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

2013
ANNUAL REPORT

* For identification purpose only

Chairman's Statement

Dear Shareholders,

Looking back into 2013, the world's economy recovered slowly due to the subsequent impact of the international financial crisis. The macro economy in the PRC developed amid stability, the growth of the national electricity consumption accelerated as compared to last year. The pressure imposed by the fossil energy consumption on the environment increasing constantly. The grid curtailment problem lasted for the whole year was eased as a whole as the PRC government continued to encourage the development of renewable energy. However, as the grid curtailment problem still exists, lack of financial subsidy and the CDM market continued to weaken, the development and operation of wind power are encountering serve challenges.

Confronted by the complex and dynamic international economic situation and domestic macro environment, the board of directors of the Group adhered the belief of "value-based, efficiency-oriented", adjusted the working ideas, optimized the development portfolio and deepened the institution reform in order to promote the transformation of scale-oriented to efficiency-oriented, external development to internal development, decentralized operation to centralized and simplified operation, as well as extensive management to lean management. The production safety throughout the year remained stable, with the quality of early development improved constantly, the project control ability strengthened continuously and the economic efficiency improved steadily. During the year ended December 31, 2013, the Group achieved profit before taxation of RMB360.44 million and electricity generation of 10.878 billion KWh, which represented a saving of 3,480,000 tons standard coal and reduction of 9,630,000 tons carbon dioxide emission, performed the corporate mission and corporate social responsibility of energy conservation and emission reduction.

Chairman's Statement *(Continued)*

Looking forward to 2014, making response to the climate changes, improving the energetic structure, enlarging the application proportion of renewable energy, and reducing the greenhouse gas emission have become the common goal of various countries of the world. The Chinese government will comprehensively intensify the reform and accelerate the ecological civilization construction, so as to create a promising future for wind power industry.

The Board of the Group will closely follow the national developmental policies of the new energy industry and the industrial development plan in 2014, insist in efficiency-oriented, accelerate the construction of high quality wind farm and talent team, as well as the structural adjustment pace. We will also make efforts to enhance the Group's profitability, management and control ability and sustainable development capacity, so as to accelerate the intensification and optimization promotion , thus to bring more benefits to the 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 of the Board
Wang Yeping

Message from the President

DEAR SHAREHOLDERS,

In 2013, the operation of the Group encountered difficult situation and undergone complex reform mission In order to deal with difficulties and pressures, the Company closely focused on the core of economic benefits, adjusted regional structure, condensed the cost expense and reserved resources and talented to fully promote the transformation of scale-oriented to efficiency-oriented, external development to internal development, decentralized operation to centralized and simplified operation, as well as extensive management to lean management. We also accelerated the intensification and optimization promotion. The Company therefore got through the most difficult period for development faced by the wind power industry and entered into a steady, healthy and mature development stage.

During the reporting period, the Group strengthened management of assets in service and sought for benefits through connotative growth, directed all the focus to wind farms and strengthened the production and operation management of wind farms, thereby the refined management level of the wind farm was improved significantly and the production safety situation remained stable. Throughout the year, the wind power utilisation hours amounted to 2,001.52 hours, increased by 249 hours, as compared with the previous year. The grid curtailment ratio of the Company was 14.88%, representing a decrease of 6.38 percentage points, as compared with the previous year. The grid curtailment was 1,870,945MWh, representing a decrease of 407,776MWh, as compared with the previous year. The electricity generation amounted to 10,878,400MWh, representing an increase of 27.35% as compared with the previous year.

We continued to increase efforts in structural adjustment, enhance follow-up development potentials, narrow down the development of grid curtailment region, proactively developed high quality wind power projects, and divert our focus to districts which are not subjected to grid curtailment, namely Yunnan, Shanxi, and Jiangsu. While maintaining a focus on wind power business, the Group also steadily promoted a diversified strategy and gave priority to promote solar power projects. We prudently developed low-risk and high benefit EPC segments steadily.

Message from the President *(Continued)*

We endeavoured to enhance professional capacity and create core competitive advantages. We proactively explored system and mechanism models in the new situation and significantly improved the management efficiency. Meanwhile, we achieved new progress in respect of technical research and development, and undertook and participated in the preparation of 2 national standards, 7 industry standards and 7 corporate and enterprise group standards.

In 2014, China's economy will continue to maintain a gesture of steadily development. The increment in the supply of clean energy will become an important approach to accelerate the adjustment of energetic structure, therefore, there is still a huge space for the development of new energy industry. As various ultra-high voltage power transmission projects such as Gansu, Shanxi and Ningxia will launch in succession, the acceptance capacity for wind power of power grids will be further improved. The Group will base on the safety and stabilization, accelerate the construction of high quality wind farm, the construction of talent team and the structure adjustment, so as to improve the overall profitability, capacity of management and control, and sustainable development capacity, and make the new energy companies to become stronger and more successful.

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 correct decision and support and to all our staff for their contribution and hard work. In the coming new year, the Group will participate in the new development journey with stronger fighting will and more pragmatic spirit, strive to open new development situations and create a new and outstanding results to build the Group stronger and more successful!

