term of no more than three years and are eligible for reappointment. The Company has implemented a set of effective procedures regarding the appointment of new Directors. The nomination of new Directors is discussed first by the Nomination Committee which then submits its recommendation to the Board, and is subject to approval by the General Meeting.

The Company has entered into service contracts with all its Directors (including non-executive Directors) for a term of three years commencing on July 1, 2010 (except those with Mr. Su Min and Mr. Hu Guodong). Mr. Su Min and Mr. Hu Guodong serve as non-executive Director and executive Director of the Company respectively from December 27, 2012 to the expiration of the term of this session of the Board.

(6) *Remuneration of Directors*

Remuneration of Directors is determined by the Board based on criteria such as educational background, working experience, performance, positions and market conditions, taking into account of the recommendation of the Remuneration and Assessment Committee, and is subject to approval by the General Meeting.

(7) *Training for Directors and Joint Company Secretaries*

(A) Training for Directors

All Directors always attend to the duties and personal integrity of Directors of the Company, and the business activities and developments of the Company. In 2012, they have been updated on a monthly basis with information relating to the performance, state of affairs and prospects of the Company. In addition, the Company provides Directors with the latest developments in the Listing Rules and other applicable regulatory regulations, to make sure they were able to keep making contribution to the Board with extensive information and appropriate expertise.

A newly-appointed Director will be provided with a necessary introduction package designed for him, including meeting with senior management, so that he will have a deep understanding of the Group's businesses, strategy, major risks and problems and future development plan.

For the year ended December 31, 2012, the Company carried out various trainings for the Directors and management of the Company on the following topics:

1. Internal business consultation; and

2. Corporate Governance Code (2012 revision) and relevant amendments to the Listing Rules.

All Directors attended the continuous professional development program, developed and refreshed their knowledge and skills to help ensure that their contribution to the Board remains informed and relevant.

Trainings received by all Directors are as follows:

Name	Position	Training topics
Chen Jinhang	Chairman of the Board and non-executive Director	Business management and corporate governance
Wu Jing	Vice Chairman of the Board and non-executive Director	Business management and corporate governance
Yin Li	Non-executive Director	Business management and corporate governance
Su Min	Non-executive Director	Business management and corporate governance
Hu Yongsheng	Executive Director and President	Business management and corporate governance
Hu Guodong	Executive Director and vice president	Business management and corporate governance
Wang Guogang	Independent non-executive Director	Business management and corporate governance
Yu Hon To David	Independent non-executive Director	Business management and corporate governance
Liu Chaoan	Independent non-executive Director	Business management and corporate governance
Jian Yingjun	Former non-executive Director	Business management and corporate governance
Zhang Xunkui	Former non-executive Director and vice president	Business management and corporate governance

(B) Training for joint company secretaries

The joint company secretary of the Company Mr. Wang Wenpeng has undertaken relevant profession training in 2012 in compliance with Rule 3.29 of the Listing Rules.

The Company appointed Ms. Gloria Sau-kuen Ma (director of KCS Hong Kong Limited（凱譽香港有限公司）as one of its joint company secretaries. In compliance with Rule 3.29 of the Listing Rules, Ms. Ma has undertaken no less than 15 hours of relevant profession training during the year ended December 31, 2012. Her primary contact in the Company is Mr. Wang Wenpeng, the other joint company secretary of the Company.

(8) Directors liability insurance

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. As of December 31, 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.

2. Four Professional Committees under the Board

There are four professional committees under the Board, including the Audit Committee, Nomination Committee, Remuneration and Assessment Committee and Strategic Committee.

(1) Audit Committee

The Audit Committee of the Company consists of three Directors. As of December 31, 2012, its members were Mr. Wang Guogang (independent non-executive Director), Mr. Yu Hon To David (independent non-executive Director) and Mr. Su Min (non-executive Director). As of December 31, 2012, Mr. Wang Guogang served as the Chairman of the Audit Committee.

The primary responsibilities of the Audit Committee are to review and supervise our financial reporting process and internal control procedure, which include, among other things:

- appointing and supervising the work of our independent auditors, acting as the key representative body for overseeing the Company's relationship with the independent auditors and pre-approving all non-audit services to be provided by our independent auditors;

- reviewing our annual and interim financial statements, earnings releases, critical accounting policies and practices used to prepare financial statements, alternative treatments of financial information, the effectiveness of our disclosure controls and procedures and important trends and developments in financial reporting practices and requirements;

- reviewing the planning and staffing of internal audit, the organization, responsibilities, plans, performance, budget and staffing of our internal audit team and the quality and effectiveness of the Company's internal controls;

- reviewing our risk assessment and management policies; and

- establishing procedures for the treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, potential violations of law and suspected accounting or auditing improprieties, and ensuring that proper arrangements are in place for the fair and independent investigation of these matters and appropriate follow-up action.

During the reporting period, the Audit Committee held two meetings, details of which are set out as follows:

- The 2012 first meeting of the first session of the Audit Committee of the Board was held on March 16, 2012, at which the following were considered and approved: (1) the 2011 annual results announcement and annual report of the Company; (2) the 2011 final financial report of the Company; (3) the budget report of the Company for 2012; (4) the profit distribution plan of the Company for 2011; (5) the 2011 report on internal control of the Company; and (6) the re-appointment of the Company's domestic and international auditors for 2012 and their remuneration.

- The 2012 second meeting of the first session of the Audit Committee of the Board was held on August 28, 2012, at which the (1) the 2012 interim results announcement and interim report of the Company; (2) change in financial assets accounting policy on international standards; and (3) the fees for review of 2012 interim financial information payable to the accounting firm were considered and approved.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Non-executive Director	
Su Min *(Note 1)*	0/0
Independent non-executive Director	
Wang Guogang *(Chairman of the Committee)*	2/2
Yu Hon To David	2/2
Former non-executive Director	
Jian Yingjun *(Note 2)*	2/2

Note: 1. Mr. Su Min was appointed as a non-executive Director and a member of the Audit Committee of the Company on December 27, 2012. The Audit Committee did not hold any meeting for the year ended December 31, 2012 after his appointment.

2. Mr. Jian Yingjun resigned as a non-executive Director and a member of the Audit Committee on December 27, 2012. The Audit Committee held 2 meetings for the year ended December 31, 2012 before his resignation.

(2) Nomination Committee

The Nomination Committee of the Company consists of three Directors. As of December 31, 2012, its members were Mr. Wu Jing (non-executive Director), Mr. Liu Chaoan (independent non-executive Director) and Mr. Wang Guogang (independent non-executive Director). As at December 31, 2012, Mr. Wu Jing served as the Chairman of the Nomination Committee.

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.

The primary responsibilities of the Company's Nomination Committee are to review the structure, size and composition of the Board, formulate the criteria and procedures for selection of candidates for Directors and senior management, make recommendations to the Board on the appointment of and succession planning for Directors and to conduct preliminary review of the qualifications of the candidates for Directors and senior management.

During the reporting period, the Nomination Committee held two meetings, details of which are set out as follows:

- The 2012 first meeting of the first session of the Nomination Committee of the Board was held on March 16, 2012, for the main purpose of reviewing the composition of the first session of the Board and the independence of independent non-executive Directors.

- The 2012 second meeting of the first session of the Nomination Committee of the Board was held on August 28, 2012, for the main purpose of: (1) changing Directors; (2) changing Board secretaries and joint company secretaries.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Non-executive Director	
Wu Jing *(Chairman of the Committee)*	2/2
Independent non-executive Director	
Wang Guogang	2/2
Liu Chaoan	2/2

(3) *Remuneration and Assessment Committee*

The Remuneration and Assessment Committee of the Company consists of three Directors. As of December 31, 2012, its members were Mr. Liu Chaoan (independent non-executive Director), Mr. Wu Jing (non-executive Director) and Mr. Yu Hon To David (independent non-executive Director). As of December 31, 2012, Mr. Liu Chaoan served as the Chairman of the Company's Remuneration and Assessment Committee.

The primary responsibilities of the Remuneration and Assessment Committee are to formulate the standards for the evaluation of the Directors and senior management and conduct such evaluation, and to promulgate the compensation schemes for the Directors and senior management and make recommendations to the Board in respect thereof, including, among other things:

- drawing up the overall compensation package for the Directors and senior management, evaluating the performance of the senior management and approving the compensation to be paid to the senior management;
- reviewing the Directors' compensation and making recommendations to the Board in respect thereof; and
- reviewing the compensation schemes of Directors and senior management and making recommendations to the Board in respect thereof.

During the reporting period, the Remuneration and Assessment Committee held one meeting, details of which are set out as follows:

- The 2012 first meeting of the first session of the Remuneration and Assessment Committee of the Board of Directors was held on March 16, 2012, at which the proposal of assessment and incentive for the Company's operation management team was considered and approved.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Non-executive Director	
Wu Jing	1/1
Independent non-executive Director	
Mr. Yu Hon To David	1/1
Liu Chaoan *(Chairman of the Committee)*	1/1

(4) Strategic Committee

The Strategic Committee of the Company consists of three Directors. As of December 31, 2012, its members were Mr. Yin Li (non-executive Director), Mr. Hu Yongsheng (executive Director) and Mr. Hu Guodong (executive Director). As of December 31, 2012, Mr. Yin Li served as the Chairman of the Strategic Committee.

The primary responsibilities of the Strategic Committee are to formulate our overall development plans and investment decision-making procedures, including, among other things:

- reviewing the Company's long-term development strategies;
- reviewing the Company's strategic planning and implementation reports; and
- reviewing significant capital expenditure.

During the reporting period, the Strategic Committee held one meeting, details of which are set out as follows:

- The 2012 first meeting of the first session of the Strategic Committee of the Board was held on March 16, 2012, at which the operation and investment plans of the Company for 2012 was considered and approved.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Non-executive Director	
Yin Li *(Chairman of the Committee)*	1/1
Executive Director	
Hu Yongsheng	1/1
Hu Guodong *(Note 1)*	0/0
Former non-executive Director	
Zhang Xunkui *(Note 2)*	1/1

Note:

1. Mr. Hu Guodong was appointed as an executive Director and a member of the Strategic Committee of the Company on December 27, 2012. The Strategic Committee did not hold any meeting for the year ended December 31, 2012 after his appointment.

2. The former executive Director Mr. Zhang Xunkui was re-designated as a former non-executive Director on May 16, 2012 and resigned as non-executive Director and a member of the Strategic Committee on December 27, 2012. The Strategic Committee held one meeting for the year ended December 31, 2012 before his resignation.

3. Directors' Responsibility for the Financial Statements

The Board has acknowledged its responsibility for preparing the financial statements of the Group for the year ended December 31, 2012. The Board is responsible for presenting a clear and understandable assessment of the annual and interim reports, insider information, price-sensitive information and other disclosures as required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an assessment of the financial information and position of the Group before giving its approval. The Group is not exposed to any material uncertainty that may exert significant impact on the Group's ability to continue as a going concern.

4. Compliance with the Code for Securities Transactions

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 for dealing in the securities of the Company by its Directors, supervisors and relevant employees. Having made specific enquiries of all Directors and supervisors of the Company, each Director and supervisor confirmed that she/he had strictly complied with the standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers during the reporting period.

The Board will examine the corporate governance practices and operation of the Company from time to time to ensure that the Company is in compliance with relevant requirements under the Listing Rules and that the shareholders' interests are safeguarded.

5. Internal Control

Attaching great importance to internal control, the Company has preliminarily established a complete and prudent internal control system and worked out a set of rules to ensure the institutionalization and systematization of internal controls of the Company.

In terms of organizational structure, the Company has established the President Office Department, General Planning Department, Securities and Capital Operation Department, Human Resources Department, Development and Planning Department, Financing and Property Management Department, Operation Safety Department, Project Management Department, Corporate Culture Department, International Business Department and Supervision and Audit Department. All the departments are sufficiently staffed, respectively taking charge of financial operations and monitoring, risk management, internal audit and anti-corruption. In addition, the Company arranges reasonable budgets to provide regular trainings for the staff of the Company and its subsidiaries performing functions such as finance, risk management and internal audit so as to ensure that they are fully qualified and experienced.

All departments are under direct leadership of the President of the Company, who is thereby enable to report instantly to the Board on the operations of each department and problems received. Accordingly, any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner and the decisions of the management of the Company could be implemented accurately and timely under supervision.

During the reporting period, the Board assessed the internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes. The Board believes that the current monitoring system of the Company is effective and that the qualifications and experience of the staff performing accounting and financial reporting functions and the training programs of the Company as well as the experiences and resources for setting the budget of the Company are adequate.

6. Auditors' Remuneration

PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company (collectively, "PricewaterhouseCoopers Firms") were appointed as international and domestic auditors to audit the financial statements for the year ended December 31, 2012 prepared in accordance with IFRSs and Accounting Standards for Business Enterprises of the PRC, respectively. Aggregate fees in respect of audit and audit related services provided by PricewaterhouseCoopers Firms payable by the Company during the year ended December 31, 2012 were RMB13.60 million.

7. Shareholders' General Meeting

In 2012, the Company held two shareholders' general meetings in total with attendance of Directors as follows:

Name	Position	Number of attendance/ number of the meeting	Attendance rate
Chen Jinhang	Chairman of the Board and Non-executive Director	2/2	100%
Wu Jing	Vice Chairman of the Board and Non-executive Director	2/2	100%
Yin Li	Non-executive Director	2/2	100%
Su Min *(Note 1)*	Non-executive Director	0/0	—
Hu Yongsheng	Executive Director and President	2/2	100%
Hu Guodong *(Note 2)*	Executive Director and vice president	0/0	—
Wang Guogang	Executive Director	2/2	100%
Yu Hon To David	Independent non-executive Director	2/2	100%
Liu Chaoan	Independent non-executive Director	2/2	100%
Zhang Xunkui *(Note 3)*	Former non-executive Director and vice president	2/2	100%
Jian Yingjun *(Note 4)*	Former non-executive Director	2/2	100%

Note: 1. *Mr. Su Min was appointed as the non-executive Director of the Company on December 27, 2012. As at December 31, 2012, no general meeting was held after his appointment.*

2. *Mr. Hu Guodong was appointed as executive Director of the Company on December 27, 2012. As at December 31, 2012, no general meeting was held after his appointment.*

3. *The former executive Director Mr. Zhang Xunkui was re-designated as a former non-executive Director on May 16, 2012 and resigned as a non-executive Director on December 27, 2012. Two general meetings were held for the year ended December 31, 2012 before his resignation.*

4 *Mr. Jian Yingjun resigned as a non-executive Director on December 27, 2012. Two general meetings were held for the year ended December 31, 2012 before his resignation.*

8. Communication with Shareholders

The Company highly appreciated shareholders' opinions and advice, actively organised various investor relations activities to maintain connections with shareholders and made timely responses to the reasonable requests of shareholders.

(1) *Shareholders' rights*

The Board is committed to communicating with shareholders and makes disclosure in due course about the Company's major developments to shareholders and investors. The general meeting of the Company provides shareholders and the Board with good communication opportunities. Notices on convening general meetings are dispatched to all shareholders at least 45 days prior to the meeting.

The Company's general meetings include annual general meetings, which are held once each year within 6 months of the end of the previous accounting year, and EGMs, which are convened in compliance with the Articles of Association and whenever the Board considers appropriate. Shareholders individually or jointly holding a total of more than 10% (inclusive) of the Company's outstanding shares carrying voting rights on the date of submitting a request is entitled to, by sending the Board or the company secretary a written requisition, ask the Board at any time to convene an EGM to deal with matters specified in the requisition. And such meetings shall be held within 2 months after the requisition is presented.

Shareholders who wish to put forward proposals during the general meeting may raise their hands and speak in order of registration at any time after the resolutions to be considered at the meeting are announced. The Directors, supervisors and members of senior management of the Company shall respond to the questions and suggestions from shareholders.

The Chairman of the Board and the chairmen of all committees under the Board (or, in whose absence, other members of the committees) will answer any question at the general meetings. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Poll results are deemed resolutions of the meeting.

The Board encourages shareholders to attend general meetings to communicate directly any concerns they may have with the Board or the management. The Chairman and Vice Chairman of the Board and the chairmen of all committees usually attend annual general meetings and other general meetings to handle shareholders' queries.

The Company held the 2011 Annual General Meeting and 2012 first EGM in 2012.

Detailed voting procedures and resolutions being voted on by way of poll are contained in the circulars dispatched to shareholders.

(2) Shareholders Inquiries

If you have any query in connection with your shareholdings, including shares transfer, change of address or wish to report loss of shares or dividend warrant, please write to or contact the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at:

Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: (852) 2862-8628
Fax: (852) 2865-0990, (852) 2529-6087
Website: www.computershare.com.hk

(3) Investor Relations and communications

The Company set up a website at www.dtxny.com.cn, as a channel to promote communication, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner.

(4) Change of constitutional documents

During the year ended December 31, 2012, there was no material change in the Company's constitutional documents.

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2012

1. Investors' routine visits

During the reporting period, we always give detailed answers to the queries raised by investors and analysts in compliance with the information disclosure rules. As at the end of 2012, the Company had adequate communications and exchange of ideas with investors and analysts from over two hundred institutions via meetings, telephone calls and emails.

2. Reverse roadshows for analysts

During the reporting period, the Group held reverse roadshows in July 2012, during which we arranged over 50 investors and analysts to visit our Chifeng Dongshan Wind Farm (赤峰東山風場) and meet with our management at our headquarters.

3. Participation in investment summits

During the reporting period, the Group actively participated in major summits and investment forums in Singapore, Mainland China and Hong Kong organized by world-famous investment banks, at which we had one-on-one or group meetings to promote in-depth communication with important global investors.

4. Results briefings

During the reporting period, the Company published its 2011 annual results and 2012 interim results in due course. In March 2012, the management of the Company visited Hong Kong to hold a road show for 2011 annual results, organized a press conference, an analysts conference and 11 one-one-on meetings with investors. In August 2012, the management of the Company hosted a road show for 2012 interim results in Hong Kong, organized a press conference, an analysts conference and 8 one-one-on meetings with investors.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2013

In 2013, the Group will be more focused on demands of investors and analysts, pay close attention to important policies of the wind power industry, timely make public discloseable information and continuously improve the timeliness and completeness of wind power data disclosure to give the public more timely access to more complete business information.

Report of the Supervisory Committee

In 2012, all members of the Supervisory Committee of the Company have earnestly performed their supervisory functions to safeguard the rights and interests of the Group and the shareholders in accordance with the Company Law, the Articles of Associations, the Rules of Procedures of the Supervisory Committee and the relevant provisions in the Listing Rules of the Hong Kong Stock Exchange.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

1. On March 16, 2012, the Company held the fifth meeting of the first session of the Supervisory Committee in Beijing, at which the following resolutions were considered and approved: the Report of the Supervisory Committee of the Company for 2011, Annual Results Announcement and Annual Report of the Company for 2011, the Final Financial Report of the Company for 2011, the Financial Budget Plan of the Company for 2012 and the Profit Distribution Plan of the Company for 2011.

2. On August 29, 2012, the Company held the sixth meeting of the first session of the Supervisory Committee in Beijing, at which the resolution regarding the 2012 Interim Results Announcement and Interim Report of the Company was considered and approved.

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2012

1. Members of the Supervisory Committee carried out supervision and inspection of the financial position of the Company and its internal control systems such as the financial management system, including regular inspections of the financial reports and budgets and irregular reviews of accounting documents and books of the Company.

2. Members of the Supervisory Committee attended the Annual General Meeting for 2011 and the first Extraordinary General Meeting for 2012 of the Company and attended two Board meetings without voting rights, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

3. The Supervisory Committee made no objection to the reports and motions tabled at the General Meetings and were convinced that the Board of Directors had faithfully implemented the resolutions approved by the General Meetings.

III. INDEPENDENT OPINIONS ISSUED BY THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS

1. Operation and management of the Company

During the reporting period, the Company managed to achieve satisfying results in areas of production and operation, cost control, project construction, capital operation, internal management and market expansion with the annual targets set on production and operations being achieved. The management of the Company further strengthened the systems of internal controls, and enhanced, in particular, the system of business processes of all departments of the Company, making further progress in corporate governance. The management of the Company faithfully fulfilled their duties and responsibilities as stipulated in the Articles of Association and earnestly implemented the resolutions approved by the Board of Directors.

2. Financial matters of the Company

Members of the Supervisory Committee monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Committee concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Committee reviewed the standard, unmodified audit opinion issued by PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company in respect of the consolidated financial statements of the Company for the year ended December 31, 2012 prepared in accordance with IFRSs and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

3. Connected transactions

The Supervisory Committee reviewed the connected transactions between the Group and its subsidiaries and its respective connected persons during the reporting period, and was of the opinion that all the connected transactions complied with the relevant requirements of the Hong Kong Stock Exchange, and that the pricing of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or shareholders.