President

Hu Yongsheng

Company Profile

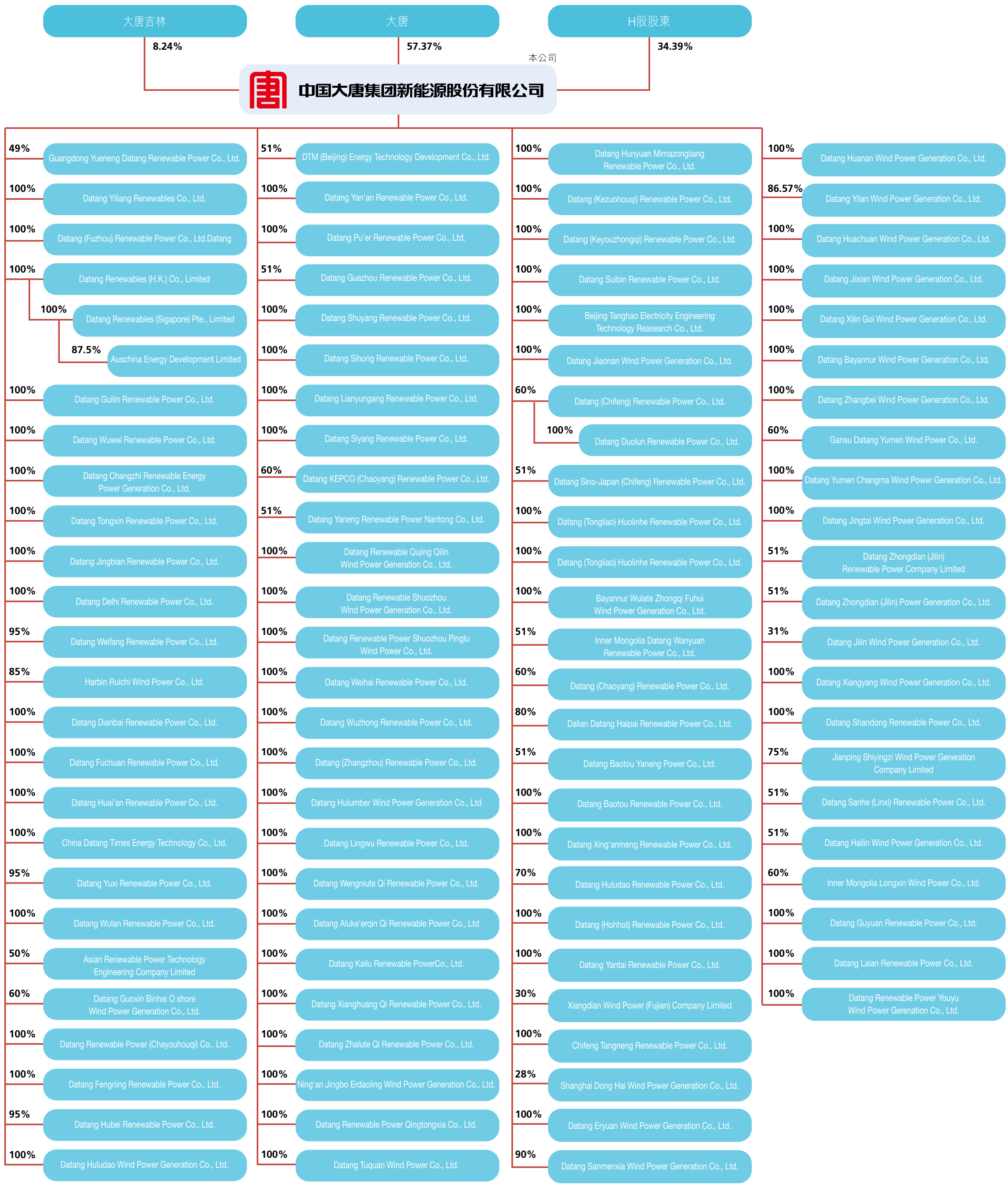
The predecessor of China Datang Corporation Renewable Power Co., Limited (referred to as Datang Renewable, stock code: 1798) was Datang Chifeng Saihanba Wind Power Generation Co., Ltd.(大唐赤峰塞罕壩風力發電有限公司)which was established on September 23, 2004 and subsequently renamed to China Datang Corporation Renewable Power Co., Ltd.(中國大唐集團新能源有限責任公司)on March 19, 2009. Since the establishment of the company and several years of rapid development, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on December 17, 2010, and became one of the earliest power enterprises that engaged in the development of new energy in PRC. After the listing, the issue price was HK$ 2.33 per share. As at December 31, 2013, the Company had a total of 7,273,701,000 issued shares, among which the Company's controlling shareholder China Datang Corporation holds an aggregate of 65.61%.

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, domestic and local construction and installation, repair and maintenance of power projects; import and export services of renewable energy equipment and technologies; foreign investment; renewable energy-related consulting services; as well as leasing of property.

The Company is engaged in the investment and operation of new energy project, as at December 31, 2013, the Group's wind power installed capacity amounted to 5,718.55 MW. The Group is also actively engaged in the development of other renewable sources business including solar power, biomass, coal bed methane ("CBM") as well as EPC. The Company's wind power resources reserve, solar power resources reserve, biomass resources reserve, CBM resources and EPC projects resources amounted to 90,000MW, 9,185MW, 680MW, 60MW and 674MW respectively.

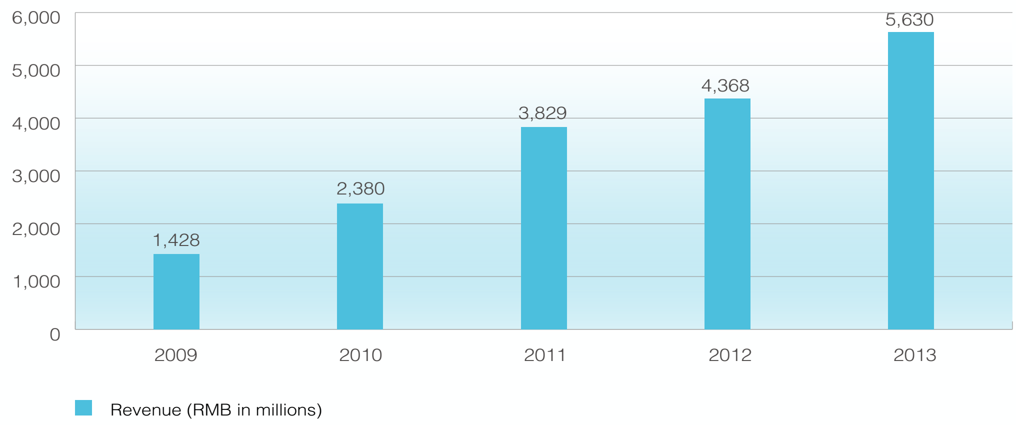
Company Profile *(Continued)*

Corporate Structure: As at December 31, 2013, the Company's major corporate structure was as follows :