4. Implementation of the resolutions of General Meetings

The Supervisory Committee made no objection to the reports and motions tabled at the General Meetings and considered that the Board of the Directors earnestly implemented the resolutions approved by the General Meetings.

In 2013, the Supervisory Committee will continue to carry out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Company Law of the PRC, the Articles of Association, the Rules of Procedure of the Supervisory Committee and the Listing Rules ; pay close attention to the production, operation and management status of the Company as well as any significant move of the Company; and continue to strengthen the supervision on procedures of the Company's investment projects, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all shareholders and the Company.

By order of the Supervisory Committee
Wang Guoping
Chairman of the Supervisory Committee

Profile of Directors, Supervisors and Senior Management

I. NON-EXECUTIVE DIRECTORS

Mr. Chen Jinhang, born in July 1955, has served as the Chairman of the Board and a non-executive Director since he joined the Group in July 2010. Mr. Chen has been the director and general manager of China Datang Corporation since February 2010. Mr. Chen served as the vice president of State Grid Corporation of China from December 2002 to February 2010, the president of Shanxi Electric Power Corporation, chairman of Shanxi Zhangze Electric Power Corporation Ltd. and Shanxi Yangcheng International Electric Power Co., Ltd. from September 2001 to December 2002, president of Shandong Electric Power Corporation from December 2000 to September 2001. Mr. Chen also successively worked as chief of Accounting Department, assistant to the chief, chairman of the Trade Union and vice president of Shandong Electric Power Corporation from January 1996 to December 2000, deputy chief and chief of Tai'an Electric Power Bureau from March 1991 to January 1996 and deputy chief of Shandong Heze Electric Power Bureau from July 1985 to March 1991. Mr. Chen graduated from Southeast University in 1982 with a bachelor degree in engineering and from Shandong University in 2002 with a master degree in Electronic Engineering and is a professor-grade senior engineer (教授級高級工程師)(a senior title of qualification of specialty and technology equivalent to professor title for engineering professionals in the PRC) enjoying special government allowance from the State Council.

Mr. Wu Jing, born in March 1957, has served as the Vice Chairman of the Board and a non-executive Director since he joined the Group in July 2010. Mr. Wu has been the chief economist of China Datang Corporation since December 2006. Mr. Wu served as the deputy chief economist of China Datang Corporation from May 2004 to December 2006, the chief of Development and Planning Department of China Datang Corporation from January 2003 to December 2006, the vice president of Shaanxi Electric Power Corporation from October 2000 to January 2003, the vice president of Xinjiang Electric Power Corporation from June 1998 to December 2000, and the vice president of Weihe Power Generation Co., Ltd. from June 1997 to June 1998. He also successively worked as assistant general engineer, deputy general engineer, deputy chief of Hancheng Power Plant and deputy chief and chief of Weihe Power Plant. Mr. Wu graduated from Xi'an Jiaotong University in 2000 with a master degree in Electronics and Information Engineering and is a professor-grade senior engineer (教授級高級工程師)(a senior title of qualification of speciality and technology equivalent to professor title for engineering professionals in the PRC) .

Mr. Yin Li, born in November 1951, has been a non-executive Director since he joined the Group in July 2010. Mr. Yin has been the deputy chief engineer of China Datang Corporation since August 2011. He served as the chief of Planning and Development Department of China Datang Corporation from December 2006 to August 2011, the president of the Tibet Branch of China Datang Corporation from November 2009 to September 2011, and the deputy chief of Development and Planning Department of China Datang Corporation from January 2003 to December 2006. Mr. Yin acted as the chief of Planning and Design Department of Huabei Electric Power Group from September 1997 to January 2003, and the deputy chief of Planning and Design Development of Huabei Electric Power Group from 1996 to September 1997. Mr. Yin graduated in 1982 from North China Electric Power College (currently named North China Electric Power University) with a bachelor degree in Thermokinetics and is a senior engineer (a senior title of qualification of speciality and technology for engineering professionals in the PRC) and an expert enjoying special allowance from the State Council.

Mr. Su Min, born in September 1962, joined the Group in December 2012 and served as a non-executive Director. Mr. Su has been working as vice president of Datang Jilin Power Generation Co., Ltd. since August 2011. Mr. Su worked as vice president of the Henan branch of China Datang Corporation from 2005 to 2011, and as chief of Datang Luoyang Thermal Power Plant, president of Luoyang Shuangyuan Thermal Power Co., Ltd. and president of Datang Luoyang Thermal Power Co., Ltd. from 2003 to 2005. From 1986 to 2003, Mr. Su successively worked as professional engineer of Wuxi branch of No. 703 Institute of China State Shipbuilding Corporation, professional engineer of Engine and Commissioning Department of Northwest Electricity Construction Bureau, deputy chief engineer, deputy chief of Commissioning Department of Northwest Electricity Construction Corporation and vice president of Northwest Electricity Construction Commissioning Company, chief of Commissioning Department of Northwest Electricity Construction Corporation, vice president of Northwest (Shaanxi) Electricity Construction Corp. Co., chief of the Infrastructure Department of Shaanxi Electricity Company, vice president and chief of Infrastructure Department of Shaanxi Electricity Generation Company, and chief of preparation and construction department of technical improvement project in Huxian by Shaanxi Electricity Generation Company. Mr. Su graduated from Xi'an Jiaotong University with a master degree in Thermal Turbomachine and is a senior engineer (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

II. EXECUTIVE DIRECTORS

Mr. Hu Yongsheng, born in April 1963, has been an executive Director and the President since he joined the Group in September 2004. Mr. Hu has been the President of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Ltd.) since September 2004. Prior to joining the Group, Mr. Hu served as deputy chief of Electric Power Bureau of Tongliao, Inner Mongolia from July 2003 to September 2004, deputy chairman of Trade Union of Yuanbaoshan Power Plant from March 2002 to July 2003, and vice president and president of Dongyuan Electric Power Development Co., Ltd. from June 2000 to March 2002. He also successively worked as deputy chief and chief of Personnel Department, deputy chief economist and assistant to chief of Yuanbaoshan Power Plant. Mr. Hu graduated in 2003 from Dalian University of Technology with a master degree in management engineering and is a senior economist (a senior title of qualification of speciality and technology for economic management professionals in the PRC).

Mr. Hu Guodong, born in October 1963, joined the Group in August 2004 and began to serve as the executive Director of the Company in December 2012. Mr. Hu has been the vice president of the Group (previously named China Datang Corporation Renewable Power Co., Ltd.) since November 2009, the board secretary and one of the joint company secretaries of the Company from July 2010 to August 2012, the president of Datang Xilin Gol Wind Power Generation Co., Ltd., Datang Laizhou Wind Power Generation Co., Ltd., Datang Zhangbei Wind Power Generation Co., Ltd. and Datang Bayannur Wind Power Generation Co., Ltd. from March 2007 to November 2009, and the vice president of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd.) from August 2004 to March 2007. Prior to joining the Group, Mr. Hu worked successively as the shifter of Power Generation Department of Yuanbaoshan Power Plant, vice chief of Operation Branch of Yuanbaoshan Power Plant and president of Railway Operation Company of Yuanbaoshan Power Plant from August 1982 to December 2003. Mr. Hu graduated in 2005 from Dalian University of Technology with a master degree in Business Administration. Mr. Hu is also a senior engineer (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Guogang, born in November 1955, has been an independent non-executive Director of the Company since he joined the Company in July 2010. Mr. Wang is a director general, researcher and supervisor for doctorate candidates of Financial Research Institute of Chinese Academy of Social Sciences and a deputy secretary general and executive director of China Society for Finance & Banking. He is also an external supervisor of Industrial Bank Co., Ltd. (601166.SH) and an independent non-executive director of Tianjin Tasly Pharmaceutical Co., Ltd. (600535.SH). Mr. Wang previously served as a professor of International Business School of Nanjing University from July 1988 to October 1994 and a teacher of Fujian Normal University from December 1979 to September 1985. He also worked at Fujian Longyan Special Steel Plant from April 1971 to February 1977. Mr. Wang graduated in 1988 from Renmin University of China with a doctorate degree in Economics.

Mr. Yu Hon To David, born in March 1948, has been an independent non-executive Director since he joined the Group in July 2010. Mr. Yu is the vice chairman of MCL Partners Limited, a financial advisory and investment firm.

Mr. Yu currently acts in the capacity of independent non-executive director of the following eleven (11) listed companies:

No.	Company Name and Stock Code
1.	Great China Holdings Limited (0141.HK)
2.	Haier Electronics Limited (1169.HK)
3.	China Renewable Energy Investment Limited (formerly known as Hong Kong Energy (Holdings) Limited) (0987.HK)
4.	Media Chinese International Limited (formerly known as Ming Pao Enterprise Corporation Limited) (0685.HK)
5.	One Media Group Limited (0426.HK)
6.	Playmates Holdings Limited (0635.HK)
7.	Synergis Holdings Limited (2340.HK)
8.	TeleEye Holdings Limited (8051.HK)
9.	VXL Capital Limited (0727.HK)
10.	Sateri Holdings Limited (01768.HK)
11.	China Resources Gas Group Limited (1193.HK)

Mr. Yu was a partner of Coopers & Lybrand (now merged as PricewaterhouseCoopers) in Hong Kong from 1983 to 1995. Mr. Yu obtained a bachelor degree in Social Sciences from the Chinese University of Hong Kong in 1971. Mr. Yu is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Yu confirms that he has many years experience acting as independent non-executive director for listed companies. His position as the vice chairman of MCL Partners Limited is of a non-executive role, and not a full time employment and therefore allow himself sufficient time to discharge his duties in the above-mentioned listed companies. As such, he undertakes and confirms that he will give sufficient attention to the affairs of the Group and perform his role as independent non-executive Director diligently.

Mr. Liu Chaoan, born in March 1956, has been an independent non-executive Director since he joined the Group in July 2010. Mr. Liu has been the chairman of the board of China Power Engineering Consulting Corporation North China Power Engineering Co., Ltd. ("NCPE," a company mainly providing engineering design, consulting and other related services to the power companies in the PRC) since December 2009 and served as the chairman of the board of North China Power Engineering (Beijing) Co., Ltd. (a subsidiary of NCPE) from December 2005 to December 2009 and vice president of North China Power Engineering Co., Ltd. from October 2000 to December 2005. He also served as an independent non-executive director of Datang International Power Generation Co., Ltd from January 2007 to July 2010. Mr. Liu worked as technician in Beijing Electric Power Design Institute in 1980 and successively worked as professional section chief, deputy division chief, assistant to president of North China Electric Power Design Institute (predecessor of NCPE). Mr. Liu graduated from the Geological Institute of Jilin University in 1980 majoring in hydrogeology and obtained double bachelor degree in management engineering from Business Administration School of North China Electric Power University in 2001. Mr. Liu holds the attestation qualification of Registered Consulting Engineer, Registered Civil Engineer (Geotechnical), Certified Senior Project Manager of International Project Management Association (IPMA Level B) and Royal Institution of Chartered Surveyors (RICS) membership and is a professor-grade senior engineer (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

IV. SUPERVISORS

Mr. Wang Guoping, born in January 1957, has been the Chairman of the Supervisory Committee since he joined the Group in July 2010. Mr. Wang began to serve as the deputy chief auditor and chief of Auditing Department of China Datang Corporation from August 2011. He served as the chief of Auditing Department of China Datang Corporation from January 2003 to July 2011. Mr. Wang served as the deputy chief of Auditing Department of State Grid Corporation from October 2000 to January 2003, the deputy general accountant of Electric Power Bureau of Hunan Province from May 1999 to October 2000, and the chief of Accounting Department of Electric Power Bureau of Hunan Province from August 1995 to May 1999. He also successively worked as deputy chief of Yiyang Electric Power Bureau of Hunan Province, deputy chief of Finance Department and Auditing Department of Electric Power Bureau of Hunan Province. Mr. Wang took a part-time postgraduate program of Enterprise Management in Chinese Academy of Social Sciences and graduated in 1998. He is a senior accountant (a senior title of qualification of speciality and technology for accounting professionals in the PRC) and international certified internal auditor (CIA).

Mr. Zhang Xiaochun, born in January 1972, has been a Supervisor since he joined the Group in July 2010. Mr. Zhang has been the chief of Accounting Department of Datang Jilin Power Generation Company Limited since March 2007, and the deputy general accountant of Datang Jilin Power Generation Company Limited since July 2008. Mr. Zhang served as the deputy chief of Accounting Department of Datang Jilin Power Generation Company Limited from February 2006 to March 2007, the assistant to the chief of Accounting and Property Management Department of Datang from January 2005 to February 2006, the deputy general accountant of Huichun Power Generation Co., Ltd. from November 2004 to February 2006, the chief of Accounting Department of Huichun Power Generation Co., Ltd. from January 2004 to February 2006, and the deputy chief of Accounting Department of Huichun Power Generation Co., Ltd. from November 2001 to January 2004. Mr. Zhang graduated in 1994 from Shenzhen University with a bachelor degree in Accounting and is a senior accountant (a senior title of qualification of speciality and technology for accounting professionals in the PRC).

Mr. Dong Jianhua, born in November 1960, has been the Employee Representative Supervisor since he joined the Group in May 2005. Mr. Dong has been the assistant to president and chief of politics department, chairman and deputy chairman of the Trade Union of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Ltd.) since May 2005. Prior to joining the Group, he successively worked as organization chief of Yuanbaoshan Power Plant of Northeast China Grid Company Limited, vice president of Inner Mongolia Dongmei Fuel Corporation Limited, chief of Labor and Personnel Department and Fuel Management Department of Yuanbaoshan Power Plant and general manager of Deman Company. He is a senior political officer(高級政工師)(a senior title of qualification of speciality and technology for political science professionals in the PRC).

V. SENIOR MANAGEMENT

Mr. Hu Guodong is the Vice President of the Company. The biographical details of Mr. Hu are set out on page 86 of this annual report.

Mr. Wang Wenpeng, born in July 1966, joined the Group in August 2004. Mr. Hu has been serving as the Board Secretary and a joint company secretary since August 2012. Mr. Wang has been the vice president of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Ltd.) since August 2005. He also worked as deputy chief of Datang Inner Mongolia Chifeng Power Project Preparation and Construction office from August 2004 to August 2005. Prior to joining the Group, Mr. Wang successively worked as deputy chief and chief of Electric Branch of Yuanbaoshan Power Plant, the manager of Electric Maintenance Branch of Dongyuan Electric Power Equipment Maintenance Company and vice president of Dongyuan Electric Power Equipment Maintenance Company. Mr. Wang graduated in July 1995 from Northeast Dianli University with a bachelor degree in Electric Power System and Automation and is a senior engineer (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

Mr. Meng Lingbin, born in April 1962, has been a Vice President since he joined the Group in January 2007. Mr. Meng has been the vice president of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Ltd.) since January 2007. Prior to joining the Group, Mr. Meng successively worked as deputy general engineer and chief of Production Department of Electric Power Bureau of Chifeng, the deputy chief of Electric Power Bureau of Chifeng and the vice president of Dongdian Maolin Wind Energy Development Co., Ltd. from April 1998 to January 2007. Mr. Meng graduated in 2002 from Northeast Dianli University with a bachelor degree in Electrical Engineering and Automation. He is an engineer (a title of qualification of speciality and technology for engineering professionals in the PRC).

Mr. Zhang Xuefeng, born in September 1968, has been the Chief Financial Officer since he joined the Group in February 2005. Mr. Zhang has been the deputy chief accountant and chief of Accounting Department of the Group (previously named China Datang Corporation Renewable Power Co., Ltd.) since March 2009. He also successively worked as chief of Accounting Department, deputy chief accountant and chief accountant of Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (the predecessor of the Company) from February 2005 to March 2009 and as accountant, chief accountant, deputy chief and chief of Accounting Department of Chifeng Heat Power Plant under Northeast Electric Administration Bureau (now named Northeast China Grid Company Limited) and accounting manager of Accounting Department of Fuye Company of Chifeng Heat Power Plant of China Power Investment Corporation from July 1990 to January 2005. Mr. Zhang graduated from a postgraduate program of Business Administration in Dalian University of Technology in September 2005 and is a senior accountant (a senior title of qualification of speciality and technology for accounting professionals in the PRC).

Human Resources

I. PROFILE OF HUMAN RESOURCES

As at December 31, 2012, the Group has 3,448 employees in total, including 128 employees aged 56 and above, representing 3.71% of the total, 442 employees aged from 46 to 55, representing 12.82%, 848 employees aged from 36 to 45, representing 24.59%, and 2,030 employees aged 35 or below, representing 58.87%. Educational background of our employees is as follows:

Table 1 The Company (by educational background)

No.	Category	Number of staff	Proportion (%)
1	Postgraduate and above	38	38.38
2	Undergraduate	46	46.46
3	College diploma	9	9.09
4	Technical secondary school and below	6	6.06
	Total	99	100

Table 2 The Group (by educational background)

No.	Category	Number of staff	Proportion (%)
1	Postgraduate and above	176	5.12
2	Undergraduate	1,543	44.75
3	College diploma	1,393	40.40
4	Technical secondary school and below	336	9.74
	Total	3,448	100

II. STAFF INCENTIVES

Based on its development needs, the Group clearly defined targets for various posts and further established and improved the mechanism of Total Responsibility Management and Whole Staff Performance Assessment System. Through decomposing and assigning tasks in the Group's development plans to each post, establishing performance goals for different positions and performance standards, we could assess each employee's performance of his duties accordingly in an objective and accurate manner, and score each employee based on the quantified assessment results. Incentives and penalties then would be reflected in the performance portion of employees' remuneration. In this way, the Company was able to stimulate employees' potential, arouse their enthusiasm and made clear its approach of stressing on both motivations and regulations, which has laid a solid foundation for staff career development.

III. STAFF REMUNERATION POLICY

Staff's remuneration comprises of basic salary and performance salary. The performance salary is determined according to the assessment of performance of the whole staff.

IV. STAFF TRAINING

Guided by the talents concept of "fully perform duties and tap talents at the great stage of Datang", we actively carried out the "Talents Pool Plan" and vigorously worked on building up talents teams in management, technical and skilled personnel. We aim to gradually establish and improve the talents cultivation system with our characteristics through "fostering, selecting, motivating and utilizing " talents, thus enabling the talents to play an important role in the development of the Company.

In 2012, the Group provided 481 training programs on business management, professional techniques and production skills for a total of 19,157 persons/times, with 100% employees attending the training.

V. GUARANTEE OF STAFF RIGHTS

The Group strictly complies with the Labour Law and the Labour Contract Law and makes contributions to social insurance and housing provident fund for employees according to these laws, among which the social insurance includes basic pension insurance, medical insurance, occupational injury insurance, unemployment insurance and maternity insurance.

VI. MAJOR AWARDS AND HONORS RECEIVED IN 2012

Award/Honor/Certified qualification	Grantor	Winner
Silver Award for National Quality Project for 2011-2012	China Association of Construction Enterprise Management Evaluation Committee of National Projects Construction Quality Award	Dalian Datang Haipai 99 MW wind power plant project Datang Jilin Xiangyan power plant phase I 400.5 MW project Shanghai Donghai Bridge 102 MW offshore wind power demonstration project
China Power Outstanding Project Award for 2011-2012	China Electric Power Construction Association	Dalian Datang Haipai 99 MW wind power plant project Datang Jilin Xiangyan power plant phase I 400.5 MW project Datang Renewable Chifeng Xichang 99 MW wind power project Shanghai Donghai Bridge 102 MW offshore wind power demonstration project
Second Prize of Management Innovation Achievement in National Power Industry	China Electricity Council	The Group Dalian Datang Haipai Renewable Power Co., Ltd.
Third Prize of Management Innovation Achievement in National Power Industry	China Electricity Council	Inner Mongolia Datang Wanyuan Renewable Power Co., Ltd. Datang (Chifeng) Renewable Power Co., Ltd.
Third Prize of China Power Construction Quality Management Achievement 2012	China Electric Power Construction Association	Datang (Chaoyang) Renewable Power Co., Ltd. Datang Xiangyang Wind Power Generation Co., Ltd.
Third Prize of China Power Construction Science & Technology Achievement 2012	China Electric Power Construction Association	Datang Wengniute Qi Renewable Power Co., Ltd.
Second Prize of China Power Construction Science & Technology Achievement 2012	China Electric Power Construction Association	Datang Wengniute Qi Renewable Power Co., Ltd.
High-tech Enterprise of Beijing 2012	Beijing Municipal Science & Technology Commission	The Group
Quality, Environment, Occupational Health and Safety Management Systems Certification	China Quality Certification Center	The repair company of the Group

Independent Auditor's Report

羅兵咸永道

To the shareholders of China Datang Corporation Renewable Power Co., Limited
(incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of China Datang Corporation Renewable Power Co., Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 96 to 221, which comprise the consolidated and company statements of financial position as at December 31, 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at December 31, 2012, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other Matters

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 22, 2013

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	2012	2011
Revenue	5	4,368,015	3,828,808
Other income and other gains-net	6	277,394	518,350
Depreciation and amortization		(1,856,660)	(1,360,819)
Service concession construction costs		(8,150)	(24,249)
Labour costs	8	(264,939)	(187,749)
Repairs and maintenance		(83,113)	(69,466)
Material costs		(23,757)	(30,091)
Other operating expenses		(294,372)	(245,803)
		(2,530,991)	(1,918,177)
Operating profit	8	2,114,418	2,428,981
Finance income	7	40,980	10,852
Finance expenses	7	(1,973,733)	(1,442,166)
Net finance expenses		(1,932,753)	(1,431,314)
Share of loss of associates	17	(6,086)	(7,421)
Share of profit of a jointly controlled entity	18	758	15,012
		(5,328)	7,591
Profit before taxation		176,337	1,005,258
Income tax benefit/(expense)	9	10,217	(34,954)
Profit for the year		186,554	970,304

Consolidated Statement of Comprehensive Income
(Continued)

For The Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2012**	2011
Other comprehensive loss			
Change in value of available-for-sale investments		—	(73,920)
Loss arising on revaluation of financial assets at fair value through other comprehensive income	19	(98,906)	—
Currency translation differences		762	(1,775)
Total other comprehensive loss for the year		(98,144)	(75,695)
Total comprehensive income for the year		88,410	894,609
Profit attributable to:			
Equity holders of the Company		112,148	729,842
Non-controlling interests		74,406	240,462
		186,554	970,304
Total comprehensive income attributable to:			
Equity holders of the Company		14,447	654,147
Non-controlling interests		73,963	240,462
		88,410	894,609
Basic and diluted earnings per share for profit attributable to equity holders of the Company *(expressed in RMB per share)*	10	0.0154	0.1011

The accompanying notes are an integral part of these financial statements.