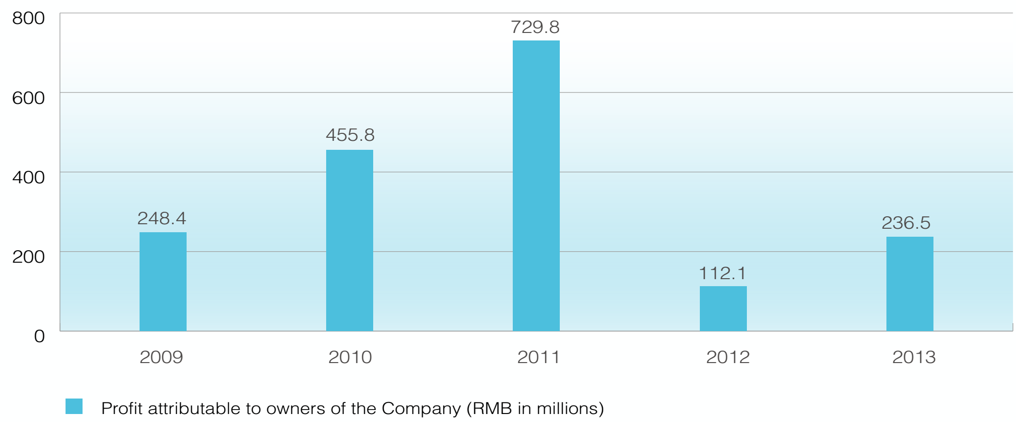


Key Operating and Financial Data

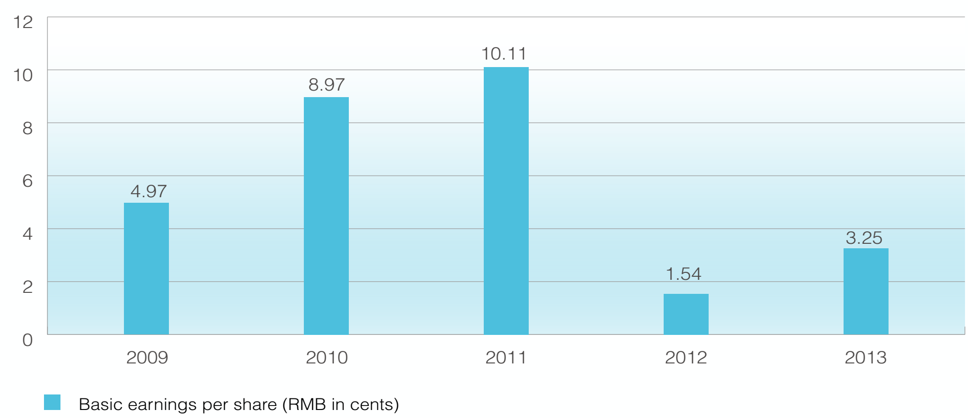
1. Revenue



2. Profit attributable to owners of the Company

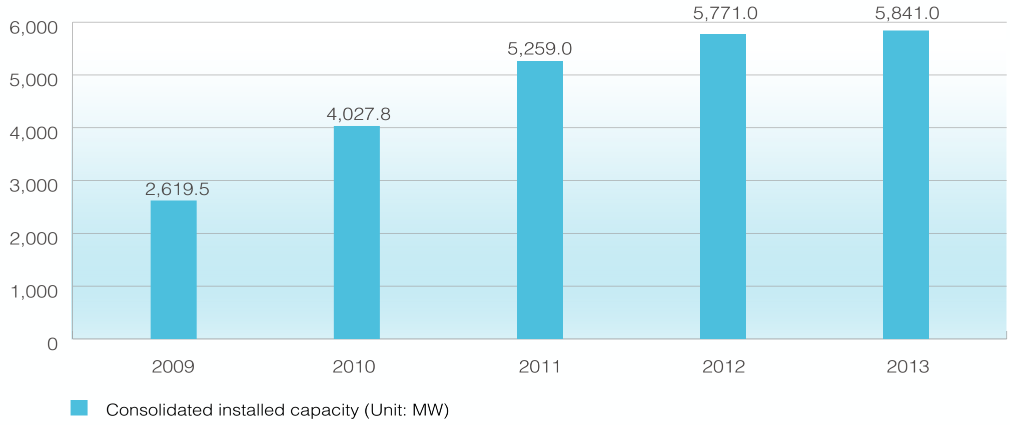


3. Basic earnings per share for profit attributable to owners of the Company

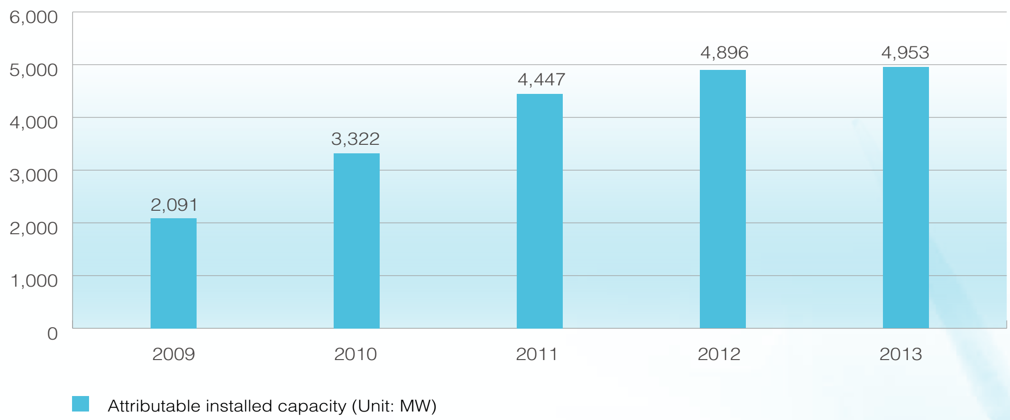


Key Operating and Financial Data *(Continued)*

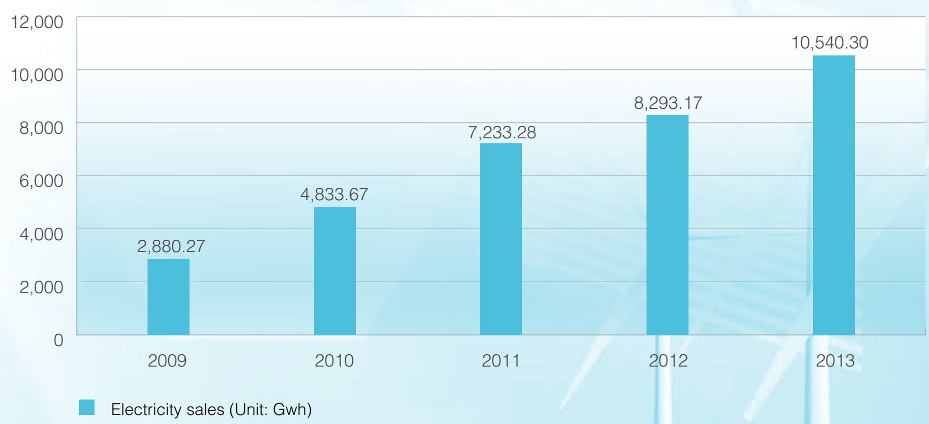
4. Consolidated installed capacity



5. Attributable installed capacity



6. Electricity sales



Financial Highlights

	Year ended December 31,				
	2013	2012	2011	2010	2009
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**5,630,285**	4,368,015	3,828,808	2,379,727	1,428,072
Other income and other gains-net	**126,198**	277,394	518,350	368,705	206,838
Operating expenses	**(3,298,497)**	(2,530,991)	(1,918,177)	(1,245,808)	(775,120)
Operating profit	**2,457,986**	2,114,418	2,428,981	1,502,624	859,790
Profit before taxation	**360,439**	176,337	1,005,258	734,586	384,203
Income tax (expense)/benefit	**(53,074)**	10,217	(34,954)	(57,105)	(17,326)
Profit for the year	**307,365**	186,554	970,304	677,481	366,877
Total other comprehensive income/(loss)	**241,534**	(98,144)	(75,695)	—	—
Total comprehensive income for the year	**548,899**	88,410	894,609	677,481	366,877
Profit attributable to:					
— Owners of the Company	**236,500**	112,148	729,842	455,831	248,386
— Non-controlling interests	**70,865**	74,406	240,462	221,650	118,491
	307,365	186,554	970,304	677,481	366,877
Total comprehensive income attributable to:					
— Owners of the Company	**478,783**	14,447	654,147	455,831	248,386
— Non-controlling interests	**70,116**	73,963	240,462	221,650	118,491
	548,899	88,410	894,609	677,481	366,877
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	**0.0325**	0.0154	0.1011	0.0897	0.0497