		Year ended December 31,	
	Note	**2012**	2011
Dividends	11	167,295	283,674

Consolidated Statement of Financial Position

As At December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

	Note	As at December 31, 2012	As at December 31, 2011	As at January 1, 2011
				(Note 20)
Assets				
Non-current assets				
Property, plant and equipment	13	**44,854,540**	41,111,111	31,405,634
Intangible assets	14	**416,941**	422,237	402,522
Land use rights	15	**333,986**	301,043	242,543
Investment in associates	17	**227,244**	28,430	20,851
Investment in a jointly controlled entity	18	**50,758**	55,012	—
Available-for-sale investments	19(a)	**—**	433,386	51,167
Financial assets at fair value through other comprehensive income	19(a)	**334,480**	—	—
Deferred income tax assets	29	**30,057**	7,959	8,528
Other non-current assets	20	**2,762,530**	2,615,897	1,703,899
Total non-current assets		**49,010,536**	44,975,075	33,835,144
Current assets				
Inventories		**14,207**	12,464	10,409
Trade and bills receivable	21	**3,034,519**	2,693,738	1,495,226
Prepayments, other receivables and other current assets	22	**2,168,494**	2,395,409	976,176
Financial assets at fair value through profit or loss	19(b)	**16,470**	—	—
Current income tax prepayments		**24,522**	14,995	11,629
Restricted cash	23(a)	**10,090**	28,800	—
Cash and cash equivalents	23(b)	**2,103,829**	4,162,424	5,031,346
Total current assets		**7,372,131**	9,307,830	7,524,786
Total assets		**56,382,667**	54,282,905	41,359,930

Consolidated Statement of Financial Position *(Continued)*

As At December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,		As at January 1,
	Note	2012	2011	2011
				(Note 20)
Equity				
Equity attributable to equity holders of the Company				
Share capital	24	**7,273,701**	7,273,701	7,142,610
Share premium	24	**2,080,969**	2,080,969	1,971,884
Other reserves	25	**(1,667,986)**	(1,607,823)	(1,442,011)
Retained earnings				
— proposed final dividend	11	**167,295**	283,674	—
— others		**961,750**	1,058,127	680,259
		8,815,729	9,088,648	8,352,742
Non-controlling interests		**2,680,917**	2,647,019	2,197,650
Total equity		**11,496,646**	11,735,667	10,550,392
Non-current liabilities				
Borrowings	26(a)	**32,705,212**	29,514,045	21,956,859
Deferred income tax liabilities	29	**32,663**	59,932	60,995
Other non-current liabilities		**184,290**	143,165	5,315
Total non-current liabilities		**32,922,165**	29,717,142	22,023,169

Consolidated Statement of Financial Position *(Continued)*

As At December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,		As at January 1,
	Note	2012	2011	2011
				(Note 20)
Current liabilities				
Borrowings	26(b)	**5,456,633**	5,667,269	3,619,414
Trade and bills payable	27	**637,297**	503,708	85,115
Current income tax liabilities		**23,697**	22,256	50,513
Other payables	28	**5,846,229**	6,636,863	5,031,327
Total current liabilities		**11,963,856**	12,830,096	8,786,369
Total liabilities		**44,886,021**	42,547,238	30,809,538
Total equity and liabilities		**56,382,667**	54,282,905	41,359,930
Net current liabilities		**(4,591,725)**	(3,522,266)	(1,261,583)
Total assets less current liabilities		**44,418,811**	41,452,809	32,573,561

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on March 22, 2013 and were signed on its behalf.

Director

Director

Statement of Financial Position

As At December 31, 2012
(all amounts are in thousands of RMB unless otherwise stated)

	Note	As at December 31, 2012	As at December 31, 2011	As at January 1, 2011
				(Note 20)
Assets				
Non-current assets				
Property, plant and equipment	13	**391,425**	430,757	311,287
Intangible assets	14	**4,290**	3,622	1,480
Investment in subsidiaries	16	**13,691,289**	12,665,505	8,391,696
Investment in associates	17	**40,751**	35,851	20,851
Investment in a jointly controlled entity	18	**50,000**	40,000	—
Other non-current assets	20	**1,734,655**	2,346,368	170,000
Total non-current assets		**15,912,410**	15,522,103	8,895,314
Current assets				
Inventories		**3,477**	2,040	852
Trade and bills receivable	21	**89,212**	113,265	49,019
Prepayments, other receivables and other current assets	22	**7,159,197**	7,380,667	949,259
Cash and cash equivalents	23(b)	**770,382**	2,837,112	4,264,539
Total current assets		**8,022,268**	10,333,084	5,263,669
Total assets		**23,934,678**	25,855,187	14,158,983
Equity				
Equity attributable to equity holders of the Company				
Share capital	24	**7,273,701**	7,273,701	7,142,610
Share premium	24	**2,080,969**	2,080,969	1,971,884
Other reserves	25	**1,462,105**	1,424,567	1,364,751
Retained earnings				
— proposed final dividend	11	**167,295**	283,674	—
— others		**476,475**	285,469	38,390
Total equity		**11,460,545**	11,348,380	10,517,635

Statement of Financial Position *(Continued)*

As At December 31, 2012
(all amounts are in thousands of RMB unless otherwise stated)

		As at December 31,		As at January 1,
	Note	2012	2011	2011
				(Note 20)
Non-current liabilities				
Borrowings	26(a)	**6,886,069**	5,298,686	1,408,000
Other non-current liabilities		**8,600**	—	—
Total non-current liabilities		**6,894,669**	5,298,686	1,408,000
Current liabilities				
Borrowings	26(b)	**4,680,543**	8,781,645	2,033,794
Trade and bills payable	27	**506,364**	4,924	1,326
Current income tax liabilities		**2,142**	2,142	2,142
Other payables	28	**390,415**	419,410	196,086
Total current liabilities		**5,579,464**	9,208,121	2,233,348
Total liabilities		**12,474,133**	14,506,807	3,641,348
Total equity and liabilities		**23,934,678**	25,855,187	14,158,983
Net current assets		**2,442,804**	1,124,963	3,030,321
Total assets less current liabilities		**18,355,214**	16,647,066	11,925,635

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on March 22, 2013 and were signed on its behalf.

Director *Director*

Consolidated Statement of Changes in Equity

For The Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

	Equity attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	(Note 24)	*(Note 24)*	*(Note 25)*				
At January 1, 2011	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 year	—	—	—	729,842	729,842	240,462	970,304
Other comprehensive loss							
— change in value of available-for- sale investments *(Note 19(a))*	—	—	(73,920)	—	(73,920)	—	(73,920)
— currency translation differences	—	—	(1,775)	—	(1,775)	—	(1,775)
Total comprehensive income	—	—	(75,695)	729,842	654,147	240,462	894,609
Transaction with owners							
Issuance of shares, net of issuance costs *(Note 24)*	131,091	109,085	—	—	240,176	—	240,176
Acquisition of non-controlling interests of subsidiaries	—	—	14,027	—	14,027	(73,205)	(59,178)
Acquisition of subsidiaries *(Note 32(b))*	—	—	—	—	—	57,093	57,093
Common controlled business combination							
— capital contributions by the then equity owners	—	—	40,000	—	40,000	—	40,000
Common controlled business combinations — considerations by the Company *(Note 32(a))*	—	—	(204,000)	—	(204,000)	—	(204,000)
Capital contributions	—	—	40	—	40	396,579	396,619
Appropriations							
— reserves	—	—	59,816	(59,816)	—	—	—
— others	—	—	—	(8,484)	(8,484)	(5,656)	(14,140)
Dividends declared by subsidiaries	—	—	—	—	—	(165,904)	(165,904)
Total transaction with owners	131,091	109,085	(90,117)	(68,300)	81,759	208,907	290,666
At December 31, 2011	7,273,701	2,080,969	(1,607,823)	1,341,801	9,088,648	2,647,019	11,735,667

Consolidated Statement of Changes in Equity *(Continued)*

For The Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

	Equity attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	(Note 24)	*(Note 24)*	*(Note 25)*				
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 year	—	—	—	112,148	112,148	74,406	186,554
Other comprehensive loss							
— change in fair value of financial assets at fair value through other comprehensive income *(Note 19(a))*	—	—	(98,906)	—	(98,906)	—	(98,906)
— currency translation differences	—	—	1,205	—	1,205	(443)	762
Total comprehensive income	—	—	(97,701)	112,148	14,447	73,963	88,410
Transaction with owners							
Acquisition of non-controlling interests of subsidiaries *(Note 16(iv))*	—	—	—	(508)	(508)	508	—
Acquisition of subsidiaries *(Note 32(b))*	—	—	—	—	—	42,000	42,000
Capital contributions	—	—	—	—	—	133,820	133,820
Appropriations							
— reserves	—	—	37,538	(37,538)	—	—	—
— others	—	—	—	(3,184)	(3,184)	(2,113)	(5,297)
Dividends	—	—	—	(283,674)	(283,674)	(214,280)	(497,954)
Total transaction with owners	—	—	37,538	(324,904)	(287,366)	(40,065)	(327,431)
At December 31, 2012	7,273,701	2,080,969	(1,667,986)	1,129,045	8,815,729	2,680,917	11,496,646

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

	Note	Year ended December 31, 2012	2011
Cash flows from operating activities			
Profit before taxation		176,337	1,005,258
Adjustments for:			
Depreciation of property, plant and equipment	8	1,830,590	1,338,788
Provision for impairment of CDM assets	22	34,068	—
Amortization of intangible assets and land use rights	8	26,070	22,031
Gain on disposal of property, plant and equipment		(32)	—
Interest expenses	7	1,974,808	1,328,200
Interest income	7	(40,980)	(10,852)
Foreign exchange (gains)/losses, net	7	(1,075)	113,966
Gain on disposal of available-for-sale investments		—	(2,265)
Share of loss of associates	17	6,086	7,421
Share of profit of a jointly controlled entity	18	(758)	(15,012)
Others		2,898	—
Changes in working capital:			
Increase in inventories		(1,743)	(2,055)
Increase in trade and bills receivable		(311,550)	(1,210,542)
Increase in prepayments, other receivables and other current assets		(19,441)	(558,291)
Increase in non-current assets		(25,741)	—
Increase/(decrease) in trade and bills payable		11,837	(22,412)
Increase in other payables		503,831	547,603
Cash generated from operations		4,165,205	2,541,838
Interest received		27,943	10,315
Income tax paid		(49,795)	(67,071)
Net cash generated from operating activities		4,143,353	2,485,082

Consolidated Statement of Cash Flows *(Continued)*

For Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

	Note	Year ended December 31, 2012	2011
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		(6,864,270)	(10,469,094)
Entrusted loans and working capital to related parties		(25,173)	(140,137)
Proceeds from repayments of entrusted loans and working capital to related parties		97,617	59,180
Asset-related government grants received		26,000	50,000
Investments in associates and a jointly controlled entity	17,18	(214,900)	(55,000)
Investments in financial assets at fair value through profit or loss and available-for-sale investments		(16,352)	(456,139)
Investments in notes receivable	22	—	(400,000)
Proceeds from repayment of notes receivable and interest earned		400,736	—
Prepayment for acquisition of a subsidiary	22	—	(24,800)
Acquisition of subsidiaries, net of cash acquired	32	(24,984)	(146,019)
Decrease/(Increase) in restricted cash		18,710	(28,800)
Proceeds from disposal of property, plant and equipment		1,524	248
Dividends received from a jointly controlled entity	18	15,012	—
Gain on disposal of available-for-sale investments		—	2,265
Others		27,652	(59,178)
Net cash used in investing activities		(6,558,428)	(11,667,474)

Consolidated Statement of Cash Flows *(Continued)*

For Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

	Note	Year ended December 31, 2012	2011
Cash flows from financing activities			
Capital contributions		—	40,000
Cash proceeds from issuance of shares, net of issuance costs	24	—	240,176
Cash proceeds from issuance of bonds, net of issuance costs	26	2,000,000	6,170,383
Repayment of bonds	26	(2,000,000)	—
Capital contributions from the non-controlling interests		133,820	396,615
Proceeds from borrowings		15,439,564	7,877,228
Repayments of borrowings		(12,480,860)	(4,448,696)
Dividends paid by subsidiaries to the non-controlling interests		(39,129)	(181,372)
Dividends paid to equity owners of the Company		(283,674)	(100,297)
Interest paid		(2,356,406)	(1,666,439)
Working capital provided by related parties		92,874	659,571
Working capital provided to related parties		(142,378)	(475,530)
Payment of shares and bonds issuance expenses		(8,537)	(62,541)
Net cash generated from financing activities		355,274	8,449,098
Net decrease in cash and cash equivalents		(2,059,801)	(733,294)
Cash and cash equivalents at beginning of year		4,162,424	5,031,346
Exchange gains/(losses) on cash and cash equivalents		1,206	(135,628)
Cash and cash equivalents at end of year	23	2,103,829	4,162,424

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

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, as part of the reorganization of the wind power generation business of China Datang Group Corporation ("Datang Corporation"), a limited liability company incorporated in the PRC and controlled by the PRC government (the "Reorganization"). 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's H shares was listed on The Stock Exchange of Hong Kong Limited in December 2010.

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

These financial statements are presented in Chinese Reminbi ("RMB"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on March 22, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements of the Company have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are carried by fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 Going concern

At December 31, 2012, the Group's current liabilities exceeded its current assets by approximately RMB4,591.7 million (2011: RMB3,522.3 million). The Group meets its day to day working capital requirements through its bank facilities. As of December 31, 2012, the Group has committed unutilized banking facilities amounting to approximately RMB44,106.8 million (Note 3.1(c)), of which approximately RMB22,251.2 million are subject to renewal during the next 12 months from the date the Group's financial statements are approved. Certain banking facilities require the Group to comply with certain covenants as set out in Note 3.1(c).

At the date these financial statements are approved, the directors of the Company are in their opinion that such covenants and requirements have been complied with and expect that the Group will continue complying with these requirements and covenants. The directors of the Company is confident that these banking facilities will continue to be available to the Group and will be renewed or replaced when they expire.

Based on its assessment, the Board of Directors of the Company is confident that the Group has adequate resources to continue in operation for the foreseeable future not less than 12 months from the date of these financial statements. The Group therefore continues to adopt the going concern basis in preparing these financial statements. Further information on the Group's borrowing is given in Note 26.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

During the year, the Group adopted the following new standard for the first time for the financial year beginning January 1, 2012:

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.2 Changes in accounting policy and disclosures (Continued)

(a) New and amended standards adopted by the Group *(Continued)*

The Group's management has assessed the financial assets held by the Group at January 1, 2012, the date of initial application of IFRS 9. 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 RMB433.4 million have been designated as at fair value through other comprehensive income. As a result, fair value losses of RMB73.9 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 other 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.2 Changes in accounting policy and disclosures (Continued)

(b) New standards and interpretations not effective for the financial year beginning January 1, 2012 and not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013, and have not been applied in preparing these consolidated financial statements. The following new standards and amendments to standards and interpretations are relevant to the Group's operations:

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment is applicable to annual periods beginning on or after July 1, 2012 with early adoption permitted. The Group will adopt amendment to IAS 1 from 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 IFRSs. 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 IFRSs. The Group intends to adopt IFRS 13 no later than the accounting period beginning on or after January 1, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.2 Changes in accounting policy and disclosures (Continued)

(b) New standards and interpretations not effective for the financial year beginning January 1, 2012 and not yet adopted *(Continued)*

- 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.

- IFRS 11, 'Joint arrangements' is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- 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.

- IAS 19, 'Employee benefits', was amended in June 2011. The impact on the Group will be as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.2 Changes in accounting policy and disclosures (Continued)

(b) New standards and interpretations not effective for the financial year beginning January 1, 2012 and not yet adopted *(Continued)*

- IAS 27 (revised 2011) 'Separate financial statements' includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. Early adoption is permitted, and IFRS 11, IFRS 12, IAS 27 (revised 2011) and IAS 28 (revised 2011) shall be applied at the same time.

- IAS 28 (revised 2011), 'Associates and joint ventures' includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. Early adoption is permitted, and IFRS 10, IFRS 12, IAS 27 (revised 2011) and IAS 28 (revised 2011) shall be applied at the same time.

- Amendment to IFRS 7 'Financial instruments: Disclosures' on asset and liability offsetting, also require new disclosure requirements which focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

- Amendment to IAS 32 'Financial instruments: Presentation' on asset and liability offsetting, are to the application guidance in IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

The Group has already commenced an assessment of the related impact of the above new 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 new standards or interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Consolidation and subsidiaries

(a) *Subsidiaries*

Subsidiaries are all entities over which the Group have the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group control another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies by virtue of de-facto control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Consolidation and subsidiaries *(Continued)*

(b) Common control business combinations

The consolidated financial statements incorporates the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognized in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Consolidation and subsidiaries *(Continued)*

(c) *Other business combinations*

The Group applies the acquisition method to account for business combinations other than common control business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

(d) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Consolidation and subsidiaries *(Continued)*

(e) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(f) Acquisition-related costs

All acquisition-related costs are expensed as incurred.

(g) Separate financial statements

In the Company's statement of financial position, the investments in subsidiaries acquired prior to July 2010 are stated at deemed cost at the Company's date of transition to IFRS as permitted under IFRS 1. Investments in subsidiaries acquired after that date are stated at transaction cost less provision for impairment losses (Note 2.9). The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Jointly controlled entities and associates

A jointly controlled entity is the result of contractual arrangements whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in jointly controlled entities or associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in jointly controlled entities/associates includes goodwill identified on acquisition.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control/ significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in a jointly controlled entity or associate equals or exceeds its interest in the jointly controlled entity or associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity or associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the jointly controlled entity or associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity or associate and its carrying value and recognizes the amount adjacent to 'share of profit of a jointly controlled entity' and 'share of loss of associates' in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Jointly controlled entities and associates *(Continued)*

Profits and losses resulting from upstream and downstream transactions between the Group and its jointly controlled entities and associates are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the jointly controlled entities or associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entities or associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in jointly controlled entities or associates are recognized in the income statement.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors and certain senior management (including chief accountant) (together referred to as the "Executive Management") that makes strategic decisions.

2.5 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the functional and presentation currency of the Company.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(b) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or expenses'. All other foreign exchange gains and losses are presented in the income statement within 'other income and other gains-net'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities held at fair value through other comprehensive income or equities classified as available-for-sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.6 Property, plant and equipment

Property, plant and equipment, apart from construction-in-progress ("CIP"), are stated at historical cost less accumulated depreciation and accumulated impairment loss. The initial cost comprises purchase price, import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment *(Continued)*

CIP represents plant and properties under construction and is stated at cost, which includes the costs of construction, plant and machinery and other direct costs. CIP is not depreciated until such time as the relevant assets are completed and ready for its intended use when they are transferred to the relevant asset categories.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

— Buildings	8-30 years
— Transportation facilities, office equipment and others	3-9 years
— Electricity utility plants	
— wind turbines	20 years
— others	5-30 years

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included within 'other income and other gains-net' in the consolidated statement of comprehensive income.