Financial Highlights *(Continued)*

	As at December 31,				
	2013	2012	2011	2010	2009
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**49,970,080**	49,010,536	44,975,075	33,835,144	21,950,708
Total current assets	**6,418,233**	7,372,131	9,307,830	7,524,786	2,588,986
Total assets	**56,388,313**	56,382,667	54,282,905	41,359,930	24,539,694
Equity attributable to owners of the Company	**9,291,985**	8,815,729	9,088,648	8,352,742	3,852,074
Non-controlling interests	**2,570,961**	2,680,917	2,647,019	2,197,650	1,793,193
Total equity	**11,862,946**	11,496,646	11,735,667	10,550,392	5,645,267
Total non-current liabilities	**34,254,965**	32,922,165	29,717,142	22,023,169	14,354,287
Total current liabilities	**10,270,402**	11,963,856	12,830,096	8,786,369	4,540,140
Total liabilities	**44,525,367**	44,886,021	42,547,238	30,809,538	18,894,427
Total equity and liabilities	**56,388,313**	56,382,667	54,282,905	41,359,930	24,539,694

Note: Financial information as of and for the year ended December 31, 2009 has not been restated for the Company's business combinations under common control which occurred during 2011.

Management Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

In 2013, China's economic growth slowed down, and the Chinese government continued to promulgate proactive fiscal policies and prudent monetary policies.

In 2013, as the wind power industry in China has gradually recovered, indicators such as the newly-added installed capacity and the utilization hours showed a slight increase as compared with 2012. According to the information released by the National Energy Administration, the newly-added installed capacity of Chinese wind power in 2013 was 14.49 million kW, on-grid capacity was 77.16 million kW, representing an increase of 23% as compared with 2012. The wind power utilization hours reached 2,074 hours, representing a year-on-year increase of 184 hours.

At the same time, Chinese government carried out a series of policies to encourage the development of the energy industry, as a result, the biggest problem of the wind power industry, i.e. "difficulty in getting the wind power grid connected", has to some extent been alleviated.

In February 2013, the National Energy Administration issued the "Notice concerning Work on Enhancement of Wind Power Grid Connection and Absorption in 2013" (《關於做好2013年風電並網和消納相關工作的通知》), which required the nation to pay more attention to the absorption and utilization of wind power, to carefully analyse the reasons for grid curtailment, in hopes of eliminating wind curtailment as soon as possible; and to strengthen the research on the absorption plans for areas with rich wind resources as well as the construction of the wind power supporting grid, in hopes of completing the integration of the wind power network.

In May 2013, the State Council promulgated the "Decision on Cancelling and Delegating a Batch of Administrative Approval Items"(《關於取消和下放一批行政審批項目等事項的決定》). Among the cancelled administrative approval items, the approval authority relating to investment in wind power stations by wind power companies (items with total installed capacity of 50,000 kW or more) has been delegated from the National Development and Reform Commission to the investment department of local governments. The National Energy Administration is shifting its focus from examination and approval to planning and supervision, and is emphasizing on bringing market functionality into play.

Management Discussion and Analysis *(Continued)*

In August 2013, the National Energy Administration issued the "Notice concerning work on Announcement of Market Supervision"(《關於做好近期市場監管工作的通知》), which explicitly demanded the reinforcement of supervision over the network connection and absorption of the renewable energy. For areas with material wind and photovoltaic curtailment, the local institutions may carry out interviews or visits, requiring the power grid company to increase the output capacity of wind power absorption and photovoltaic power generation through adopting appropriate measures to optimize and coordinate the power balance plan in a larger scale.

In December 2013, the National Energy Administration issued the "Plan for the Supervision of Twelve Key Projects" (十二項重點專項監管工作計劃), among which, the renewable energy power generation project is one of the four targets of project supervision, mainly including the execution of the annual plan for new energy power generation project and the implementation of the State's policies in relation to renewable energy power generation.

II. BUSINESS OVERVIEW

As at December 31, 2013, the Group's consolidated installed capacity amounted to 5,841 MW, representing an increase of 1.21% over last year. Electricity generation for the year amounted to 10,878,400 MWh, representing an increase of 27.35% over last year. The Group's average wind power on-grid tariff (tax inclusive) was RMB596.3 per MWh, representing a decrease of RMB6.9 per MWh over 2012. Profit attributable to the owners of the Company amounted to RMB236.5 million, representing an increase of 110.88% over last year.

Management Discussion and Analysis *(Continued)*

1. Continuing to adjust the development strategies for improving the quality of existing projects

In 2013, the Group proactively promoted the development of large-scale and high-quality wind power projects. For wind power projects of 1.2 GW, such as the Shanxi Limin project and the Pinglu Baiyushan project, approval have been obtained. These approved projects are mainly located in areas without power rationing, with the average internal yield rate amounting to over 10%. As at the end of 2013, the Company's wind power capacity that listed in the first three batches of plans to be approved reached 4.6 GW, among which, the wind power project of 3.4 GW has obtained approval, providing crucial resources and project guarantee for subsequent development.

Meanwhile, the Group pushed forward diversified development and gave priority to solar energy projects. The total approved solar energy projects amounted to 283 MW. The Phrase III 20 MW photovoltaic power generation project in Delingha, Qinghai was into operation. The Group has as well steadily developed low-risk and high-profit Energy Performance Contract ("EPC") projects and put the 32 MW blast furnace gas power generation project in Chunxing, Heibei, into operation successfully. We have also paid close attention to the comprehensive utilization of biomass and the development of Coalbed Methare ("CBM") project.

As at the end of 2013, the consolidated installed capacity of other renewable energy of the Group amounted to 122.47 MW, representing an increase of 19.52% as compared with the end of the previous year. The Group's solar power resources reserve, biomass resources reserve, CBM resources and EPC projects resources amounted to 9,185 MW, 680 MW, 60 MW and 674 MW respectively.

Management Discussion and Analysis *(Continued)*

2. Continuous reinforcement of the management and control of construction with strengthened projects management and control and optimized design

In 2013, the Group continued to optimize the engineering design. Through optimizing designs for 28 projects, the Group saved approximately hundreds millions of RMB in construction cost. During the reporting period, the Group's Dashuiboluo Wind Farm in Inner Mongolia was awarded the title of "China's Outstanding Power Project". While constantly improving project quality, the Group is also focused on improving efficiency aiming to reduce operating cost, however, with wind power companies moving in droves to southern region, the conditions for construction became more complex, therefore, the average full-year project costs increased 3.76% as compared with the corresponding period of 2012 but still remained at a low level in the national wind power industry.

The Group closely monitor the construction progress of the wind farms in order to maintain the Group's average return level of wind power business, at the same time try to increase the installed wind power capacity. As at December 31, 2013, the Group's total consolidated installed capacity increased by 1.21% over the last year to 5,841.02 MW, including 5,718.55 MW of consolidated wind power installed capacity and 122.47 MW of consolidated installed capacity of other renewable energy.