2.7 Land use rights

Land use rights represent upfront prepayments made for the land use rights and are expensed in the consolidated statement of comprehensive income on a straight-line basis over the terms of the leases. Whenever there is impairment, the impairment is expensed in the consolidated statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Concession assets

The Group, as an operator of wind power/solar power generation projects under service concession arrangements between the Group and government (the "Grantor"), is responsible for both the projects' construction and its subsequent services in a specified period after the construction. At the end of concession period, the Group is obliged either to hand over the infrastructure to the Grantor in a specified condition or dispose it. The Group recognizes a concession asset, included in intangible asset, arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. Intangible assets received as consideration for providing construction services in a service concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortization and accumulated impairment losses. Amortization of concession assets is charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the arrangement upon the completion of construction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets *(Continued)*

(c) *Computer software*

Acquired computer software are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which does not exceed six years, and recorded in 'depreciation and amortization' in the consolidated statement of comprehensive income.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

(a) *Classification prior to January 1, 2012*

Financial assets that the Group holds include: loans and receivables and available-for-sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables primarily included 'trade and bills receivable', 'other receivables', 'restricted cash' and 'cash and cash equivalents' in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

(a) Classification prior to January 1, 2012 (Continued)

(ii) Available-for-sale investments

Available-for-sale investments are non-derivatives financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the assets mature or management intends to dispose of it within 12 months after the end of the reporting period.

(b) Recognition and measurement prior to January 1, 2012

Regular purchases and sales of financial assets are recognized on trade-date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. 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. Available-for-sale investments are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of available-for-sale investments are recognized in other comprehensive income. When available-for-sale investments are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated statement of comprehensive income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of comprehensive income when the right of the Group to receive payments is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

(c) Classification from January 1, 2012

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 instruments.

Debt instruments

(i) Financial assets at amortised cost

A debt instrument 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 instrument are considered in determining whether the cash flows of the instrument are solely payment of principal and interest on the principal outstanding and are not accounted for separately.

(ii) Financial assets at fair value

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 instrument as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Equity instruments

All equity instruments are measured at fair value. Equity instruments that are held for trading are measured at fair value through profit or loss. For all other equity instruments, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

(d) *Recognition and measurement from January 1, 2012*

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 instruments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Impairment of financial assets

(a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Impairment of financial assets *(Continued)*

(b) Assets classified as available for sale (applicable until December 31, 2011)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale investments, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial assets previously recognized in profit or loss - is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

2.13 Inventories

Inventories include materials and spare parts for maintenance, which are stated at the lower of cost and net realizable value. Inventories are expensed to profit or loss when used, sold or capitalized to property, plant and equipment when installed, as appropriate, using moving weighted average method. Costs of inventories include direct material cost and transportation expenses incurred in bringing them to the working locations. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs in power generation and selling expenses.

2.14 Loans and receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Loans and receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other financial institutions, other short-term highly liquid investments with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group have contractual or an unconditional right to defer settlement of the liability for at least 12 months after the end of each reporting period.

2.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Payables

Payables primarily include trade and bills payable and other payables, etc. and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.20 Employee benefits

(a) *Pension and other social obligations*

The Group have various defined contribution plans in accordance with the local conditions and practices in the municipalities and provinces in which they operate. Defined contribution plans are pension and/or other social benefit plans under which the Group pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognized as labour costs when they are due.

(b) *Housing benefits*

The Group contributes to the state-prescribed housing fund. Such costs are charged to the consolidated statement of comprehensive income as incurred. Apart from those described above, the Group do not have other legal or constructive obligations over such benefits.

2.21 Taxation

(a) *Current and deferred income tax*

The tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Taxation *(Continued)*

(a) Current and deferred income tax (Continued)

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries, jointly controlled entities and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Taxation *(Continued)*

(a) Current and deferred income tax (Continued)

(ii) Deferred income tax *(continued)*

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and a jointly controlled entity, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(b) Value-added taxation ("VAT")

Sales of goods of the Group are subjected to VAT. VAT payable is determined by applying 17% on the taxable revenue arising from sales of goods after offsetting deductible input VAT of the period.

Pursuant to Cai Shui (2008)156 issued by Ministry of Finance and State Administration of Taxation, wind power generation plants are entitled to a 50% refund of the VAT levied on electricity generated, which are recognized as government grants when they are received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Contingencies

Contingent liabilities are recognized in the consolidated financial statements when it is probable that a liability will be recognized. Where no provision is recorded, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the consolidated financial statements unless virtually certain but disclosed when an inflow of economic benefits is probable.

2.23 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the activities of the Group. Revenue is shown net of VAT, returns, rebates and discounts and after eliminating sales within the Group. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in the consolidated statement of comprehensive income as follows:

(a) *Sale of electricity*

Electricity revenue is recognized when electricity is supplied to the provincial power grid companies.

(b) *Revenue from construction service contracts*

When the outcome of a contract can be estimated reliably, revenue from construction and service contracts is recognized under the percentage of completion method and is measured mainly by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred that it is probable will be recoverable and such contract costs is recognized as an expense in the period in which they are incurred.

Variation in contract work, claims and incentive payments are included in the contract revenue to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the consolidated statement of comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition *(Continued)*

(c) *Revenue from the provision of other services*

The Group provides certain repairs and maintenance services to external wind farms and recognizes the related revenue in the period in which the services are rendered.

(d) *Revenues under service concession arrangement*

Revenue relating to construction services under a service concession arrangement is recognized based on the stage of completion of the work performed. Operation or service revenue is recognized in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement the consideration received is allocated by reference to the relative fair values of the services delivered.

(e) *Rental income from operating leases*

Rental income receivable under operating leases is recognized in the consolidated statement of comprehensive income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

2.25 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.26 Government grants

Grants from the government are recognized at their fair value when there is reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in other non-current liabilities and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

2.27 Income from Clean Development Mechanism ("CDM") Projects

The Group sells carbon credits known as Certified Emission Reductions ("CERs"), generated from the wind farms and other renewable energy facilities which have been registered as CDM projects with CDM Executive Board of the United Nations under the Kyoto Protocol. Income in relation to the CERs is recognized, after taking into account of any estimated discrepancy between the volumes of electricity transmitted and certified, when following conditions are met:

- CDM projects have received the approval from National Development and Reform Committee ("NDRC") and have been approved by the United Nations as registered CDM projects;
- the counterparties have committed to purchases the CERs and prices have been agreed; and
- the relevant electricity has been generated.

CERs is initially recognized at fair value. Please refer to the subsequent measurement as set out in Note 4(c).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.28 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in 'other non-current liabilities'. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.29 Dividend distribution

Dividend distribution is recorded as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT

3.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group currently does not use any derivative financial instruments to hedge certain risk exposures.

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

Risk management is carried out by the Company headquarter finance department (Group Finance) on a group basis under policies approved by the board of directors. Group Finance identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollar ("HKD"), Australian dollar ("AUD"), Euros ("EUR") and US dollar ("USD"). Foreign exchange risk arises mainly from income and expenses related to CDM projects, recognized assets and liabilities and net investments in foreign operations.

As of December 31, 2012, substantially all of the revenue-generating operations of the Group are located the PRC and transacted in RMB. To manage its foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group has policy to minimize foreign currency transactions. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

At December 31, 2012, if RMB had weakened/strengthened by 5% (2011: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB22.7 million (2011: RMB58.2 million) higher/lower mainly as a result of foreign exchange gain/losses on translation of recognized monetary assets and liabilities.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for the years presented.

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

(a) Market risk (Continued)

(i) Foreign exchange risk *(Continued)*

RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group form satisfying sufficient foreign currency demands.

(ii) Price risk

The Group is exposed to equity security price risk because of investments held by the Group. The Group is not exposed to commodity price risk.

As at December 31, 2012, the Group is exposed to equity security price risk primarily arising from the investments classified as financial assets at fair value through other comprehensive income (2011: available-for-sale investments). These securities are publicly traded in Hong Kong. To manage the risk, the Group closely monitors the market prices of these securities and market trends.

If prices of the equity security investments had increased/decreased by 10% with the stock price, the investment valuation reserve of equity would have been higher/lower by RMB28.3 million as a result of increase/decrease in equity securities classified as fair value through other comprehensive income.

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from bank loans and other loans. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2012 and 2011, the Group's borrowings at variable rate were denominated in the RMB and USD.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At December 31, 2012, if interest rates on RMB and USD denominated loans both had been 50 basis points (2011: 50 basis points) higher/lower respectively with all other variables held constant, interest expense charged to the consolidated statement of comprehensive income for the year would have been RMB133.5 million (2011: RMB120.0 million) higher/lower, respectively.

The estimated 50 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date.

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

(b) Credit risk

Credit risk is managed on group basis, except for credit risk relating to receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each debtor. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and bank guarantees extended to external parties. For banks and financial institutions, the Group has policy to review the credit risks of any banks and financial institutions and does not expect any significant losses from non-performance by these banks and financial institutions. The Group's policy requires all of the Group's cash and cash equivalents in the PRC are deposited in the major state-owned/controlled PRC banks or financial institutions and well-known international banks outside of the PRC.

The receivables from sales of electricity mainly represent receivables from the provincial power grid companies. The Group has no significant credit risk with any of these power grid companies, which are major state-owned entities, and the Group maintains long-term and stable business relationships with these companies. With regard to receivables/assets arising from CDM projects, the CDM office of the Company centrally assesses the credit quality of the buyers, taking into account their financial positions, past experience and other factors. The Group performs periodic credit evaluations of its customers and believes that adequate provision for impairment of receivables/assets have been made (Note 22). The Group does not expect any further losses from non-performance by these counterparties. For other receivables, the Group performs an ongoing individual credit evaluation of their customers' and counterparties' financial conditions, and are with the opinion that no debts are impaired.

The concentrations of trade receivables are disclosed in Note 21.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit facilities.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group Finance. Group Finance places the surplus cash with banks after considering sufficient liquidity to provide sufficient head-room as determined by Group Finance.

At December 31, 2012, the Group held cash and cash equivalents of RMB2,103.8 million (2011: RMB4,162.4 million) (Note 23(b)) and trade and bills receivable of RMB3,034.5 million (2011: RMB2,693.7 million) (Note 21) that are expected to readily generate cash inflows for managing liquidity risk. In addition, the Group holds listed equity securities of RMB283.3 million (2011: 382.2 million) (Note 19), which could be readily realized to provide a further source of cash if the need arose.

Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs through: (i) maintaining flexibility by placing reliance primarily on bank loans; (ii) periodically evaluating banking facilities position and maintaining sufficient headroom on its undrawn committed borrowing facilities; (iii) compliance with borrowing limits or covenants on any of its borrowing facilities - for example, appropriate management of pledged assets, compliance with certain debt ratio, and other credit rating requirements. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

(All amounts are in thousands of RMB unless otherwise stated)

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

(c) Liquidity risk (Continued)

At December 31, 2012, the Group has the following undrawn borrowing facilities:

	At December 31,	
	2012	2011
Floating rate:		
Expiring within one year	**22,251,230**	10,751,000
Expiring beyond one year	**21,855,570**	71,973,221
	44,106,800	82,724,221

Based on the above, the directors of the Company is confident to meet the payment and settlement obligations so as to mitigate the liquidity risk.

(All amounts are in thousands of RMB unless otherwise stated)

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

(c) *Liquidity risk (Continued)*

The table below analyses the Group's non-derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period from the balance sheet dates to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Group					
At December 31, 2012					
Long-term loans *(Note 26(d))*	2,287,276	2,859,438	8,573,340	17,089,115	30,809,169
Long-term bonds *(Note 26(d))*	—	—	4,200,000	—	4,200,000
Long-term payables	16,000	16,000	48,000	44,550	124,550
Short-term loans *(Note 26(b))*	1,161,015	—	—	—	1,161,015
Short-term bonds *(Note 26(b))*	2,000,000				2,000,000
Interest payables on borrowings	2,157,561	1,910,987	4,587,849	3,840,440	12,496,837
Other payables	5,760,371	—	—	—	5,760,371
Trade and bills payable	637,297	—	—	—	637,297
	14,019,520	4,786,425	17,409,189	20,974,105	57,189,239
At December 31, 2011					
Long-term loans *(Note 26(d))*	2,984,422	2,786,348	7,092,318	15,456,393	28,319,481
Long-term bonds *(Note 26(d))*	—	—	4,200,000	—	4,200,000
Long-term payables	30,900	16,000	48,000	10,550	105,450
Short-term loans *(Note 26(b))*	688,215	—	—	—	688,215
Short-term bonds *(Note 26(b))*	2,000,000	—	—	—	2,000,000
Interest payables on borrowings	1,702,892	1,545,079	3,677,851	3,302,492	10,228,314
Other payables	6,636,863	—	—	—	6,636,863
Trade and bills payable	503,708	—	—	—	503,708
	14,547,000	4,347,427	15,018,169	18,769,435	52,682,031

(All amounts are in thousands of RMB unless otherwise stated)

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.1 Financial risk management *(Continued)*

(c) *Liquidity risk (Continued)*

	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Company					
At December 31, 2012					
Long-term loans *(Note 26(d))*	142,520	573,720	1,178,920	950,110	2,845,270
Long-term bonds *(Note 26(d))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 26(b))*	2,529,681	—	—	—	2,529,681
Short-term bonds *(Note 26(b))*	2,000,000	—	—	—	2,000,000
Interest payables on borrowings	167,581	146,227	247,677	197,853	759,338
Other payables	382,428	—	—	—	382,428
Trade and bills payable	506,364	—	—	—	506,364
	5,728,574	719,947	5,626,597	1,147,963	13,223,081
At December 31, 2011					
Long-term loans *(Note 26(d))*	1,207,000	138,000	424,000	557,700	2,326,700
Long-term bonds *(Note 26(d))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 26(b))*	5,580,013	—	—	—	5,580,013
Short-term bonds *(Note 26(b))*	2,000,000	—	—	—	2,000,000
Interest payables on borrowings	76,211	69,543	153,217	78,715	377,686
Other payables	404,602	—	—	—	404,602
Trade and bills payable	4,924	—	—	—	4,924
	9,272,750	207,543	4,777,217	636,415	14,893,925

At December 31, 2012 and 2011, the Company provided financial guarantees to certain subsidiaries as set out in Note 26(a)(i).

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors their capital structure on the basis of liability-to-asset ratio, which is calculated by dividing total liabilities by total assets. The liability-to-asset ratio of the Group at December 31, 2012 is 79.6% (2011: 78.4%), respectively.

The increase in the liability-to-asset ratio was primarily due to the increase of borrowings in 2012. Taking into consideration of the expected operating cash flows of the Group, the unutilized banking facilities and the Group's past experience in refinancing its short-term borrowings, the directors of the Company and management believe that the Group can meet their obligations when they fall due.

3.3 Fair value estimation

(a) *Fair value measurements*

The Company discloses fair value measurements of financial instruments by level of the following fair value measurement hierarchy:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (Level 3).

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(a) *Fair value measurements (Continued)*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

At December 31, 2012, except for the financial assets at fair value through other comprehensive income amounting to RMB283.3 million (2011: available-for-sale investments amounted to RMB382.2 million) are measured at Level 1 fair value; all other financial assets at fair value through other comprehensive income (2011: available-for-sale investments) are measured at Level 3 (2011: Level 3) fair value. Financial assets at fair value through profit or loss amounting to RMB16.5 million (2011: nil) are measured at Level 2 measurement hierarchy.

These were no significant transfer of financial assets between level 1 and level 2 fair value hierarchy classification.

3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(b) *Fair value disclosures*

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, restricted cash, trade and bills receivable, other receivables, trade and bills payable, other payables, short-term borrowings approximate their fair values due to their short maturities.

The fair value of financial liabilities for disclosure purpose is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

Fair value estimates are made at a specific point of time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes accounting estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(a) Useful lives of property, plant and equipment

Management of the Group determine the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected wear and tear incurred during power generation. This could change significantly as a result of technical renovations on wind turbine and related equipment. Management will adjust the estimated useful lives where useful lives vary with previously estimated useful lives. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require material adjustments to the carrying amount of property, plant and equipment.

(b) Impairment of property, plant and equipment

The Group perform impairment test on property, plant and equipment whenever any impairment indication exists. In accordance with Note 2.9, impairment is recognized as the amount by which the asset's carrying amount exceeds its recoverable amount. Especially, certain wind construction projects of the Group are affected by the progress of grid connection system which transmits electricity from power generation companies; and the operating results of wind farms in certain regions are subject to transmission limitations. The ready for use of grid connection system upon completion and the utilization efficiency are critical estimates and judgements of the Company's directors. The estimation based on existing experience may be different from the result of the next financial year and may lead to material adjustments to the carrying amount of property, plant and equipment.

(c) Revenue recognition for CDM income and recoverability of CDM assets

In accordance with the Group's relevant accounting policy as set out in Note 2.27, the income from CDM projects is determined by the electricity volume generated during the respective periods, emission reduction factors and unit price of CERs. The volumes of electricity transmitted to the grid companies are subject to the verification and certification by the independent supervisors assigned by the CDM Executive Board. Based on past experience, the Group believes that, the estimated discrepancy rate, if any, of the certified volumes will not exceed 3%. Accordingly, the Group has, therefore, recognized income from CDM projects after deducting an estimated discrepancies at 3% based on past experience. For the year ended December 31, 2012, the Group has recognized income from CDM projects amounting to RMB94.7 million (2011: RMB370.8 million) (Note 6).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(c) Revenue recognition for CDM income and recoverability of CDM assets *(Continued)*

The Group reviews its CDM assets to assess impairment on a periodic basis, unless known circumstances indicate that impairment may have occurred as of an interim date. The Group makes judgements and assumptions in determining whether an impairment loss should be recorded in the statement of comprehensive income. These allowances reflect the difference between the carrying amount of the CDM assets and the present value of estimated future cash flows. Factors affecting this estimate include, among other things, the credit status and financial conditions and reputation of the debtors, history of payments by the debtors (e.g. payment delinquency or default) and the enforceability of the underlying contracts. The effect of these factors requires significant judgement to be applied in the estimation of future recoverable amounts. The Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from CDM assets/receivables. It is reasonably possible that if there is a significant change in circumstances including the Group's business in relation to CDM Projects and the external environment, outcomes within the next financial year would be significantly affect.

(d) Income tax

The Group pays income tax in various regions. There can be various uncertainties on the ultimate income tax treatments for many transactions and events arising from normal operating activities, overall assets transfers, corporate restructuring and preferential tax treatments granted by the tax authorities. The Group have to make critical accounting judgments when calculating income tax expense at different regions. In the event that the finalized amounts recognized for such tax events are different from those originally recorded, this could result in material adjustments to current income tax expense and deferred income tax expense.

(All amounts are in thousands of RMB unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(e) Going concern

As disclosed in Note 2.1.1, the ability of the Group to continue as going concern basis is dependent upon the availability of the banking facilities in order to meet its day to day working capital requirements and its liabilities as they fall due. In the event the Group is unable to obtain adequate funding, there is uncertainty as to whether the Group will be able to continue as a going concern. These consolidated statement of financial position do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Group be unable to continue as a going concern.

5. REVENUE AND SEGMENT INFORMATION

(a) Analysis of revenue by category

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

	Year ended December 31,	
	2012	2011
Sales of electricity	**4,275,351**	3,656,207
Service concession construction revenue *(Note (i))*	**8,150**	24,249
Other revenues *(Note (ii))*	**84,514**	148,352
	4,368,015	3,828,808

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Analysis of revenue by category *(Continued)*

Notes:

(i) In 2011, the Group, through a subsidiary, entered into a service concession agreement with local provincial government (the "Grantor") to construct and operate solar power plants during a concession period of 25 years of operation. The Group is responsible for construction and maintenance of the solar power plants during the concession period. At the end of the concession period, the Group either needs to dispose of the solar power plants or transfer them to the Grantor at nil consideration. Service concession construction revenue recognized during the year ended December 31, 2012 and 2011 represented the revenue recognized during the construction stage of the service concession period. The same amount of cost is recognized as substantially all construction activities were sub-contracted.

The Group has recognized intangible assets related to the service concession arrangement (Note 14(i)) representing the right the Group receives to charge a fee for sales of electricity.

(ii) In March 2011, the Company, through a subsidiary, respectively entered into an agreement with two third-party wind turbine manufacturers which allows them to install and test certain offshore wind turbine prototype in the Group's offshore wind farm project premise for a period from that date of the agreement to the completion of the relevant testing of the prototype. The manufacturers are required to provide all necessary funding to construct and build the necessary facilities on the project site in order to install the relevant wind turbines for the purpose to carry out the relevant research and development activities. In this connection, the Group agreed to organize and provide certain administrative service for these construction activities. Upon completion of the contract, the Group has to acquire the installed wind turbines and the relevant infrastructure built if the wind turbine prototype successfully obtained certain qualification and approved by Germanischer Lloyd. Alternatively, if the wind turbine manufacturers cannot obtain the aforementioned approval, they are required to demolish the relevant infrastructure built and reinstate the project site. In return, all tariff revenue arising from the electricity generated during the contract period is attributable to the Group.