Management Discussion and Analysis *(Continued)*

As at December 31, 2013, the consolidated wind power installed capacity of the Group by region is as follows:

Region	Consolidated installed capacity as at the end of 2013 *(MW)*	Consolidated installed capacity as at the end of 2012 *(MW)*	Change in consolidated installed capacity *(%)*
Inner Mongolia	**2,507.35**	2,457.85	2.01%
Heilongjiang	**401.00**	351.50	14.08%
Jilin	**648.10**	598.10	8.36%
Liaoning	**325.80**	325.80	0%
Gansu	**393.80**	393.80	0%
Guangxi	**3.00**	3.00	0%
Hebei	**49.50**	49.50	0%
Henan	**100.75**	100.75	0%
Ningxia	**247.50**	247.50	0%
Shanxi	**198.00**	198.00	0%
Shaanxi	**99.00**	49.50	100%
Yunnan	**98.25**	98.25	0%
Guangdong	**49.50**	49.50	0%
Shandong	**495.00**	643.50	-23.08%
Shanghai	**102.00**	102.00	0%
Total	**5,718.55**	5,668.55	0.88%

Management Discussion and Analysis *(Continued)*

3. Production safety maintained stable with scientifically improved wind power operation system

In 2013, taking wind farm management as the starting point and ultimate goal of all works, the Group gave top priority to wind farms and strengthen the construction, as a result, delicacy management of wind farms achieved significantly improvement, and production safety maintained stable.

In 2013, benefited from favorable factors such as the relaxation of energy rationing in the northern, northeastern and northwestern regions of the PRC, as well as year-on-year elevation of wind speed, the Group generated electricity of 10,878,400 MWh on an accumulative basis, representing a year-on-year increase of 27.35%; including, wind power generation of 10,704,265 MWh, representing a year-on-year increase of 26.87%; grid curtailment of 1,870,945 MWh, representing a year-on-year decrease of 407,776 MWh, with the ratio of grid curtailment decreased from 21.26% in 2012 to 14.88%; The wind power utilization hours reached 2,001.52 hours, representing a year-on-year increase of 249.49 hours.

Management Discussion and Analysis *(Continued)*

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

Region	Consolidated wind power generation as at the end of 2013 *(MWh)*	Consolidated wind power generation as at the end of 2012 *(MWh)*	Rate of change in consolidated wind power generation *(%)*
Inner Mongolia	**4,923,164**	3,667,470	34.24%
Heilongjiang	**685,612**	537,096	27.65%
Jilin	**1,017,511**	873,392	16.50%
Liaoning	**686,697**	563,906	21.78%
Gansu	**639,361**	626,851	2.00%
Hebei	**66,229**	83,819	-20.99%
Henan	**231,231**	245,847	-5.95%
Ningxia	**434,409**	298,385	45.59%
Shanxi	**464,004**	244,618	89.69%
Shaanxi	**64,354**	185	34,685.95%
Yunnan	**223,327**	173,555	28.68%
Guangdong	**88,756**	13,391	562.80%
Shandong	**904,500**	840,660	7.59%
Shanghai	**275,109**	268,010	2.65%
Total	**10,704,265**	8,437,185	26.87%

Management Discussion and Analysis *(Continued)*

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

Region	Average wind farm power utilization hours in 2013 *(hours)*	Average wind farm power utilization hours in 2012 *(hours)*	Rate of change in average utilization hours of wind farms *(%)*
Inner Mongolia	**2,165.12**	1,750.71	23.67%
Heilongjiang	**1,923.39**	1,780.23	8.04%
Jilin	**1,605.41**	1,460.28	9.94%
Liaoning	**2,107.73**	1,890.40	11.50%
Gansu	**1,623.57**	1,591.80	2.00%
Hebei	**1,337.96**	1,693.31	-20.99%
Henan	**2,295.10**	2,440.17	-5.95%
Ningxia	**1,919.36**	1,625.19	18.10%
Shanxi	**2,343.45**	2,083.63	12.47%
Shaanxi	**1,369.23**	1,850.00	-25.99%
Yunnan	**2,273.05**	2,824.33	-19.52%
Guangdong	**1,850.63**	2,060.15	-10.17%
Shandong	**1,828.83**	1,656.15	10.43%
Shanghai	**2,697.15**	2,627.55	2.65%
Total	**2,001.52**	1,752.03	14.24%

Management Discussion and Analysis *(Continued)*

4. Constant progress made in professional level by promoting the advanced technology strategy

In 2013, relying on the progress of science and technology, the Group endeavored to strengthen scientific and technological innovation. In the reporting period, the Group obtained 32 new national-utility patents, undertook compilation work for one national standard, one industry standard and seven group companies as the chief compilation unit, and participated in the compilation work of one national standard and six for electricity industry.

During the reporting period, the Group made new progress in wind power application technology. The micro-sitting selection software in complex terrain passed the testing, confirming that the software's accuracy had reached international advanced level. Breakthroughs were made in the research on the domestic manufactured blade repairing materials, the portable vibration detector for wind power units and the calibrator of wind speed and direction. With the testing centre of oil products put into operation, it has improved the inspection and testing capabilities, providing technical security by strengthening the life management of equipments and the launch of predictive maintenance. CDM development sector was constantly expanding and the "Forestry Carbon Sink Project of Jiangxi Lean County" (江西省樂安縣林業碳匯項目), the first domestic forestry carbon sink project of forest management, was successfully completed and registered.

Meanwhile, the Group actively promote national science and technology projects. "The National Program Project 863", and the preparation of the implementation plan of 2MW compressed-air energy demonstration project were completed. Installation and commissioning work for light field section of 1.5MW solar power/coal hybrid power station in Gansu mining area was successfully completed, providing guidance for China's large-scale development of solar power/coal hybrid power stations.

Management Discussion and Analysis *(Continued)*

5. Great efforts made to reduce capital costs, capital operation capability constantly innovated

In 2013, in the face of a complex internal and external operating environment, the Group persisted in taking economic efficiency as the central task and promoted comprehensive budget management and financial foundation construction. At the same time, the Group also actively innovated financing model and made effort to reduce project investment risks of projects with low income and high risk by ways of collaborative development.

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 report and other sections therein.

1. Overview

The Group's profit for the year increased by 64.76% to RMB307.37 million in 2013 compared to RMB186.55 million in 2012. Profit attributable to the owners of the Company amounted to RMB236.50 million.

2. Revenue

The Group's revenue increased by 28.90% to RMB5,630.29 million in 2013 compared to RMB4,368.02 million in 2012, primarily due to the increases in electricity sales revenue.

The Group's electricity sales revenue increased by 25.47% to RMB5,364.48 million in 2013 compared to RMB4,275.35 million in 2012, primarily due to increases in on-grid electricity as a result of higher installed capacity, ease of power crutial in certain regions and increase in average utilization hours of wind turbines.

Management Discussion and Analysis *(Continued)*

3. Other income and other gains-net

The Group's other income and other gains-net decreased by 54.51% to RMB126.20 million in 2013 compared to RMB277.39 million in 2012, primarily due to decrease in net income generated from CDM projects and government's grants obtained compared with 2012 and no compensation from wind turbine suppliers were recognised in 2013.

The Group's income generated from CDM projects decreased by 22.72% to RMB73.19 million in 2013 compared to RMB94.71 million in 2012, primarily due to the expiration of the previous emission reductions purchase agreement ("ERPA") at the end of 2012 and no new ERPA was signed in 2013; the income from CDM projects represented the differences between the actual settlement proceeds and the amounts originally recognised with reference to the market price.

Due to the fluctuation in Euro to RMB and US Dollar to RMB exchange rate, the exchange loss from CDM projects in 2013 was RMB5.42 million, representing a decrease by RMB24.28 million compared to the exchange gain amounting to RMB18.86 million in 2012.

As the certified emission reductions ("**CERs**") price was still lingering at low level in 2013, on a prudent basis, the Group made additional provision of RMB14.86 million in 2013, representing a decrease by RMB19.21 million compared to RMB34.07 million in 2012, which partially offset the negative impact on profit due to the decrease in income from CDM projects and the fluctuation of exchange rate.

The Group's government grants decreased by 54.33% to RMB61.00 million in 2013 compared to RMB133.56 million in 2012, primarily due to the decrease in value-added tax refund and fiscal interest subsidies.

Management Discussion and Analysis *(Continued)*

4. Operating expenses

The Group's operating expenses (excluding service concession construction costs) increased by 23.40% to RMB3,113.16 million in 2013 compared to RMB2,522.84 million in 2012. This increase is mainly attributable to the increase in depreciation charges as a result of higher installed capacity.

The Group's depreciation and amortization charges increased by 18.52% to RMB2,200.52 million in 2013 compared to RMB1,856.66 million in 2012, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 33.18% to RMB352.84 million in 2013 compared to RMB264.94 million in 2012, primarily due to the increase in expenses of labour cost as a result of increase in production capacity.

The Group's other operating expenses increased by 27.13% to RMB374.23 million in 2013 compared to RMB294.37 million in 2012, 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 increased by 16.25% to RMB2,457.99 million in 2013 compared to RMB2,114.42 million in 2012.

6. Finance expenses

The Group's net finance expenses increased by 9.04% to RMB2,107.56 million in 2013 compared to RMB1,932.75 million in 2012, primarily due to the cessation of capitalization of the interest expenses for projects completed.

Management Discussion and Analysis *(Continued)*

7. Share of profit/(loss) of investments accounted for using equity method

The Group recorded a profit of RMB23.28 million in share of profit of associates in 2013 whilst a loss of RMB6.09 million in share of loss of associates in 2012.

The Group recorded a loss of RMB13.27 million in share of loss of joint ventures in 2013 whilst a profit of RMB0.76 million in share of profit of joint ventures in 2012.

8. Income tax expense/(benefit)

The Group's income tax expense was RMB53.07 million in 2013, representing an increase by 619.47% from tax benefit of RMB10.22 million in 2012. This was mainly due to certain tax losses and temporary difference for which no deferred income tax assets were recognized, 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 in 2013, together with the one-off impact of change in applicable income tax rates and tax credits entitlement obtained in 2012.

9. Profit for the year

The Group's profit for the year increased by 64.76% to RMB307.37 million in 2013 compared to RMB186.55 million in 2012. For the year ended December 31, 2013, the Group's profit for the year as a percentage of our total revenue (excluding service concession construction revenue) increased to 5.64% compared to 4.28% in 2012.

10. Profit attributable to the owners of the Company

The profit attributable to the owners of the Company increased by 110.88% to RMB236.50 million in 2013 compared to RMB112.15 million in 2012.

Management Discussion and Analysis *(Continued)*

11. Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 4.76% to RMB70.87 million in 2013 compared to RMB74.41 million in 2012.

12. Liquidity and capital sources

As at December 31, 2013, the Group's cash and cash equivalents decreased by 52.40% to RMB1,001.39 million compared to RMB2,103.83 million at December 31, 2012. The main sources of the Group's operating capital are revenue from sales of electricity.

As at December 31, 2013, the Group's borrowings increased by 2.66% to RMB39,177.85 million compared to RMB38,161.85 million as at December 31, 2012. In particular, RMB5,412.19 million (including RMB2,957.98 million of long-term borrowings due within one year) was short-term borrowings, and RMB33,765.66 million was long-term borrowings. The above borrowings include RMB38,971.72 million of borrowings denominated in RMB, and RMB206.13 million of borrowings denominated in USD.

At December 31, 2013, the Group has committed unutilized banking facilities amounting to approximately RMB15,099.43 million, of which approximately RMB450.00 million are subject to renewal during the next 12 months from the date the Group's financial statements are approved.

13. Capital expenditure

The Group's capital expenditure decreased by 33.42% to RMB3,809.86 million in 2013 compared to RMB5,722.56 million in 2012. Capital expenditure mainly comprises engineering construction costs such as purchase or construction of property, plant and equipment, land use rights and intangible assets, etc..

Management Discussion and Analysis *(Continued)*

14. Net gearing ratio

In 2013, the Group's net gearing ratio (net debt (total borrowings minus cash and cash equivalents) divided by total equity and net debt) was 76.29%, 0.47 percentage point higher than 75.82% in 2012.

15. Significant investment

In 2013, the Group made no significant investment.

16. Major acquisition and disposal

On January 21, 2013, the Company entered into agreements with Datang Shandong Power Generation Company Limited ("Datang Shandong") and Datang Shandong Electric Power Overhaul & Operation Company Limited ("Datang Overhaul") in respect of the cancellation of the acquisition of equity interests in Datang Laizhou Renewable Power Company Limited ("Datang Laizhou") and Datang Wendeng Clean Power Development Company Limited ("Datang Wendeng"). Pursuant to the agreements, the Company returned the 100% equity interests acquired in Datang Laizhou and Datang Wendeng to Datang Shandong and Datang Overhaul at the consideration of RMB166.00 million and RMB38.00 million, respectively.

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, 2013, net carrying value of the pledged assets amounted to RMB5,282.25 million. In addition, as at December 31, 2013, the Company's intra-group loans to certain subsidiaries amounting to RMB1,910.60 million were pledged for bank loans.

18. Contingent liabilities

As at December 31, 2013, the Group had no material contingent liabilities.

Management Discussion and Analysis *(Continued)*

IV. RISK FACTORS AND RISK MANAGEMENT

1. Policy risk

Since 2005, the Chinese government has increasingly strengthened the 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, namely the exemption or 50% reduction in value-added tax. Although the Chinese government has repeatedly reiterated that it would continue to intensify its support for the development of the wind power industry, we could not preclude the possibility that it might alter or repeal the current preferential measures and favorable policies without any prior notice.