During the year ended December 31, 2012, tariff revenue arising from the electricity generated from the installed wind turbines amounting to RMB18.2 million (2011: nil) and was recognized as other revenues.

Apart from the above, other revenue represented primarily revenue from the provision of repairs and maintenance service to third party wind farms.

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

Management has determined the operating segments based on the information reviewed by the Executive Management for the purposes of allocating resources and assessing performance.

The Executive Management considers the performance of all business on consolidated basis as all other renewable power except wind power are relatively insignificant for the years ended December 31, 2012 and 2011. Therefore, the Group has one single reportable segment which is wind power segment.

The Company is domiciled in the PRC. During the year ended December 31, 2012, all the Group's revenue are derived from external customers in the PRC (2011: all).

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

For the year ended December 31, 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.

(All amounts are in thousands of RMB unless otherwise stated)

6. OTHER INCOME AND OTHER GAINS-NET

	Year ended December 31,	
	2012	2011
Income from CDM projects	**94,710**	370,800
Foreign exchange gains/(losses), in relation to receivables from CDM projects	**18,859**	(46,711)
Provision for impairment of CDM assets *(Note 22)*	**(34,068)**	—
	79,501	324,089
Government grants	**133,556**	184,911
Compensation income from wind turbine suppliers *(Note (i))*	**37,963**	—
Payment discount from wind turbine suppliers *(Note (ii))*	**20,000**	—
Others	**6,374**	9,350
	277,394	518,350

Notes:

(i) Compensation income from wind turbine suppliers mainly represented compensation from certain third party wind turbine suppliers for revenue losses incurred due to the delay on maintenance services of the wind turbines and certain domestic spare parts of the wind turbines not running stably during the period within the relevant manufacturer warranty period.

(ii) Payment discount from wind turbine suppliers represented discount granted by certain third party wind turbine suppliers in connection with settlement agreements agreed between the parties.

(All amounts are in thousands of RMB unless otherwise stated)

7. FINANCE INCOME AND EXPENSES

	Year ended December 31,	
	2012	2011
Finance income		
Interest income on deposits with banks and other financial institutions	29,940	10,852
Unwinding of discount on long-term receivables	11,040	—
	40,980	10,852
Finance expenses		
Interest expenses	(2,343,044)	(1,758,560)
Less: interest expenses capitalized into property, plant and equipment	368,236	430,360
	(1,974,808)	(1,328,200)
Foreign exchange gains/(losses), net	1,075	(113,966)
	(1,973,733)	(1,442,166)
Net finance expenses	(1,932,753)	(1,431,314)
Interest capitalization rate	5.80% to 7.13%	5.35% to 7.05%

(All amounts are in thousands of RMB unless otherwise stated)

8. OPERATING PROFIT

Operating profit is arrived at after charging:

	Year ended December 31, 2012	Year ended December 31, 2011
Labour costs		
— salaries and staff welfares	285,855	218,000
— retirement benefits-defined contribution plans *(Note (i))*	39,838	27,135
— staff housing benefits *(Note (ii))*	26,716	16,797
— other staff costs	60,495	42,069
	412,904	304,001
Less: labour costs capitalized into property, plant and equipment and intangible assets	(147,965)	(116,252)
	264,939	187,749
Depreciation of property, plant and equipment *(Note 13)*	1,830,590	1,338,788
Amortization of intangible assets and land use rights *(Notes 14 and 15)*	26,070	22,031
Auditors' remuneration	13,600	9,975
Operating lease expenses	9,829	7,858

Notes:

(i) Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at a rate of 20% to 22% (2011: 20% to 22%) of the specified salaries of the PRC employees. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

In addition, the Group has implemented a supplementary defined contribution retirement scheme. Under this scheme, the employees of the Group make a specified contribution based on their service duration. The Group are required to make a contribution equal to 2 to 3 times of the staff's contributions. The Group may, at their discretion, provide additional contributions to the retirement fund depending on the operating results of the year. The employees will receive the total contributions and any returns thereon, upon their retirements.

(ii) Housing fund

In accordance with the PRC housing reform regulations, the Group is required to make contributions to the state-sponsored housing fund at rates from 10% to 20% (2011: 10% to 20%) of the specified salaries of the PRC employees. At the same time, the employees are required to make a contribution based on certain percentages. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances. The Group has no further obligations for housing benefits beyond the contributions made above.

(All amounts are in thousands of RMB unless otherwise stated)

9. INCOME TAX (BENEFIT)/EXPENSE

	Year ended December 31,	
	2012	2011
Current tax expense		
PRC enterprise income tax	**36,933**	35,448
Under-provision in respect of prior years	**2,217**	—
	39,150	35,448
Deferred tax (benefit)/expense		
Tax credits entitlement *(Note (i))*	**(29,042)**	—
Impact of change in applicable tax rate *(Note (ii))*	**(26,206)**	—
Origination and reversal of other temporary differences	**5,881**	(494)
	(49,367)	(494)
Income tax (benefit)/expense	**(10,217)**	34,954

Notes:

(i) Before 2012, public infrastructure projects approved after January 1, 2008 is entitled to "three-year exemption and three-year 50% reduction" preferential treatment commencing from the first year it generates operating income. 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 previously not qualified, are now entitled to the preferential tax treatment starting from January 1, 2008 until respective expiration dates. In this connection, a subsidiary of the Company has obtained the approval from the relevant tax authority to reduce its future income tax liabilities. Accordingly, a deferred tax asset amounting to RMB29.0 million was recognized with respect to tax paid during 2008 to 2011.

(ii) In 2012, certain subsidiaries of the Company located in western region obtained the approval from relevant tax authority to continue enjoying the preferential income tax rate of 15%, together with a "two-year tax exemption and three-year 50% reduction" preferential policy until respective expiration dates.

(All amounts are in thousands of RMB unless otherwise stated)

9. INCOME TAX (BENEFIT)/EXPENSE *(Continued)*

For the year ended December 31, 2012, except for certain subsidiaries incorporated in the PRC which were exempted or entitled to preferential rates of 7.5% to 12.5% (2011: 7.5% to 12.5%), all other subsidiaries incorporated in the PRC are subjected to income tax rate of 25% (2011: 25%). Taxation on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the counties in which the Group operates.

For the year ended December 31, 2012, the jointly controlled entity and associates are subjected to income tax rate of 25% (2011: 25%), and the share of income tax expense of jointly controlled entities and associates of RMB0.3 million (2011: RMB5.0 million) and RMB1.8 million (2011: RMB0.2 million) were included in 'share of profit of a jointly controlled entity' and 'share of loss of associates', respectively.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Year ended December 31,	
	2012	2011
Profit before taxation	**176,337**	1,005,258
Taxation calculated at the statutory tax rate	**44,050**	251,315
Income tax effects of:		
— preferential income tax treatments	**(61,248)**	(246,688)
— re-measurement of deferred tax		
— change in applicable tax rate	**(26,206)**	—
— income not subject to tax	**(2,295)**	—
— expenses not deductible for tax purpose	**4,500**	2,049
— tax losses for which no deferred income tax asset was recognized	**60,364**	34,076
— income tax refunds *(Note (i))*	**(2,557)**	(5,798)
— tax credits entitlement	**(29,042)**	—
— under-provision in respect of prior years	**2,217**	—
	(10,217)	34,954
Weighted average effective income tax rate *(Note (ii))*	**-5.79%**	3.48%

(All amounts are in thousands of RMB unless otherwise stated)

9. INCOME TAX (BENEFIT)/EXPENSE *(Continued)*

Notes:

(i) Income tax refunds represented refund of PRC enterprise income tax after the approval of preferential tax rates from the relevant tax authorities after the respective balance sheet dates.

(ii) The changes in weighted average effective income tax rate were primarily caused by certain tax losses for which no deferred income tax assets were recognized, impact of change in applicable income tax rates, tax credits entitlement, and the fluctuation in profitability of certain subsidiaries of the Company located in regions with preferential income tax rate as well as initiation and expiration of tax benefit of other subsidiaries of the Company.

10. 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 ordinary shares in issue during the year:

	Year ended December 31,	
	2012	2011
Profit attributable to equity holders of the Company	**112,148**	729,842
Weighted average number of ordinary shares issued *(thousands of shares)*	**7,273,701**	7,219,828
Basic earnings per share for profit attributable to the equity holders of the Company *(RMB)*	**0.0154**	0.1011

(b) Diluted earnings per share

Diluted earnings per share for the year ended December 31, 2012 and 2011 is the same as the basic earnings per share as there are no dilutive potential shares.

(All amounts are in thousands of RMB unless otherwise stated)

11. DIVIDENDS

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.

A dividend in respect of the year ended December 31, 2012 of RMB0.023 per share, amounting to a total dividend of RMB167.3 million is to be proposed by the Board at the forthcoming annual general meeting. These financial statements do not reflect this dividend payable.

	Year ended December 31,	
	2012	2011
2011 dividend paid of RMB0.039 (2011: RMB nil) per share	**283,674**	—
Proposed final dividend of RMB0.023 (2011: RMB0.039) per share	**167,295**	283,674
	450,969	283,674

The aggregate amounts of the dividends paid and proposed during 2011 and 2012 have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

(All amounts are in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) The remuneration of each director and supervisor of the Company is set out below:

	Year ended December 31, 2012				
	Fees	Salaries allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Directors					
— Mr. Chen Jinhang (陳進行)*	—	—	—	—	—
— Mr. Wu Jing (吳靜)*	—	—	—	—	—
— Mr. Yin Li (殷立)*	—	—	—	—	—
— Mr. Jian Yingjun (簡英俊)* *(Notes (i))*	—	—	—	—	—
— Mr. Hu Yongsheng (胡永生)	—	281	348	33	662
— Mr. Zhang Xunkui (張勛奎) *(Notes (i))*	—	98	284	33	415
— Mr. Hu Guodong(胡國棟) *(Notes (ii))*	—	253	282	33	568
— Mr. Su Min (蘇民)* *(Notes (ii))*	—	—	—	—	—
Independent non-executive directors					
— Mr. Wang Guogang (王國剛)	60	—	—	—	60
— Mr. Yu Hon To David (俞漢度)	60	—	—	—	60
— Mr. Liu Chaoan (劉朝安)	60	—	—	—	60
Supervisors					
— Mr. Wang Guoping (王國平)*	—	—	—	—	—
— Mr. Zhang Xiaochun (張小春)*	—	—	—	—	—
— Mr. Dong Jianhua (董建華)	—	241	250	33	524
	180	873	1,164	132	2,349

For The Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(a) The remuneration of each director and supervisor of the Company is set out below: *(Continued)*

	Year ended December 31, 2011				
	Fees	Salaries allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Directors					
— Mr. Chen Jinhang (陳進行)*	—	—	—	—	—
— Mr. Wu Jing (吳靜)*	—	—	—	—	—
— Mr. Yin Li (殷立)*	—	—	—	—	—
— Mr. Jian Yingjun (簡英俊)*	—	—	—	—	—
— Mr. Hu Yongsheng (胡永生)	—	262	300	30	592
— Mr. Zhang Xunkui (張勛奎)	—	236	200	30	466
Independent non-executive directors					
— Mr. Wang Guogang (王國剛)	60	—	—	—	60
— Mr. Yu Hon To David (俞漢度)	60	—	—	—	60
— Mr. Liu Chaoan (劉朝安)	60	—	—	—	60
Supervisors					
— Mr. Wang Guoping (王國平)*	—	—	—	—	—
— Mr. Zhang Xiaochun (張小春)*	—	—	—	—	—
— Mr. Dong Jianhua (董建華)	—	234	200	30	464
	180	732	700	90	1,702

* These directors and supervisors of the Company receive emoluments from the Datang Corporation, part of which is in respect of their services to the Group. No apportionment has been made as the directors consider that it is impracticable to apportion this amount between their services to the Group and their services to Datang corporation.

(All amounts are in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(a) The remuneration of each director and supervisor of the Company is set out below: *(Continued)*

Notes:

(i) Due to personal commitments and rearrangement of jobs, Mr. Jian Yingjun and Mr. Zhang Xunkui, each a non-executive director, has resigned as directors of the Company, with effect from December 27, 2012.

(ii) Mr. Su Min and Mr. Hu Guodong, has been appointed as a non-executive director and executive director respectively of the Company with effect from December 27, 2012.

During the year, no emoluments were paid by the Group to the director or supervisor as an inducement to join or upon joining the Group or as compensation for loss of office (2011: nil). No director or supervisor waived or agreed to waive any emoluments during the year (2011: nil).

(b) Five highest paid individuals

The number of director and supervisor and non-director/supervisor included in the five highest paid individuals for the year ended December 31, 2012 are set forth below:

	Year ended December 31,	
	2012	2011
Director or supervisor	3	2
Non-director or supervisor	2	3
	5	5

The emoluments of the directors and supervisors are disclosed in Note 12(a). The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

	Year ended December 31,	
	2012	2011
Salaries and other emoluments	506	708
Discretionary bonuses	566	600
Retirement benefits-defined contribution plans	66	90
	1,138	1,398

(All amounts are in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(b) Five highest paid individuals *(Continued)*

The number of the individuals with the highest emoluments are within the following bands:

	Year ended December 31,	
	2012	2011
Nil to HKD1,000,000	**5**	5

During the year ended December 31, 2012, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2011: nil).

(c) Senior management remuneration by band

The number of individuals emoluments fell within the following bands:

	Year ended December 31,	
	2012	2011
Nil to HKD500,000	**3**	3
HKD500,001 - HKD1,000,000	**7**	7
	10	10

(All amounts are in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT

	Group				
	Buildings	Electricity utility plant	Transportation facilities, office equipment and others	Construction-in-progress	Total
At January 1, 2011					
Cost	814,990	22,227,639	211,282	9,967,591	33,221,502
Accumulated depreciation	(61,047)	(1,724,371)	(30,450)	—	(1,815,868)
Net book amount	753,943	20,503,268	180,832	9,967,591	31,405,634
Year ended December 31, 2011					
Opening net book amount	753,943	20,503,268	180,832	9,967,591	31,405,634
Additions	—	151,028	88,008	10,706,735	10,945,771
Acquisition of subsidiaries *(Note 32(b))*	—	557	432	152,142	153,131
Transfers and reclassifications	411,180	10,063,353	(35,782)	(10,484,819)	(46,068)
Depreciation	(38,376)	(1,274,330)	(34,651)	—	(1,347,357)
Closing net book amount	1,126,747	29,443,876	198,839	10,341,649	41,111,111
At December 31, 2011					
Cost	1,226,170	32,442,949	263,958	10,341,649	44,274,726
Accumulated depreciation	(99,423)	(2,999,073)	(65,119)	—	(3,163,615)
Net book amount	1,126,747	29,443,876	198,839	10,341,649	41,111,111

(All amounts are in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Group				
	Buildings	Electricity utility plant	Transportation facilities, office equipment and others	Construction-in-progress	Total
Year ended December 31, 2012					
Opening net book amount	1,126,747	29,443,876	198,839	10,341,649	41,111,111
Acquisition of subsidiaries *(Note 32(b))*	—	129	1,338	279,745	281,212
Additions	5,447	488	29,774	5,270,718	5,306,427
Transfers and reclassifications	512,308	7,838,506	(184)	(8,350,630)	—
Disposals	—	(72)	(1,420)	—	(1,492)
Depreciation	(58,613)	(1,745,456)	(38,649)	—	(1,842,718)
Closing net book amount	1,585,889	35,537,471	189,698	7,541,482	44,854,540
At December 31, 2012					
Cost	1,744,476	40,232,042	293,993	7,541,482	49,811,993
Accumulated depreciation	(158,587)	(4,694,571)	(104,295)	—	(4,957,453)
Net book amount	1,585,889	35,537,471	189,698	7,541,482	44,854,540

For the year ended December 31, 2012, depreciation expense recognized in the consolidated statement of comprehensive income is analyzed as follows:

	Year ended December 31,	
	2012	2011
Depreciation expense *(Note 8)*	**1,830,590**	1,338,788
Capitalization as construction-in-progress	**12,128**	8,569
	1,842,718	1,347,357

At December 31, 2012, certain property, plant and equipment were pledged as security for long-term bank loans and other loans of the Group (Notes 26(a)(ii), (iv) and (v)).

(All amounts are in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Company				
	Buildings	Electricity utility plant	Transportation facilities, office equipment and others	Construction-in-progress	Total
At January 1, 2011					
Cost	18,830	378,390	18,322	—	415,542
Accumulated depreciation	(5,312)	(96,050)	(2,893)	—	(104,255)
Net book amount	13,518	282,340	15,429	—	311,287
Year ended December 31, 2011					
Opening net book amount	13,518	282,340	15,429	—	311,287
Additions	98,947	9,776	1,335	31,622	141,680
Depreciation	(1,018)	(19,933)	(1,259)	—	(22,210)
Closing net book amount	111,447	272,183	15,505	31,622	430,757
At December 31, 2011					
Cost	117,777	388,166	19,657	31,622	557,222
Accumulated depreciation	(6,330)	(115,983)	(4,152)	—	(126,465)
Net book amount	111,447	272,183	15,505	31,622	430,757

(All amounts are in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Company				
	Buildings	Electricity utility plant	Transportation facilities, office equipment and others	Construction-in-progress	Total
Year ended December 31, 2012					
Opening net book amount	111,447	272,183	15,505	31,622	430,757
Additions	2,146	4,227	2,481	10,463	19,317
Transfers and reclassifications	6,266	29,337	(627)	(34,976)	—
Disposals	(6,266)	(25,319)	(1,866)	—	(33,451)
Depreciation	(2,930)	(19,672)	(2,596)	—	(25,198)
Closing net book amount	110,663	260,756	12,897	7,109	391,425
At December 31, 2012					
Cost	119,923	395,643	20,413	7,109	543,088
Accumulated depreciation	(9,260)	(134,887)	(7,516)	—	(151,663)
Net book amount	110,663	260,756	12,897	7,109	391,425

(All amounts are in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS

	Group				Company
	Goodwill	Concession assets *(Note (i))*	Computer software	Total	Computer software
At January 1, 2011					
Cost	58,055	363,324	13,310	434,689	1,772
Accumulated amortization	—	(30,277)	(1,890)	(32,167)	(292)
Net book amount	58,055	333,047	11,420	402,522	1,480
Year ended December 31, 2011					
Opening net book amount	58,055	333,047	11,420	402,522	1,480
Additions	—	24,249	13,510	37,759	2,904
Amortization	—	(15,139)	(2,905)	(18,044)	(762)
Closing net book amount	58,055	342,157	22,025	422,237	3,622
At December 31, 2011					
Cost	58,055	387,573	26,820	472,448	4,676
Accumulated amortization	—	(45,416)	(4,795)	(50,211)	(1,054)
Net book amount	58,055	342,157	22,025	422,237	3,622
Year ended December 31, 2012					
Opening net book amount	58,055	342,157	22,025	422,237	3,622
Additions	—	8,149	6,804	14,953	1,786
Amortization	—	(15,139)	(5,110)	(20,249)	(1,118)
Closing net book amount	58,055	335,167	23,719	416,941	4,290
At December 31, 2012					
Cost	58,055	395,722	33,624	487,401	6,462
Accumulated amortization	—	(60,555)	(9,905)	(70,460)	(2,172)
Net book amount	58,055	335,167	23,719	416,941	4,290

(All amounts are in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS *(Continued)*

Amortization expense for the year ended December 31, 2012 is analyzed as follows:

	Group Year ended December 31,	
	2012	2011
Amortization expense *(Note 8)*	19,601	17,712
Capitalization as construction-in-progress	648	332
	20,249	18,044

Notes:

(i) Concession assets represent the rights the Group obtained for the usage of the concessions in relation to a wind power plant and a solar power plant for the generation of electricity. The Group recognized the intangible assets at the fair value of the concession construction service. The concession assets are amortized over the original contracted operating period of the relevant service concession projects of 25 years.

(ii) Impairment test for goodwill

At December 31, 2012, all goodwill was recognized from the acquisition of 100% equity interest in Bayannur WulateZhongqi Fuhui Wind Power Generation Company Limited (巴彥淖爾烏拉特中旗富匯風能電力有限公司) ("Bayan Zhongqi") and Bayannur WulateHouqi Fuhui Wind Power Generation Company Limited (巴彥淖爾烏拉特後旗富匯風能電力有限公司) ("Bayan Houqi") in 2008, amount to RMB22.4 million and RMB35.6 million, respectively.

The Group allocates goodwill to cash-generating units ("CGU") that are determined by different operating entities that represent subsidiaries mentioned above. The Group completed its annual impairment test for goodwill allocated to the respective CGU by comparing their recoverable amounts to their carrying amounts as at the reporting date.