2. Grid curtailment risk

As some of the Group's wind farm construction progress did not match with progress grid construction, it is difficult to transmit all the potential electricity that could be generated when wind farms run at full load, thus hindering the power transmission upon completion of relevant projects of the Group. In addition, if all electricity generated by our wind farms upon operation at full load fails to be consumed locally, the amount of power generation produced by the Company may be impaired.

3. Technological risk

The energy industry develops rapidly amid fierce competition. Technology advancement may result in the reduction of various types of energy development costs, and render the existing wind power projects and technologies uncompetitive or obsolete. Failure to timely adopt newly-developed technologies may create an adverse impact on our business, financial position and operating results.

Management Discussion and Analysis *(Continued)*

4. Competition risk

Currently, there are more investment entities participating in the domestic wind power development project, all of which are actively capturing the resources which lead to more fierce competition. As a result, the Group will continue to adjust its portfolio scientifically, consolidate existing resource reserves, explore new area of resources and further expand resource reserves. Meanwhile, the Company will enhance efforts in technology and management innovation and will continuously keep improving its core competitiveness by making use of its own strength.

5. Development risk of clean development mechanism (CDM) projects

In 2013, as the economic crisis in Europe has not been effectively alleviated, transaction prices and trading volume of carbon emissions in European secondary market remained in a prolonged doldrums without any sign of recovery. On the one hand, the crisis increased the default risks of buyers of stock carbon assets, on the other hand, the crisis increases the sale risks of incremental carbon assets on the other hand. Meanwhile, carbon emission trading has been commenced in pilot areas of domestic carbon market during the year. The effect of degree of tightness regarding the quota release of different pilot areas which is a major factor for price determination on demand and supply relationship is still subject to further observation. Nevertheless in the long run, as the second commitment period of the "Kyoto Protocol" has been recognized to extend to 2020, and China will gradually explore and established a unified carbon market by 2015, the Group will closely keep track with the changes in policies and the markets, set out practicable working frames and implementation plans to effectively protect the Group's income from carbon assets.

Management Discussion and Analysis *(Continued)*

6. Risks related to geographical concentration of wind power projects

The Group's wind power projects are principally 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 progress and the local power grid construction progress. Any change created adverse effect to 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 which vary substantially in different seasons and geographical regions 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 velocity limit of Turbines 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. Therefore, the wind power projects may not meet anticipated production levels, and adversely affect our forecasted profitability.

Management Discussion and Analysis *(Continued)*

8. Project construction risk

Amid 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 land and labour costs for wind farm construction, a circumstance under which the Group may encounter such risks as relatively long construction period of wind power projects, and relatively high total construction costs, etc.

9. Risks related to safety management

The Group has transformed its business from solely focusing on wind power generation to primarily focusing on wind power with a diversified portfolio comprising, solar power, biomass, CBM, and EPC, etc. Since there will be more and more hazard sources and hidden hazards in the course of our business diversification, and we are yet to be familiar with the features and patterns of production safety management in these sectors which takes a certain period of 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 integrating 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 will eventually affect our operating results. As the Group highly relies on external financing in order to obtain investment capital to expand wind power business, we are particularly sensitive to the capital cost in securing such loans.

Management Discussion and Analysis *(Continued)*

11. Exchange rate risk

Fluctuations of RMB exchange rates could adversely affect the Group's financial position and operating results. Although the Group conducts substantially all of its business operations in China and its major revenue is denominated in RMB, the Group also derives revenue from the sales of CERs which is denominated in foreign currencies. Meanwhile, we convert RMB into foreign currencies to purchase equipment and services from abroad, make overseas investments and foreign acquisitions, 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. Accordingly, the Group will pay active attention to the research of market exchange rates variation, and adopt 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 the Group's business, financial condition or operating results. The Group has 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 the Group's wind power projects could have a material adverse effect on the Group's ability to achieve the Group's targets and on the Group's business, financial condition and operating results. The Group will monitor the market dynamics closely and make adjustment to the Group's strategy accordingly. Meanwhile, the Group will explore on various financing channels to adjust the finance structure.

Management Discussion and Analysis *(Continued)*

V. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

1. Opportunities faced by the Group

After experiencing the "slow progress on development" in 2013, the growth of world economy is in the process of recovery this year. However, there are still risks. At the 2013 Central Economic Working Conference, the Chinese government proposed to insist on the work keynote of seeking improvement in stability in 2014, insisted that the macro policy should be stable and the micro policy should be flexible, and brought out a series of innovative policies.

As the situation of domestic environmental protection became increasingly serious, China has attached more importance to the development of new energy industry. The National Energy Administration has proposed to vigorously develop clean energy and promote green development of energy in 2014. The major works include: orderly develop wind power, formulate, improve and implement administrative measures for renewable electricity quota, full-amount protective acquisitions, etc.. 18.00 million kW of new wind power installed capacity and 14.00 million kW of solar photovoltaic power are planned to be installed in 2014. The new energy industry has a larger room for development.

On 27 January 2014, the 800KV ultra-high-voltage DC transmission line from Hami, Xinjiang to Zhengzhou which was constructed by the State Grid Corporation of China was fully put into operation. It is the first large ultra-high-voltage project for transmission of coal power and wind power. This line opened the large clean energy channel, creating foundations for the large scale development of wind power and photovoltaic power generation in Northwest China. In addition, the State Grid Corporation of China also proposed in its work focus in 2014 the target of "Striving to Approve and Start Construction of 6 AC and 4 DC Ultra-High-Voltage Transmission Projects".

Favorable policies including the establishment of a domestic carbon emission reduction market are expected to be unveiled soon. All these efforts provide a favorable platform for the further development of the new energy industry.

Management Discussion and Analysis *(Continued)*

2. Operating policies for 2014

I. Strengthen lean management, excavate inventory and increase profits.

We will strive to tack bottlenecks restricting the growth of electricity volume generated, strengthen transmission capacity; strengthen equipment governance and enhance the comprehensive efficiency of equipment; improve the management system of wind farms, strengthen management, give full play to the guiding role of profit and electric quantity assessment and practically improve the benefits of assets in service.

II. Adjust development structure, optimize increment and promote growth.

We will strictly control investment risks, take the profitability and contribution to the profits attributable to the owners as the criteria for project selection, and continuously enhance investment benefits; increase efforts in adjustment of regional structure, proactively promote the development progress of wind power projects in areas in regions not subject to transmission restriction, pick over low wind speed projects for development, protect the resources in the regions subject to transmission restriction, and pay close attention to the planning and construction progress of transmission channels; this year, we will guarantee the key projects to be put into production as scheduled to promote earnings growth.

III. Expand the way of financing, reduce costs and improve profitability.

We will establish financial channels for the mainland China and Hong Kong to the extent as permitted by policies and cut down the Company's current financial costs in a reasonable way; further strength centralized management and control of funds, give full play to the capital usage efficiency and effectively reduce financial risks; expand the way of cooperation with banks, and adopt multilevel and diverse financing instruments to improve financial structure, reduce financing costs, guarantee the security of funds and improve the overall profitability.