The recoverable amount of a CGU is determined based on value in use. These assessments use cash flow projections based on financial budgets approved by management covering a 5-year period with a terminal value related to the future earnings potential of the CGU beyond the next five years. Future cash flows are discounted at the rate of 7.8% (2011: 8.6%). The estimated growth rates adopted do not exceed the long-term average growth rates for the businesses in which the CGU operates. Other key assumptions include expected tariff rates and demands of electricity in specific locations where these power plants are located. Management determined these assumptions based on the existing production capacity of the related power plants and adopted pre-tax interest rate that can reflect specific risk of the CGU as the discount rate.

Based on the assessments, the directors of the Company concluded that there has been no impairment on the goodwill of the Group as at December 31, 2012 (2011: nil).

At December 31, 2012 and 2011, the Group's concession assets pledged as security for long-term bank loans and other loans of the Group (Notes 26(a)(ii)).

(All amounts are in thousands of RMB unless otherwise stated)

15. LAND USE RIGHTS - GROUP

Land use rights represent prepayments made by the Group for the land use rights located in the PRC which are held on leases between 10 years to 50 years.

The movements during the years presented are as follows:

	Year ended December 31,	
	2012	2011
At January 1,	**301,043**	242,543
Acquisitions of subsidiaries *(Note 32(b))*	**—**	838
Additions	**39,484**	63,119
Amortization	**(6,541)**	(5,457)
At December 31,	**333,986**	301,043

Amortization expense for the year ended December 31, 2012 is analyzed as follows:

	Year ended December 31,	
	2012	2011
Amortization expense *(Note 8)*	**6,469**	4,319
Capitalization as construction-in-progress	**72**	1,138
	6,541	5,457

(All amounts are in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN SUBSIDIARIES - COMPANY

	Year ended December 31,	
	2012	2011
Investments, at cost:		
At January 1	**12,665,505**	8,391,696
Acquisitions of subsidiaries *(Note 32(b))*	**69,300**	348,900
Establishment of new subsidiaries	**43,540**	914,489
Capital contributions to subsidiaries	**912,944**	3,010,420
At December 31	**13,691,289**	12,665,505

At December 31, 2012, the Company directly and indirectly holds equity interests in subsidiaries, all of which are unlisted securities.

(All amounts are in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN SUBSIDIARIES - COMPANY *(Continued)*

As at December 31, 2012, the Company's principal subsidiaries summarized as follows:

Name	Place and date of incorporation and operation	Registered and fully paid capital	Effective interest held 2012	Effective interest held 2011
Directly held:				
Datang (Chifeng) Renewable Power Company Limited ("Chifeng Renewable Power") (大唐(赤峰)新能源有限公司) *(Note(ii))*	the PRC/April 28, 2006	Paid-in capital: USD299.0 million (RMB2,120.5 million) Registered capital: USD347.67 million (RMB2,329.4 million)	**60%**	60%
Chifeng Tangneng Renewable Power Company Limited (赤峰唐能新能源有限公司)	the PRC/October 12, 2006	326,720	**100%**	100%
Shanghai East China Sea Wind Power Generation Company Limited ("Shanghai East China Sea") (上海東海風力發電有限公司) *(Note (iii))*	the PRC/January 22, 2007	473,000	**28%**	28%
Datang Xilinguole Wind Power Generation Company Limited (大唐錫林郭勒風力發電有限責任公司) *(Note (ii))*	the PRC/March 7, 2007	Paid-in capital: 474,525 Registered capital: 466,420	**100%**	100%
Datang Huanan Wind Power Generation Company Limited (大唐樺南風力發電有限公司)	the PRC/October 9, 2007	188,860	**70%**	70%
Datang Yilan Wind Power Generation Company Limited (大唐依蘭風力發電有限公司)	the PRC/December 18, 2007	188,860	**82.33%**	82.33%

(All amounts are in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN SUBSIDIARIES - COMPANY *(Continued)*

Name	Place and date of incorporation and operation	Registered and fully paid capital	Effective interest held 2012	Effective interest held 2011
Datang (Tongliao) Huolinhe Renewable Power Company Limited (大唐(通遼)霍林河新能源有限公司)	the PRC/May 29, 2008	514,000	100%	100%
Datang Shandong Renewable Power Company Limited (大唐山東新能源有限公司)	the PRC/June 10, 2009	549,833	100%	100%
Dalian Datang Haipai Renewable Power Company Limited (大連大唐海派新能源有限公司)	the PRC/July 17, 2009	Paid-in capital: 137,491 Registered capital: 100,000	80%	80%
Datang Yumen Changma Wind Power Generation Company Limited (大唐玉門昌馬風電有限公司)	the PRC/September 10, 2009	298,644	100%	100%
Datang Xiangyang Wind Power Company Limited (大唐向陽風電有限公司)	the PRC/October 30, 2009	675,900	100%	100%
Datang (Chaoyang) Renewable Power Company Limited (大唐(朝陽)新能源有限公司) *(Note (ii))*	the PRC/December 11, 2009	Paid-in capital: 384,446 Registered capital: 405,475	60%	60%
Datang Wuzhong Renewable Power Company Limited (大唐吳忠新能源有限公司)	the PRC/June 2, 2010	190,167	100%	100%

(All amounts are in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN SUBSIDIARIES - COMPANY *(Continued)*

Name	Place and date of incorporation and operation	Registered and fully paid capital	Effective interest held 2012	Effective interest held 2011
Datang Wengniuteqi Renewable Power Company Limited (大唐翁牛特旗新能源有限公司)	the PRC/June 21, 2010	124,548	**100%**	100%
Datang Renewable Power (HK) Company Limited ("Datang Renewable HK") (大唐新能源(香港)有限公司)	Hong Kong/January 28, 2011	HKD100,000	**100%**	100%
Datang Renewable Power Shuozhou Wind Power Generation Company Limited (大唐新能源朔州風力發電有限公司)	the PRC/March 16, 2010	118,000	**100%**	100%
Datang Sanmenxia Wind Power Generation Company Limited (大唐三門峽風力發電有限公司)	the PRC/October 23, 2007	Paid-in capital: 172,320 Registered capital: 162,820	**90%**	90%
Indirectly held:				
Datang Laizhou Wind Power Generation Company Limited (大唐萊州風力發電有限責任公司)	the PRC/July 13, 2007	224,615	**100%**	100%
Auschina Energy Development Limited ("AusChina") (中澳能源發展有限公司) *(Notes (ii) and (iv))*	Australia/April 15, 2011	Paid-in capital: AUD7,150 Registered capital: AUD10,000	**87.50%**	63.75%

All English names represent the Company's Directors' best effort of translations and are for reference only. The official names of these entities are in Chinese.

Notes:

(i) The principle activity of the above subsidiaries are all wind power generation except for Datang Renewable HK, which is mainly engaged in investment activity.

(ii) The differences between paid-in capital of these companies and the registered capital is due to capital verifications and related registration procedures are in progress. These temporary timing differences did not have any impact on the equity interest held and registered capital remained unchanged.

(All amounts are in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN SUBSIDIARIES - COMPANY *(Continued)*

Notes: (Continued)

(iii) As confirmed in writing from a 24% (2011: 24%) equity owner, it agreed to act in concert with Datang Corporation before the Reorganization and with the Company after the Reorganization. The directors of the Company are of the opinion that the Company has power to govern the financial and operating policies of Shanghai East China Sea during the years presented.

(iv) In October 2012, a subsidiary of the Company, entered into an agreement with CBD Energy Limited ("CBD"), a non-controlling shareholder of AusChina, to acquire CBD's 23.75% equity interest in AusChina for a consideration of AUD1.00 (equivalent to RMB6.62). Upto the date of the acquisition, CBD had not made any capital contribution into AusChina and therefore the carrying value of the acquired non-controlling interests of a deficit of RMB0.5 million represent CBD's share of losses since the inception of AusChina. As a result of the transaction, the Group recognized an increase in non-controlling interests and a decrease in equity attributable to the equity holders of the Company of RMB0.5 million. Thereafter, the Company's equity interest in AusChina was increased from 63.75% to 87.50%.

In addition to the above, the Company has power to govern the financial and operating policies of certain subsidiaries by virtue of de-facto control.

At December 31, 2012, the Company's share in paid-in capital of certain subsidiaries differed from its proportionate share in share capital as specified in the Article of Association, due to the delay in capital injection by certain shareholders. As a consequence, the Company's effective interest held were determined in accordance with the Articles of Association of respective entities, or the share in paid-in capital as mutually agreed among respective shareholders.

17. INVESTMENT IN ASSOCIATES

	Group Year ended December 31,		Company Year ended December 31,	
	2012	2011	**2012**	2011
At January 1	**28,430**	20,851	**35,851**	20,851
Additions *(Notes (i) and (ii))*	**204,900**	15,000	**4,900**	15,000
Share of loss for the year	**(6,086)**	(7,421)	**—**	—
At December 31	**227,244**	28,430	**40,751**	35,851

(All amounts are in thousands of RMB unless otherwise stated)

17. INVESTMENT IN ASSOCIATES *(Continued)*

As at December 31, 2012, particulars of the Company's and of the Group's associates, of which all are unlisted, are as follows:

Company name	Place and date of establishment	Registered and fully paid capital	Effective interest held 2012	Effective interest held 2011	Principal activities
Xiangdian Wind Power (Fujian) Company Limited (湘電風能(福建)有限公司) ("Xiangdian")	the PRC/December 26, 2007	80,000	30%	30%	Developing, manufacturing, sales and services of wind power generator system, wind power generator and spare parts
Rongcheng Shengu Renewable Power Technology Company Limited(榮成沈鼓新能源科技有限公司) ("Rongcheng Shengu")	the PRC/April 21, 2011	50,000	30%	30%	Research, developing, investment of wind power resource
Guangdong Yueneng Datang Renewable Power Company Limited ("廣東粵能大唐新能源有限公司") ("Guangdong Yueneng") *(Note (i))*	the PRC/April 13, 2012	10,000	49%	—	Research, developing, investment of renewable power
Datang Financial Leasing Company Limited (大唐融資租賃有限公司) ("Datang Financial Leasing") *(Note (ii))*	the PRC/Nov 28, 2012	1,000,000	20%	—	Financial leasing, leasing, purchasing leasing property from domestic and overseas sellers

All English names represent the Company's Directors' best effort of translations and are for reference only. The official names of these entities are in Chinese.

(All amounts are in thousands of RMB unless otherwise stated)

17. INVESTMENT IN ASSOCIATES *(Continued)*

Notes:

(i) In April 2012, the Company and Guangdong Yuneng (Group) Company Limited (廣東粵能(集團)有限公司), a limited liability company incorporated in the PRC, jointly established Guangdong Yueneng. As at December 31, 2012, the Company has injected cash amounting to RMB4.9 million and holds 49% equity interest in Guangdong Yueneng. As of December 31, 2012, Guangdong Yueneng has not commenced operation.

(ii) In November 2012, the Company's wholly-owned subsidiary Datang Renewable HK entered into an joint venture agreement with three subsidiaries of Datang Corporation to jointly establish Datang Financial Leasing, in which the Company holds an effective equity interest of 20%. As of December 31, 2012, the Group has injected its share of capital contribution amounted to RMB200 million.

The Group's share of the results of its associates, their aggregated assets and liabilities, are as follows:

	Assets		Liabilities		Revenue		(Loss)/Profit for the year	
Company name	2012	2011	2012	2011	2012	2011	2012	2011
Rongcheng Shengu	25,697	15,107	(11,501)	(384)	—	—	(527)	(277)
Xiangdian	107,884	150,116	(99,857)	(136,409)	40,771	146,039	(5,680)	(7,144)
Datang Financial Leasing	200,210	—	(89)	—	338	—	121	—
Guangdong Yueneng	4,910	—	(10)	—	—	—	—	—
	338,701	165,223	(111,457)	(136,793)	41,109	146,039	(6,086)	(7,421)

(All amounts are in thousands of RMB unless otherwise stated)

18. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	Group Year ended December 31,		Company Year ended December 31,	
	2012	2011	**2012**	2011
At January 1	**55,012**	—	**40,000**	—
Capital injections	**10,000**	40,000	**10,000**	40,000
Share of profits for the year	**758**	15,012	**—**	—
Dividends	**(15,012)**	—	**—**	—
At December 31	**50,758**	55,012	**50,000**	40,000

As at December 31, 2012, particulars of the Company's jointly controlled entity are as follows:

Company name	Place and date of establishment	Registered and fully paid capital	Effective interest held		Principal activities
			2012	2011	
Asian Renewable Power Technology Engineering Company Limited (亞洲新能源科技工程有限公司)	the PRC/July 26, 2011	100,000	**50%**	50%	Designing, manufacturing, sales of renewable power equipments and steel structure parts

All English names represent the Company's Directors' best effort of translations and are for reference only. The official names of these entities are in Chinese.

(All amounts are in thousands of RMB unless otherwise stated)

18. INVESTMENT IN A JOINTLY CONTROLLED ENTITY *(Continued)*

The Group's share of the results of its jointly controlled entity, its aggregated assets and liabilities, are as follows:

	Group Year ended December 31,	
	2012	2011
Current assets	71,238	61,161
Non-current assets	41	52
Current liabilities	(20,521)	(6,201)
Non-current liabilities	—	—
Revenue	100,479	43,438
Expenses	99,721	28,426
Profit for the year	758	15,012

19. FINANCIAL ASSETS

(a) Available-for-sale investments and financial assets at fair value through other comprehensive income

	Financial assets at fair value through other comprehensive income	Available-for-sale investments
	2012	2011
At January 1	—	51,167
Additions *(Note)*	—	515,317
Disposal	—	(59,178)
Change in fair value transfer to other comprehensive income	—	(73,920)
Transferred from available-for-sale investments *(Note 2.1.2(a))*	433,386	—
Exchange differences	53	—
Net losses transfer to other comprehensive income	(98,959)	—
At December 31	334,480	433,386

(All amounts are in thousands of RMB unless otherwise stated)

19. FINANCIAL ASSETS *(Continued)*

(a) Available-for-sale investments and financial assets at fair value through other comprehensive income *(Continued)*

Note:

In June and December 2011, the Company, through a subsidiary, participated in the global public offerings of Huaneng Renewable Corporation Limited (華能新能源股份有限公司) ("Huaneng Renewable") and Guodian Technology & Environment Group Corporation Limited (國電科環集團股份有限公司) ("Guodian Technology"), both are subsidiaries of companies controlled by the PRC government and acquired 1.47% and 1.82% equity interests in Huaneng Renewable and Guodian Technology for a cash consideration of RMB260.9 million and RMB195.2 million, respectively.

At December 31, 2012 and 2011, the Group's respective financial assets at fair value through other comprehensive income and available-for-sale investments include the following:

	Financial assets at fair value through other comprehensive income	Available-for-sale investments
	At December 31, 2012	At December 31, 2011
Listed securities:		
— Equity securities - Hong Kong	**283,313**	382,219
Unlisted securities:		
— Equity securities - the PRC	**51,167**	51,167
	334,480	433,386
Market value of listed securities	**283,313**	382,219

(All amounts are in thousands of RMB unless otherwise stated)

19. FINANCIAL ASSETS *(Continued)*

(a) Available-for-sale investments and financial assets at fair value through other comprehensive income *(Continued)*

Financial assets at fair value through other comprehensive income and available-for-sale investments are denominated in the following currencies:

	Financial assets at fair value through other comprehensive income	Available-for-sale investments
	At December 31, 2012	At December 31, 2011
RMB	51,167	51,167
HKD	283,313	382,219
	334,480	433,386

At December 31, 2012 and 2011, the directors of the Company are of their opinion that the fair value of unlisted securities is approximate to their cost as the relevant entity is at development stage and has not commenced operation.

(b) Financial assets at fair value through profit or loss

Financial assets mandatorily measured at fair value through profit or loss in accordance with IFRS 9 are equity funds. Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other income and other gains-net' in the consolidated statement of comprehensive income. The fair value of the equity funds is based on the market price of the targeted stock investments of the equity funds in an active market.

At December 31, 2012, all financial assets at fair value through profit or loss are denominated in HKD.

(All amounts are in thousands of RMB unless otherwise stated)

20. OTHER NON-CURRENT ASSETS

At December 31, 2012, other non-current assets comprise the following:

	Group			Company		
	At December 31, 2012	At December 31, 2011	At January 1, 2011	At December 31, 2012	At December 31, 2011	At January 1, 2011
Receivables from provision of services	347,865	322,124	—	347,865	322,124	—
Deposit for borrowings *(Note 26(a)(iv))*	53,755	54,975	48,675	—	—	—
Entrusted loans receivable from subsidiaries	—	—	—	1,765,270	2,240,936	95,000
VAT recoverable *(Note)*	2,552,823	2,400,267	1,573,808	3,121	214	—
Others	82,073	54,516	81,416	14,905	39,079	80,000
	3,036,516	2,831,882	1,703,899	2,131,161	2,602,353	175,000
Less: Current portion of						
— Receivables from provision of services *(Note 22)*	273,986	215,985	—	273,986	215,985	—
— Entrusted loans receivable from subsidiaries	—	—	—	122,520	40,000	5,000
	273,986	215,985	—	396,506	255,985	5,000
	2,762,530	2,615,897	1,703,899	1,734,655	2,346,368	170,000

Note:

VAT recoverable represents the input VAT relating to purchase of property, plant and equipment, which are allowed to be deducted from the output VAT arising from the sales of electricity in the future period.

To conform with the current year's presentation, VAT recoverable amounting to RMB2,400.3 million and RMB1,573.8 million at December 31, 2011 and January 1, 2011, respectively, were reclassified from current assets to non-current assets.

At December 31, 2012, all receivables are demonstrated in RMB (2011: RMB).

(All amounts are in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLE

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Trade receivables	**2,924,698**	2,683,858	**68,022**	113,265
Bills receivable	**109,821**	9,880	**21,190**	—
	3,034,519	2,693,738	**89,212**	113,265
Less: provision for doubtful debts	**—**	—	**—**	—
	3,034,519	2,693,738	**89,212**	113,265

Trade and bills receivable primarily represent receivables from regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest bearing. The carrying amounts of the Group's trade and bills receivable are all denominated in RMB.

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.

Aging analysis of trade and bills receivable was as follows:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Within 1 year	**2,087,606**	2,265,933	**71,998**	101,968
Between 1 and 2 years	**818,434**	422,457	**17,214**	8,277
Between 2 and 3 years	**126,151**	3,020	**—**	3,020
Over 3 years	**2,328**	2,328	**—**	—
	3,034,519	2,693,738	**89,212**	113,265

(All amounts are in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLE *(Continued)*

At December 31, 2012, trade and bills receivable of RMB946.9 million (2011: RMB427.8 million) were past due but not impaired. The ageing analysis of these trade and bills receivable is as follows:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Past due within 1 year	**818,434**	422,457	**17,214**	8,277
Past due over 1 year	**128,479**	5,348	**—**	3,020
	946,913	427,805	**17,214**	11,297

At 31 December 2012, the individually significant (over RMB5.0 million) trade and bills receivable of the Group amounted to RMB2,924.4 million (2011: RMB2,660.4 million), representing 96.37% (2011: 98.76%) of the total trade and bills receivable. There was no bad debt provision made on these trade and bills receivable based on the assessment at December 31, 2012 (2011: nil).

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 12 months from the date of invoice.

In November 2012, the relevant government authorities have announced the allocation of tariff premium in relation to the electricity generated during the period from October 2010 to April 2011. In this connection, trade receivable amounting to approximately RMB532.7 million were subsequently settled in March 2013.

In December 2012, the Group entered into an agreement with China Construction Bank to discount certain trade receivable without recourse. During the year ended December 31, 2012, accounts receivable amounting to RMB850.0 million was derecognized.

For The Year Ended December 31, 2012
(All amounts are in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLE *(Continued)*

The directors are of the opinion that the remaining trade and bills receivable are fully recoverable considering there are no bad debt experiences in the past and the tariff premium is funded by the PRC government.

At December 31, 2012 and 2011, the Group has pledged proportion of their tariff collection rights as security for certain bank and other loans (Notes 26(a) (ii) and (v)).

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	Group			Company		
	At December 31, 2012	At December 31, 2011	At January 1, 2011	**At December 31, 2012**	At December 31, 2011	At January 1, 2011
Prepayments or advances for projects	**929,288**	864,344	349,766	**172,912**	193,635	140,950
CDM assets	**626,104**	590,652	363,475	**8,051**	6,580	4,823
Notes receivable *(Note (i))*	**—**	400,000	—	**—**	—	—
Receivables from provision of construction services *(Note 20)*	**273,986**	215,985	—	**273,986**	215,985	—
Staff advances	**12,710**	10,547	8,148	**4,571**	3,446	1,849
Entrusted loans and amounts due from related parties *(Note (ii))*	**40,216**	103,094	22,384	**—**	85,000	—
Entrusted Loans and amounts due from subsidiaries	**—**	—	—	**5,719,832**	6,248,218	443,340
Dividend receivables	**—**	—	—	**954,669**	611,800	249,556
Receivable from disposal of a wind farm project *(Note (iii))*	**35,950**	—	—	**—**	—	—
Deposit for project investments	**34,740**	11,500	—	**4,000**	4,000	
Others	**249,568**	199,287	232,403	**21,599**	12,003	108,741
	2,202,562	2,395,409	976,176	**7,159,620**	7,380,667	949,259
Less: provision for doubtful debts *(Note (iv))*	**(34,068)**	—	—	**(423)**	—	—
	2,168,494	2,395,409	976,176	**7,159,197**	7,380,667	949,259

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS *(Continued)*

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) At December 31, 2012, amounts due from related parties primarily included receivables from certain fellow subsidiaries of the Company amounted to RMB9.6 million (2011: nil), which represent electricity sales receivables collected by the relevant fellow subsidiaries of the Company on behalf of the Group. For the year ended December 31, 2012, total electricity sales receivables collected by the fellow subsidiaries of the Company on behalf of the Group amounted to approximately RMB56.8 million (2011: RMB229.8 million).

(iii) On October 8, 2012, AusChina entered into an agreement with a wind turbine manufacturer and wind farm developer (the "Purchaser"), pursuant to which the Purchaser agreed to acquire all the relevant assets, including research and due diligence results of and deposits paid for a wind farm project located in New South Wales, Australia, pursued by the Group totaling to RMB31.8 million for a cash consideration of AUD5.5 million (equivalent to RMB36.0 million). According to the terms of the agreement, total cash consideration of AUD5.5 million is payable within six months from the completion of transfer of related assets or rights to the Purchaser. Accordingly, the disposal resulted in a gain of RMB4.2 million.

At December 31, 2012, except for certain CDM assets, substantially all other receivables and other current assets (2011 and 2010: substantially all) were not past due. The directors of the Company are of the opinion that the counterparties are with good credit quality and the balances are considered fully recoverable and unimpaired.

In relation to CDM assets/receivables, all counter-parties have committed to purchases the CERs and prices have been agreed at the time of recognition. These relate to a number of independent customers for whom the Group is not aware of any significant financial difficulty. Based on the assessment of the directors of the Company, a portion of these amounts is expected to be recovered. As of December 31, 2012, the Group and the Company has assessed and a provision of RMB34.1 million (2011: nil) and RMB0.4 million (2011: nil) has been made, respectively.

(All amounts are in thousands of RMB unless otherwise stated)

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS (Continued)

The carrying amount of the Group and the Company's prepayment, other receivables and other current assets are denominated in the following currencies:

	Group			Company		
	At December 31, 2012	At December 31, 2011	At January 1, 2011	At December 31, 2012	At December 31, 2011	At January 1, 2011
RMB	1,515,759	1,729,155	612,701	7,151,569	7,376,840	944,436
USD	17,732	18,956	9,154	—	—	—
HKD	24,326	40,478	—	—	—	—
EUR	574,304	571,697	354,321	7,628	3,827	4,823
AUD	36,373	35,123	—	—	—	—
	2,168,494	2,395,409	976,176	7,159,197	7,380,667	949,259

23. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Restricted cash

As of December 31, 2012, restricted cash represents the balance of frozen bank accounts of a subsidiary in connection with a pending law suit (Note 31) (2011: cash held at escrow account for the purpose of establishment of a new subsidiary, which the relevant legal process is in progress). The restricted cash are denominated in RMB.

(All amounts are in thousands of RMB unless otherwise stated)

23. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH *(Continued)*

(b) Cash and cash equivalents

Cash and cash equivalents comprise of the following:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Cash in hand	**6**	101	**2**	9
Deposits with banks and other financial institutions	**2,103,823**	4,162,323	**770,380**	2,837,103
	2,103,829	4,162,424	**770,382**	2,837,112

Cash and cash equivalents of the Group and the Company are denominated in the following currencies:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
RMB	**1,979,837**	3,622,404	**714,648**	2,360,714
USD	**16,198**	6,841	**—**	—
HKD	**101,132**	522,027	**55,734**	476,398
EUR	**4,329**	4,246	**—**	—
AUD	**2,333**	6,906	**—**	—
	2,103,829	4,162,424	**770,382**	2,837,112

(All amounts are in thousands of RMB unless otherwise stated)

24. SHARE CAPITAL AND SHARE PREMIUM

At December 31, 2012, share capital comprises of the following:

	Group and Company	
	December 31, 2012	December 31, 2011
Domestic shares	**4,772,630**	4,772,630
H shares	**2,501,071**	2,501,071
	7,273,701	7,273,701

The total authorized number of ordinary shares is 7,273 million shares with a par value of RMB1.00 per share. At December 31, 2012 and 2011, all issued shares are registered, fully paid and rank pari passu to each other.

As at December 31, 2012 and 2011, all H shares are listed in The Stock Exchange of Hong Kong Limited.

A summary of the movements in the Company's issued share capital and share premium is as follows:

	Company			
	Number of shares *(thousands)*	Share capital	Share premium	Total
At January 1, 2011	7,142,610	7,142,610	1,971,884	9,114,494
Issue of H shares, net of issuance costs *(Note)*	131,091	131,091	109,085	240,176
At December 31, 2011 and 2012	7,273,701	7,273,701	2,080,969	9,354,670

Note:

On May 30, 2011, in connection with the over-allotment of shares in relation to the Company initial public offering in December 2010, 131,091,000 H shares were issued at HKD2.33 (equivalent to approximately RMB1.94) per share for HKD305 million (equivalent to RMB254 million), net of issuance costs of RMB14 million. In connection with the issuance, 13,109,100 domestic state-owned shares of RMB1.00 each owned by Datang Corporation and Datang Jilin Power Generation Company Limited (大唐吉林發電有限公司) were converted into H shares and transferred to the National Council for Social Security Fund of the PRC.

(All amounts are in thousands of RMB unless otherwise stated)

25. OTHER RESERVES AND RETAINED EARNINGS

A summary of the movements of other reserves for the year ended December 31, 2012 is as follows:

	Group					
	Statutory surplus reserve	Other reserves	Available-for-sale investments	Investments revaluation reserve	Currency translation	Total
	(Note (a))	*(Note (b))*				
At January 1, 2011	24,702	(1,466,713)	—	—	—	(1,442,011)
Acquisition of non-controlling interests of subsidiaries	—	14,027	—	—	—	14,027
Capital contributions	—	40	—	—	—	40
Common control business combinations-Consideration by the Company *(Note 32(a))*	—	(204,000)	—	—	—	(204,000)
Revaluation losses	—	—	(73,920)	—	—	(73,920)
Currency translation difference	—	—	—	—	(1,775)	(1,775)
Common controlled business combination - capital contributions by the then equity owners	—	40,000	—	—	—	40,000
Appropriations	59,816	—	—	—	—	59,816
At December 31, 2011	84,518	(1,616,646)	(73,920)	—	(1,775)	(1,607,823)
At January 1, 2012	84,518	(1,616,646)	(73,920)	—	(1,775)	(1,607,823)
Reclassification *(Note 2.12(a))*	—	—	73,920	(73,920)	—	—
Revaluation losses	—	—	—	(98,906)	—	(98,906)
Currency translation difference	—	—	—	—	1,205	1,205
Appropriations	37,538	—	—	—	—	37,538
At December 31, 2012	122,056	(1,616,646)	—	(172,826)	(570)	(1,667,986)

(All amounts are in thousands of RMB unless otherwise stated)

25. OTHER RESERVES AND RETAINED EARNINGS *(Continued)*

	Company			
	Other reserves			Retained earnings
	Statutory surplus	Others	Total	
	(Note (a))	*(Note (b))*		
At January 1, 2011	15,410	1,349,341	1,364,751	38,390
Profit for the year	—	—	—	590,569
Appropriations	59,816	—	59,816	(59,816)
At December 31, 2011	75,226	1,349,341	1,424,567	569,143
At January 1, 2012	75,226	1,349,341	1,424,567	569,143
Profit for the year	—	—	—	395,839
Appropriations	37,538	—	37,538	(37,538)
Dividends paid relating to 2011	—	—	—	(283,674)
At December 31, 2012	112,764	1,349,341	1,462,105	643,770

Notes:

(a) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, the Company is required to appropriate 10% of its net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of the PRC, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such a reserve reaches 50% of the registered capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of registered capital. The statutory surplus reserve is non-distributable.

(b) Other reserves

Other reserves of the Company are mainly the difference between the fair value of assets injected by Datang Corporation and its share in the share capital, as part of the Reorganization as set out in Note 1, and merger reserves arising from business combinations under common control.

(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS

(a) Long-term borrowings:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Bank loans				
— unsecured loans	**18,771,203**	18,928,667	**2,345,270**	2,326,700
— guaranteed loans *(Note (i))*	**3,113,664**	3,652,550	**—**	—
— secured loans *(Note (ii))*	**4,640,668**	2,274,220	**—**	—
Corporate bonds-unsecured *(Note (iii))*	**4,183,319**	4,178,986	**4,183,319**	4,178,986
Other loans				
— unsecured loans	**872,232**	—	**500,000**	—
— guaranteed loans *(Notes (i) and (iv))*	**2,846,389**	3,165,801	**—**	—
— secured loans *(Notes (iv) and (v))*	**565,013**	298,243	**—**	—
	34,992,488	32,498,467	**7,028,589**	6,505,686
Less: Current portion of long-term borrowings *(Note 26(b))*				
— bank loans	**2,086,528**	2,798,928	**142,520**	1,207,000
— other loans	**200,748**	185,494	**—**	—
	2,287,276	2,984,422	**142,520**	1,207,000
	32,705,212	29,514,045	**6,886,069**	5,298,686
Estimated fair value of long-term borrowings *(Note (vi))*	**35,072,169**	32,556,538	**7,108,270**	6,563,757

(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS *(Continued)*

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

Notes:

(i) Details of guaranteed loans are as follows:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Guarantor				
— The Company*	**1,765,574**	5,467,968	**—**	—
— Non-controlling interests of subsidiaries and an ultimate holding company of non-controlling interests	**1,348,090**	1,350,383	**—**	—
	3,113,664	6,818,351	**—**	—

* At December 31, 2012, guaranteed loans by the Company amounting to RMB70 million (2011: RMB89 million) were counter guaranteed by non-controlling interests of a subsidiary.

(ii) At December 31, 2012, secured loans amounting to RMB619 million (2011: RMB577 million) were secured by certain property, plant and equipment amounting to RMB890 million (2011: RMB884 million) (Note 13). Secured loans amounting to RMB275 million (2011: 293 million) were secured by concession assets amounting to RMB303 million (2011: RMB318 million) (Note 14). The remaining balance of the secured loans amounting to RMB3,492 million (2011: RMB1,404 million) were secured by the tariff collection rights amounting to RMB271 million (2011: RMB106 million) (Note 21).

At December 31, 2012, secured loans amounting to RMB255 million (2011: nil) were secured by tariff collection rights amounting to RMB42 million (2011: nil) (Note 21), and certain property, plant and equipment with carrying amount of RMB349 million(2011: nil) (Note 13).

26. BORROWINGS *(Continued)*

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

Notes: (Continued)

(iii) In November 2011, the Company issued corporate bonds with par value of RMB100 each totalling RMB4,200 million. These bonds have 5 years maturity with a fixed annual coupon and effective interest rates of 5.40% and 5.52%, respectively. Total proceeds received net of issuance costs, amounted to RMB4,178 million. These bonds are traded on the Shanghai Stock Exchange.

(iv) At December 31, 2012, included in other loans were borrowings of RMB3,156 million from ICBC Financial Leasing Company Limited (工銀金融租賃有限公司) (2011: RMB2,983 million) for wind farm project construction, among which, borrowings amounting to RMB310 million (2011: nil) (Note 13) were secured by certain property, plant and equipment of related wind farms amounting to RMB301 million (2011: nil). The remaining borrowings amounting to RMB2,846 million were all guaranteed by the Company. In connection with the above mentioned borrowings, deposit amounting to RMB53.8 million (2011: RMB55.0 million) was placed with ICBC Financial Leasing Company Limited, which will be settled against the last installment of payment (Note 20).

(v) At December 31, 2012, secured loans from another financial institution amounting to RMB255 million (2011: RMB298 million) were secured by tariff collection rights amounting to RMB419 million (2011: RMB481 million) (Note 21), insurance contract and certain property, plant and equipment with carrying amount of RMB505 million (2011: RMB535 million) (Note 13).

(vi) The estimated fair value of long-term loans (including current portion) is calculated based on discounted cash flow using applicable discount rates from prevailing market interest rates offered to the Group for loans with substantially the same characteristics and maturity dates. The annual discount rates applied as at December 31, 2012 were ranging 4.32% to 7.21% (2011: 3.57% to 7.76%).

(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS *(Continued)*

(b) Short-term borrowings:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Bank loans				
— unsecured loans	**611,015**	688,215	**400,000**	600,000
Short-term bonds *(Note (i))*	**2,008,342**	1,994,632	**2,008,342**	1,994,632
Other loans -unsecured loans *(Note (ii))*	**550,000**	—	**2,129,681**	4,980,013
Current portion of long-term borrowings *(Note 26(a))*				
— bank loans	**2,086,528**	2,798,928	**142,520**	1,207,000
— other loans	**200,748**	185,494	**—**	—
	5,456,633	5,667,269	**4,680,543**	8,781,645

Notes:

(i) In October 2012, the Company issued short-term bonds with par value of RMB100 each totalling RMB2,000 million with annual coupon and effective interest rate at 4.35% and 4.77%, respectively, and matured within one year.

In September 2011, the Company issued short-term bonds with par value of RMB100 each totalling RMB2,000 million with annual coupon and effective interest rate at 5.94% and 6.36%, respectively, and matured within one year.

(ii) In 2011, the Company, together with certain subsidiaries, entered into agreements with a bank for certain cash pool management service, with the intention to improve the Group's capital structure and working capital efficiency. Under such agreements, substantially all cash of these subsidiaries is transferred and held by the Company's designated accounts as loans to the Company. The Company charges/pays interest at 1.17% for cash balances transferred to the Company. At December 31, 2012, included in other loans of the Company, borrowings amounting to RMB2,130.0 million (2011: RMB4,980.0 million) were loans due to these subsidiaries under this arrangement. All these loans are due on demand.

The estimated fair values of short-term borrowings approximate their carrying amounts.

(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS *(Continued)*

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

	Group Year ended December 31,		Company Year ended December 31,	
	2012	2011	**2012**	2011
Long-term				
Bank loans	**4.32%-7.05%**	3.57%-7.76%	**5.54%-7.05%**	4.86%-6.70%
Other loans	**5.54%-7.21%**	5.44%-7.05%	**5.54%**	—
Short-term				
Bank loans	**4.00%-6.56%**	4.00%-7.05%	**5.04%-6.56%**	4.78%-6.56%
Other loans	**5.04%-7.05%**	4.37%-5.90%	**1.17%-5.49%**	1.17%-5.90%

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

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Within 1 year	**2,287,276**	2,984,422	**142,520**	1,207,000
After 1 year but within 2 years	**2,859,438**	2,786,348	**573,720**	138,000
After 2 years but within 5 years	**12,756,659**	11,271,304	**5,362,239**	4,602,986
After 5 years	**17,089,115**	15,456,393	**950,110**	557,700
	34,992,488	32,498,467	**7,028,589**	6,505,686
Wholly repayable within 5 years	**6,367,016**	7,063,425	**5,385,319**	5,327,986

(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS *(Continued)*

(e) The carrying amounts of borrowings are denominated in the following currencies:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
RMB	**37,906,833**	34,883,071	**11,566,612**	14,080,331
USD	**255,012**	298,243	**—**	—
	38,161,845	35,181,314	**11,566,612**	14,080,331

27. TRADE AND BILLS PAYABLE

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Trade payables	**44,720**	21,703	**5,787**	4,924
Bills payable	**592,577**	482,005	**500,577**	—
	637,297	503,708	**506,364**	4,924

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

(All amounts are in thousands of RMB unless otherwise stated)

28. OTHER PAYABLES

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Payables for property, plant and equipment	**4,511,057**	5,418,672	**156,421**	138,049
Amounts due to related parties	**418,203**	476,113	**49,239**	57,354
Interests payable	**105,434**	143,694	**39,991**	77,345
Payables for CDM projects	**101,846**	112,430	**293**	205
Payables for land use rights	**3,908**	1,377	**—**	—
Accrued staff related costs	**46,399**	37,298	**4,195**	2,968
Payables for other taxes	**23,267**	32,648	**3,792**	11,840
Dividends payable	**194,382**	19,231	**—**	—
Consideration payables for business combinations under common control *(Note 32(a))*	**102,000**	102,000	**102,000**	102,000
Advances from suppliers *(Note)*	**152,668**	152,668	**—**	—
Other accruals and payables	**187,065**	140,732	**34,484**	29,649
	5,846,229	6,636,863	**390,415**	419,410

Note:

Advances from suppliers represented funds received from certain wind turbine supplier for payments on its behalf in connection with the installation of wind turbine facilities pursuant to the agreement set out in Note 5(ii).

(All amounts are in thousands of RMB unless otherwise stated)

28. OTHER PAYABLES *(Continued)*

The carrying amount of the Group and the Company's other payables denominated in the following currencies:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
RMB	**5,764,431**	6,511,393	**389,724**	408,090
USD	**71**	2,186	**—**	—
EUR	**79,627**	110,245	**—**	205
HKD	**560**	11,115	**691**	11,115
AUD	**1,540**	1,924	**—**	—
	5,846,229	6,636,863	**390,415**	419,410

29. DEFERRED INCOME TAX — GROUP

The analysis of deferred income tax assets and liabilities is as follows:

	At December 31,	
	2012	2011
Deferred income tax assets:		
— Deferred income tax assets to be recovered after more than 12 months	**27,518**	7,873
— Deferred income tax assets to be recovered within 12 months	**2,539**	86
	30,057	7,959
Deferred income tax liabilities:		
— Deferred income tax liabilities to be settled after more than 12 months	**(30,537)**	(56,389)
— Deferred income tax liabilities to be settled within 12 months	**(2,126)**	(3,543)
	(32,663)	(59,932)
Deferred income tax liabilities, net	**(2,606)**	(51,973)

(All amounts are in thousands of RMB unless otherwise stated)

29. DEFERRED INCOME TAX — GROUP *(Continued)*

The gross movement on the deferred income tax account is as follows:

	At December 31,	
	2012	2011
At January 1	**(51,973)**	(52,467)
Tax credited to the consolidated statement of comprehensive income *(Note 9)*	**49,367**	494
At December 31	**(2,606)**	(51,973)

The movement in deferred income tax assets/(liabilities) during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax losses and others	Assets revaluation
At January 1, 2011	8,528	(60,995)
(Charged)/credited to the consolidated statement of comprehensive income	(569)	1,063
At December 31, 2011	7,959	(59,932)
At January 1, 2012	7,959	(59,932)
Credited to the consolidated statement of comprehensive income	22,098	27,269
At December 31, 2012	30,057	(32,663)

(All amounts are in thousands of RMB unless otherwise stated)

29. DEFERRED INCOME TAX — GROUP *(Continued)*

Deferred income tax assets are recognized for tax losses carried-forward to the extent that the realization of the related income tax benefits through the future taxable profits is probable. The Group did not recognize deferred income tax assets in respect of certain losses that can be carried forward against future taxable income. The expiry dates of related tax losses are summarized as follows:

	At December 31,	
	2012	2011
Year of expiry		
2014	**6,442**	6,442
2015	**369**	369
2016	**161,653**	161,653
2017	**389,773**	N/A
	558,237	168,464

30. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Contracted but not provided for	**7,376,704**	6,718,272	**—**	—
Authorized but not contracted for	**21,630,335**	10,239,905	**427,780**	—
	29,007,039	16,958,177	**427,780**	—

(All amounts are in thousands of RMB unless otherwise stated)

30. COMMITMENTS *(Continued)*

(b) Commitment under operating leases

At December 31, 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Within 1 year	**3,497**	10,544	**28**	—
Between 2 and 5 years	**5,874**	34,079	**—**	—
Over 5 years	**7,551**	4,877	**—**	—
	16,922	49,500	**28**	—

(c) Commitment for capital contribution

At December 31, 2012, the Group and the Company have commitment to inject additional capital to its subsidiaries, respectively as follows:

	Group At December 31,		Company At December 31,	
	2012	2011	**2012**	2011
Commitment for capital contribution	**—**	—	**434,689**	275,956

31. CONTINGENT LIABILITIES

In March 2012, Inner Mongolia Longxin Wind Power Generation Company Limited (內蒙古隆欣風力發電有限責任公司) ("Inner Mongolia Longxin"), a subsidiary of the Company, is named as a defendant in a claim filed with the Supreme Court of the Inner Mongolia Autonomous Region for unpaid liabilities arising from construction services provided to Inner Mongolia Longxin by the constructor prior to the Company's acquisition of Inner Mongolia Longxin in January 2012 (Note 32(b)). In September 2012, the court issued an order to freeze two bank accounts of Inner Mongolia Longxin. At December 31, 2012, cash and cash equivalent totalling to RMB10.1 million are held in the affected bank accounts.

After consideration of the opinion of an independent legal counsel, a provision of RMB16.2 million (2011: nil) is made with respect to the claim. The directors of the Company are of the opinion that the claim will not give rise to any significant losses beyond the amounts provided at December 31, 2012.

Apart from the above, the Group has contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. At December 31, 2012, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the consolidated financial statements.

32. 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 in aggregate of RMB204.0 million. The Company, Datang Shandong Power and Datang Overhaul are under common control of Datang Corporation.

(All amounts are in thousands of RMB unless otherwise stated)

32. BUSINESS COMBINATIONS *(Continued)*

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

	Datang Laizhou	Datang Wendeng	Total
Consideration:			
— Cash paid in 2011	83,000	19,000	102,000
— Consideration payable *(Note 28)*	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

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 RMB20.0 million and RMB86.4 million, respectively.

In accordance with the principles of the relevant accounting 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 year ended December 31, 2011 has been restated as if the combination occurred 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 year ended December 31, 2011 has been increased by RMB79.8 million and RMB26.4 million, respectively.

32. BUSINESS COMBINATIONS *(Continued)*

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

On January 21, 2013, the Company entered into an agreement respectively with Datang Shandong and Datang Overhaul in respect of the cancellation of the abovementioned acquisition of equity interests in Datang Laizhou and Datang Wendeng. Pursuant to the agreement, the Company agreed to return the 100% equity interests acquired in Datang Laizhou and Datang Wendeng to Datang Shandong and Datang Overhaul, respectively, and Datang Shandong and Datang Overhaul agreed to return the consideration paid by the Company RMB83.0 million and RMB19.0 million, respectively, and all remaining consideration payable amounting to RMB102.0 million was waived.

Accordingly, these transactions will be accounted for as a deemed disposal and both Datang Laizhou and Datang Wendeng will be deconsolidated. Upon completion of the disposal, the difference between the deemed consideration and carrying value of the net assets of Datang Laizhou and Datang Wendeng will be credited to other reserves.

(All amounts are in thousands of RMB unless otherwise stated)

32. BUSINESS COMBINATIONS *(Continued)*

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

At December 31, 2012, the aggregated assets and liabilities of Datang Laizhou and Datang Wendeng are as follows:

	Datang Laizhou	Datang Wendeng	Total
Total current assets			
Cash and cash equivalents	37,050	4,353	41,403
Trade and bills receivable	37,628	39,129	76,757
Prepayments, other receivables and other current assets	1,862	17,259	19,121
	76,540	60,741	137,281
Total non-current assets:			
Property, plant and equipment	508,213	351,658	859,871
Land use rights	5,987	9,095	15,082
Other non-current assets	47,669	28,554	76,223
	561,869	389,307	951,176
Total current liabilities:			
Other payables	(324,265)	(100,856)	(425,121)
Borrowings	(10,000)	(9,800)	(19,800)
	(334,265)	(110,656)	(444,921)
Total non-current liabilities:			
Borrowings	(280,000)	(324,800)	(604,000)
Net assets	24,144	15,392	39,536

There were no business combinations under common control for the year ended December 31, 2012.

32. BUSINESS COMBINATIONS *(Continued)*

(b) Non-common controlled business combinations

During the year ended December 31, 2011, the Company completed the following acquisitions:

In February 2011, the Company acquired 75% equity interests and obtained control of Jianping Shiyingzi Wind Power Generation Company Limited (建平石營子風力發電有限公司) ("Jianping Shiyingzi"), a limited liability company incorporated in the PRC, from Sistemas Energeticos de Tarfia, S.L. Unipersonal, a limited liability company incorporated in Spain, by assuming its share of capital contribution commitment in Jianping Shiyingzi amounting to EUR13.3 million (equivalent to RMB130.1 million).

In March 2011, the Company acquired 51% equity interests and obtained control of Harbin Ruichi Wind Power Co., Ltd（哈爾濱銳馳風力發電有限公司）("Harbin Ruichi"), a limited liability company incorporated in the PRC, from its shareholders, for a cash consideration of RMB14.3 million.

In September 2011, the Company acquired 100% equity interests and obtained control of Beijing Puhua Yineng Wind Power Technology Co., Ltd（北京普華億能風電技術有限公司）("Puhua Yineng"), a limited liability company incorporated in the PRC, from its shareholders, for a cash consideration of RMB0.5 million.

(All amounts are in thousands of RMB unless otherwise stated)

32. BUSINESS COMBINATIONS *(Continued)*

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

	Jianping Shiyingzi	Harbin Ruichi	Puhua Yineng	Total
Consideration:				
— Cash paid in 2011	50,120	14,280	500	64,900
— Cash paid prior to 2011	80,000	—	—	80,000
Total consideration	**130,120**	**14,280**	**500**	**144,900**
Recognized amounts of provisional value of identifiable assets acquired and liabilities assumed :				
Cash and cash equivalents	330	20,551	—	20,881
Property, plant and equipment *(Note 13)*	140,645	7,436	5,050	153,131
Land use rights *(Note 15)*	838	—	—	838
Prepayments, other receivables and other current assets	51,358	13	—	51,371
Other payables	(4,678)	—	(4,550)	(9,228)
Borrowings	(15,000)	—	—	(15,000)
Total identifiable net assets	173,493	28,000	500	201,993
Non-controlling interests	(43,373)	(13,720)	—	(57,093)
	130,120	**14,280**	**500**	**144,900**
(Outflow)/Inflow of cash to acquire businesses, net of cash acquired:				
— Cash consideration paid in 2011	(50,120)	(14,280)	(500)	(64,900)
— Cash and cash equivalents in subsidiaries acquired	330	20,551	—	20,881
Net Cash (outflow)/inflow on acquisitions	**(49,790)**	**6,271**	**(500)**	**(44,019)**

32. BUSINESS COMBINATIONS *(Continued)*

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

As all the acquired businesses 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.

All acquisition-related costs have been charged to other operating expenses in the consolidated statement of comprehensive income for the year ended December 31, 2011.

The acquired businesses in aggregate contributed revenues of RMB40.5 million and profit of RMB25.0 million to the Group since their respective acquisition dates to December 31, 2011. Had these acquired businesses been consolidated from January 1, 2011, the consolidated statement of comprehensive income would show the same revenue and profit as above as they were in construction stage prior to the respective acquisition dates.

During the year ended December 31, 2012, the Company completed the following acquisitions:

In January 2012, the Company acquired 60% equity interests of Inner Mongolia Longxin, a limited liability company incorporated in the PRC, for a cash consideration of RMB48.0 million. The principle activity of Inner Mongolia Longxin is wind power generation.

In August 2012, the Company acquired 100% equity interests of Ningxia Tongxin Huifeng Renewable Power Company Limited （寧夏同心惠風新能源有限公司） ("Tongxin Huifeng"), a limited liability company incorporated in the PRC, for a cash consideration of RMB1.0 million. The principle activity of Tongxin Huifeng is wind power generation.

(All amounts are in thousands of RMB unless otherwise stated)

32. 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 respective acquisition dates is as follows:

	Inner Mongolia Longxin	Tongxin Huifeng	Total
Consideration:			
— Cash paid in 2012	24,000	1,000	25,000
— Cash paid in 2011	24,000	—	24,000
Total consideration	48,000	1,000	49,000
Recognized amounts of provisional value of identifiable assets acquired and liabilities assumed :			
Cash and cash equivalents	13	1	14
Property, plant and equipment *(Note 13)*	240,834	4,758	245,592
Prepayments, other receivables and other current assets	1,372	—	1,372
Other payables	(162,219)	(3,759)	(165,978)
Total identifiable net assets	80,000	1,000	81,000
Non-controlling interests	(32,000)	—	(32,000)
	48,000	1,000	49,000
(Outflow)/Inflow of cash to acquire businesses, net of cash acquired:			
— Cash consideration paid in 2012	(24,000)	(1,000)	(25,000)
— Cash and cash equivalents in subsidiaries acquired	13	1	14
Net cash outflow on acquisitions	(23,987)	(999)	(24,986)

(All amounts are in thousands of RMB unless otherwise stated)

32. BUSINESS COMBINATIONS *(Continued)*

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

In March 2012, the Company together with Datang Guizhou Power Generation Company Limited（大唐貴州發電有限公司）("Datang Guizhou"), a fellow subsidiary of the Company, incorporated in the PRC, acquired 75% and 12.5% equity interests of Guizhou Fengying Energy Technology Company Limited（貴州風盈能源科技有限公司）, subsequently named Datang Renewable Guizhou Development Company Limited（大唐新能源貴州開發有限公司）("Guizhou Renewable Power"), a limited liability company incorporated in the PRC, by assuming the respective share of capital contribution commitment in Guizhou Renewable Power amounting to RMB60.0 million and RMB10.0 million, respectively. The principle activity of Guizhou Renewable Power is wind power generation. The provisional value of the net assets of Guizhou Renewable Power at the acquisition date amounted to RMB10.0 million, representing capital contribution by other equity owner, are credited to non-controlling interests. The inflow of cash from the acquisition amounted to RMB0.002 million. The provisional value of the net assets acquired represents:

Cash and cash equivalents	2
Property, plant and equipment *(Note 13)*	35,620
Prepayments, other receivables and other current assets	27
Other payables	(25,649)
	10,000

At December 31, 2012, the Company and Datang Guizhou had made capital contribution amounted to RMB20.3 million and RMB5.0 million, respectively. As Inner Mongolia Longxin, Guizhou Renewable Power and Tongxin Huifeng are in construction stage and had not commenced 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 December 31, 2012.

All acquisition-related costs have been charged to other operating expenses in the consolidated statement of comprehensive income for the year ended December 31, 2012.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

As at December 31, 2012, the directors of the Company regard Datang Corporation as the Company's ultimate holding company.

In accordance with IAS 24 (revised), "Related Party Disclosures", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include Datang Corporation and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("other state-owned enterprises"), other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and Datang Corporation as well as their close family members.

Apart from business combinations under common control as set out in Note 32(a) and the joint investment with fellow subsidiaries as set out in Notes 17(ii) and 32(b), significant related party transactions which were carried out in the normal course of businesses of the Group during the year ended December 31, 2012 and related balances at December 31, 2012 are as follows:

(All amounts are in thousands of RMB unless otherwise stated)

33. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Significant related party transactions arising with Datang Corporation and its subsidiaries

	Group Year ended December 31, 2012	 2011
Provision of installation, construction, general contracting services to/(by):		
— A fellow subsidiary	**12,366**	9,882
— Fellow subsidiaries *(Note (i))*	**(901,279)**	(1,862,922)
— An associate of Datang Group	**(450)**	—
	(889,363)	(1,853,040)
Provision of project consultation service by:		
— A fellow subsidiary	**(72,000)**	—
Purchases of equipment from:		
— Fellow subsidiaries	**(329,126)**	(644,784)
— An associate	**—**	(22,958)
	(329,126)	(667,742)
Working capital provided to/(from):		
— Fellow subsidiaries *(Note (ii))*	**15,173**	124,137
— Fellow subsidiaries	**(42,874)**	(287,285)
	(27,701)	(163,148)

(All amounts are in thousands of RMB unless otherwise stated)

33. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Significant related party transactions arising with Datang Corporation and its subsidiaries *(Continued)*

	Group Year ended December 31, 2012	2011
Entrusted loans to:		
— A fellow subsidiary	10,000	8,000
Borrowing from:		
— Fellow subsidiaries*	(6,472,232)	(800,000)
Interest expense on working capital and borrowings from:		
— Fellow subsidiaries	(32,429)	(44,229)
Interest income on:		
— working capital to a fellow subsidiary	411	402
— deposit with a fellow subsidiary *(Note (iii))*	7,956	14
	8,367	416
Assets transferred to:		
— A fellow subsidiary *(Note (iv))*	10,679	—

* One of the fellow subsidiaries is also an associate Company of the Company as set out in Note 17.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Significant related party transactions arising with Datang Corporation and its subsidiaries *(Continued)*

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 represented non-trade advances by three subsidiaries of the Company to certain fellow subsidiaries of the Company.

(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"). Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for each of the three years ending 31 December 2011, 2012 and 2013. For the year ended December 31, 2012, service charge paid to Datang Finance was insignificant.

(iv) In October 2012, Datang Hailin Wind Power Generation Company Limited（大唐海林風力發電有限公司）, a subsidiary of the Company, transferred certain assets related to a wind farm project to Datang Heilongjiang Renewable Power Development Company Limited（大唐黑龍江新能源開發有限公司）, a subsidiary of Datang Group, for consideration of RMB9.8 million. The project was still in the early stage. At December 31, 2012, this consideration has been received.

All transactions above with related parties are conducted on prices and terms mutually agreed by the parties involved.

(All amounts are in thousands of RMB unless otherwise stated)

33. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (*Continued*)

(b) Year-end balances due from/(to) Datang Corporation and its subsidiaries

	Group At December 31, 2012	Group At December 31, 2011
Included in 'property, plant and equipment':		
— Fellow subsidiaries	**153,331**	216,091
Included in 'prepayments, other receivables and other current assets':		
— Fellow subsidiaries	**40,613**	104,617
Included in 'trade and bills receivable':		
— Fellow subsidiaries	**6,173**	1,769
Included in 'trade and bills payable':		
— Fellow subsidiaries	**(7,126)**	(1,864)
Included in 'other payables':		
— Fellow subsidiaries	**(1,496,064)**	(1,722,266)
Included in 'borrowings':		
— Fellow subsidiaries	**(822,232)**	—
Included in 'other non-current liabilities':		
— Fellow subsidiaries	**(108,550)**	(89,450)
'Cash and cash equivalents' deposited with:		
— A fellow subsidiary *(Note 33(a)(iii))*	**5**	480,000

33. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(b) Year-end balances due from/(to) Datang Corporation and its subsidiaries *(Continued)*

All balances with related parties were arising primarily resulted from transactions as disclosed in Note 33(a).

At December 31, 2012, amount included in 'other payables' of RMB288.8 million (2011: RMB283 million), 'other non-current liabilities' of RMB108.6 million (2011: RMB89.5 million) and 'borrowings' of RMB822.2 million (2011: nil) payable to certain fellow subsidiaries of the Company bear interest at 5.57% to 6.35% (2011: 5.27% to 7.21%); except for the abovementioned, all (2011: all) other balances with Datang Corporation and its subsidiaries are interest-free, unsecured and due on demand.

(c) Significant transactions with state-owned enterprises except Datang Corporation and its subsidiaries ("Other State-owned Enterprises")

For the year ended December 31, 2012, all revenue from the sales of electricity is made to the provincial power grid companies (2011: all). These power grid companies are directly or indirectly owned or controlled by the PRC government. At December 31, 2012, substantially all trade and bills receivable (Note 21) are due from these power grid companies (2011: substantially all).

Apart from the above, for the years ended December 31, 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 December 31, 2012 and 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 Enterprises are based on terms as set out in the underlying agreements, based on statutory rates or actual cost incurred, or as mutually agreed.

(All amounts are in thousands of RMB unless otherwise stated)

33. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Key management personnel remuneration

	Year ended December 31,	
	2012	2011
Basic salaries, housing allowances, other allowances and benefits in kind	**1,857**	1,901
Discretionary bonus	**2,230**	1,659
Pension costs — defined contribution schemes	**262**	237
	4,349	3,797

(e) Capital commitments with fellow subsidiaries

	At December 31,	
	2012	2011
Contracted but not provided for	**719,763**	1,340,417

Glossary of Terms

"Articles of Association"	the Articles of Association of the Company
"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
"auxiliary electricity"	electricity consumed by a wind power project in the course of power generation and transmission
"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
"Board"	the board of Directors of the Company
"capacity"	if used alone, is an abbreviated form of installed capacity for operating projects, constructing capacity for projects under construction, or prospective capacity for pipeline projects (as the case may be)
"carbon intensity "	carbon dioxide emission per unit of GDP, which does not reflect energy efficiency
"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

"CDM EB"	the CDM Executive Board, which supervises the clean development mechanism under the authority and guidance of the Conference of the Parties to the United Nations Framework Convention on Climate Change
"CERs"	certified emission reductions, which are carbon credits issued by CDM EB 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" or "consolidated net electricity sales"	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
"constructing capacity"	the capacity of projects under construction
"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 Finance"	China Datang Corporation Finance Company Limited（中國大唐集團財務有限公司）

"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
"Director"	a director of the Company
"dispatch"	as a noun, the schedule of production for all the generating units on a power system, generally varying at short notice to match the needs of power. As a verb, to direct a power plant to operate
"electricity sales"	gross power generation less (i) auxiliary electricity; and (ii) the electricity generated during the construction and testing period. Income attributable to the sales of electricity generated during the construction and testing period is not included in the electricity sales revenue, but is offset against the cost of property, plant and equipment
"EPC"	energy performance contracting, an energy-saving service mechanism that an energy services company contractually guarantees to its customer that a certain amount of energy savings will be achieved and to such end it will provide necessary services to the customer which, in return, will pay the energy services company the costs it incurs for such services plus a reasonable profit.
"generating capacity"	the capacity of wind turbines that have started to produce electricity, which capacity corresponds to the amount of power generation salable to the power grid companies plus the auxiliary electricity
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including electricity sales, auxiliary electricity and electricity generated during the construction and testing period

"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
"GW"	unit of power, gigawatt. 1 GW = 1,000 MW
"GWh"	unit of energy, gigawatt-hour. 1 GWh = 1 million kWh
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"installed capacity"	the capacity of those wind power projects in which the wind turbines have been completely assembled and erected
"km"	kilometres
"kV"	unit of voltage, kilovolt. 1 kV = 1,000 volts
"kW"	unit of energy, kilowatt. 1 kW = 1,000 watts
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy generally 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
"Kyoto Protocol"	a protocol to the United Nations Framework Convention on Climate Change, effective on February 16, 2005
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MW"	unit of energy and unit of power, megawatt. 1MW=1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh = 1,000 kWh

"on-grid tariff"	the price of electricity per kWh for which a power project could sell the electricity it generated to the power grid companies. On-grid tariff includes (1) benchmark or approved on-grid tariff; (2) tariff premiums for wind power companies to compensate the costs of transmission lines that wind power companies constructed and owned (if applicable); and/or (3) discretionary tariff subsidies granted by the local government (if applicable)
"operating projects" or "projects in operation"	projects in which the wind turbines have been completely assembled and erected
"O&M"	operations and maintenance
"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
"PRC"	the People's Republic of China, but, for the purposes of this document only, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan, unless otherwise indicated
"projects under construction"	projects for which the construction work on the roads, foundations or electrical infrastructure has commenced, the approvals of the NDRC or provincial DRC have received and detailed engineering and construction blueprints have been completed
"prospective capacity"	the capacity of pipeline projects reserved for future development

"renewable energy sources"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, sunlight or water (based on industry consensus, hydro power less than 50 MW is categorized as renewable energy, which is encouraged by the Renewable Energy Law)
"RMB"	Renminbi, the lawful currency of the PRC at this time
"smart grid"	generally used in the power industry to refer to a new type of power grid based on integrated, high-speed and two-way communication network, which is expected to lead to improvements in the reliability, compatibility, safety and efficiency of the power grids and cost reduction through the application of advanced sensor and measurement technologies, equipment technologies, control method and decision-making support system
"Supervisory Committee"	the Supervisory Committee of the Company
"total installed capacity," "total generating capacity" or "total constructing capacity"	the aggregate amount of installed capacity, generating capacity or constructing capacity of our projects that we fully consolidate in our consolidated financial statements
"USD"	United States dollars, the lawful currency of the United States of America at this time
"VERs"	voluntary emission reductions, which are carbon credits that are not mandated by any law or regulation, but originated from an organization's desire to take active part in climate change mitigation efforts
"weighted average on-grid tariff"	electricity sales revenue in a period divided by the corresponding electricity sales in such period
"%"	per cent.

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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Mr. Chen Jinhang

* *For identification purpose only*

AUTHORIZED REPRESENTATIVES

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Mr. Hu Yongsheng

JOINT COMPANY SECRETARIES

Mr. Wong Wenpeng

Ms. Gloria Sau-kuen Ma

AUDIT COMMITTEE

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

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

Mr. Sun Min *(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)*

REMUNERATION AND ASSESSMENT COMMITTEE

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

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

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

STRATEGIC COMMITTEE

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

Mr. Hu Yongsheng *(Executive Director)*

Mr. Hu Guodong *(Executive Director)*

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