Management Discussion and Analysis *(Continued)*

IV. Insist on the strategy of making the enterprise strong relying on talents and built an excellent staff team.

We will adhere to the idea that talent is the core competitiveness of enterprise, gradually build four talent teams, i.e. "corporate senior management, management talents, technical talents and skilled talents", which accommodate the Company's development needs. We will vigorously implement training and development of all staff, create a learning atmosphere in which everyone wants to become a talent, and comprehensively construct a learning-oriented enterprise.

V. Strengthen work in relation to scientific and technological information and give play to the leading and support role.

We will strengthen scientific and technical innovation, and strive to promote the research ability, innovation ability and industrial discursive power of new energy industry. We will increase the research of solar thermal energy and wind power absorptions and cultivate core competitiveness, to prepare industry reserves for the future development of the Group. In addition, we will continuously promote the management information construction and give full play to the important support role of information in reform of management system, innovation of business model and leading strategic transformation.

Major Events in 2013

In January 2013, the Company held the 2013 working conference in Beijing.

In January 2013, the Company's Liaoning Xiaotazi wind farm won the prize of "2012 Grid-friendly Wind Farms".

In February 2013, the Company held the commencement meeting for preparing the industrial standards, i.e. Supervision Procedures on Wind Turbines Impeller System and Technology in Beijing.

In April 2013, the working team of the Company's Huanan wind farm was honored to be the "2013 Pioneer Workers in China".

In May 2013, the 98MW wind power project of the Company's Datang Linxi was awarded " China Power Outstanding Projects ".

In June 2013, the Company entered into a cooperation framework agreement in relation to the clean and high efficient utilization of CBM in Beijing with China United Coalbed Methane Corporation(中聯煤層氣公司) and Beijing Shanglai Engineering Company(北京商萊工程技術公司).

In August 2013, the Company held the first extraordinary general meeting of 2013 in Beijing, selected the members of the second session of the Board and Supervisory Committee successively, thus completed the change of the term of office for the Board and Supervisory Committee.

In October 2013, the Company attended the "22nd World Energy Congress" held in Daegu, Korea as the representative for Chinese wind power enterprises.

In November 2013, the Company held the "Development Strategy Seminar", attending by the leaderships of the National Energy Administration, the experts on national energy and development plan, as well as the members of the Board of the Company.

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 technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; engineering, domestic and local construction and installation, repair and maintenance of power projects; import and export services of renewable energy equipment and technologies; foreign investment; renewable energy-related consulting services; as well as leasing of property.

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, 2013 are set out in the consolidated statement of comprehensive income on pages 102 to 104 of the annual report. The financial position of the Group and of the Company as at December 31, 2013 is set out in the statements of financial position on pages 105 to 107 of the annual report. The cash flows of the Group for the year ended December 31, 2013 are set out in the consolidated statement of cash flows on pages 110 to 112 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 12 to 34 of this annual report.

Report of Directors *(Continued)*

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, 2013 are set out in Note 13 to the consolidated financial statements.

IV. SHARE CAPITAL

As at December 31, 2013, 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, 2013 are set out in Note 23 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 are set out in Note 24 to the consolidated financial statements.

VII. DISTRIBUTABLE RESERVES

Pursuant to the Articles of Association of the Company, where there are differences between Accounting Standards for Business Enterprises of the PRC ("CAS") and International Financial Reporting Standards ("IFRSs"), the distributable reserves shall be the lesser of the amounts shown in the two different financial statements. As at December 31, 2013, the distributable reserves of the Company are approximately RMB509.0 million (2012: RMB630.9 million) according to the Company's financial statements prepared in accordance with CAS.

Report of Directors *(Continued)*

VIII. DIVIDENDS

The Board has proposed distribution of a final dividend of RMB0.003 per share (tax inclusive) in cash to shareholders for the year ended December 31, 2013. All the dividends will be paid upon approval by shareholders at the Company's Annual General Meeting.

IX. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

As at December 31, 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

X. MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2013, the amount of purchase from our five largest suppliers (as defined in the 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, 2013, the sales to our five largest customers (as defined in the Listing Rules) in aggregate accounted for not more than 65.34% of our total sales for the year, in which, the sales to the largest customer in aggregate accounted for not more than 28.45% of our total sales for the year. All of our five largest customers are subsidiaries of the State Grid Corporation of China.

During the year, to the best of the Directors' knowledge, none of the directors, their associates or shareholders of the Company (to the best of the Directors' knowledge, who holds more than 5% of the Company's issued capital) have any interests in the five largest suppliers or customers of the Company in the year.

XI. BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group as at December 31, 2013 are set out in Note 25 to the consolidated financial statements.

Report of Directors *(Continued)*

XII. 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. Wang Yeping	Chairman of the Board and Non-executive Director	August 20, 2013
Mr. Wu Jing	Vice Chairman of the Board and Non-executive Director	July 1, 2010
Mr. Kou Bing'en	Non-executive Director	August 20, 2013
Mr. Su Min	Non-executive Director	December 27, 2012
Mr. Hu Yongsheng	Executive Director and	July 1, 2010
	President	July 1, 2010
Mr. Hu Guodong	Executive Director and	December 27, 2012
	Vice President	July 1, 2010
Mr. Liu Chaoan	Independent non-executive Director	July 1, 2010
Mr. Lo Mun Lam, Raymond	Independent non-executive Director	August 20, 2013
Mr. Ma Zhizhong	Independent non-executive Director	August 20, 2013
Mr. Chen Jinhang	Former Chairman of the Board and Former non-executive Director	Resigned on August 20, 2013
Mr. Yin Li	Former non-executive Director	Resigned on August 20, 2013
Mr. Wang Guogang	Former independent non-executive Director	Resigned on August 20, 2013
Mr. Yu Hon To David	Former independent non-executive Director	Resigned on August 20, 2013
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		
Ms. Mi Keyan	Head of the CPC Discipline Inspection Committee and Chairman of the Trade Union	December 25, 2013
Mr. Jiao Jianqing	Vice President	February 20, 2014
Mr. Meng Lingbin	Vice President	July 1, 2010
Mr. Chen Song	Chief Accountant	February 20, 2014
Mr. Wang Wenpeng	Board Secretary and Joint Company Secretary	August 29, 2012
Mr. Zhao Zonglin	Chief Engineer	December 25, 2013

Report of Directors *(Continued)*

Notes:

The former senior management of the Group, Mr. Wang Wenpeng has resigned as the Vice president of the Company on the fourth meeting of the second session of the Board held on February 20, 2014.

The former senior management of the Group, Mr. Zhang Xuefeng has resigned as the Chief Financial Officer of the Company on the fourth meeting of the second session of the Board held on February 20, 2014.

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.

XIII. 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. Wang Yeping has been serving as the Chairman and a Non-executive Director of the Company since August 20, 2013.

Mr. Kou Bing'en has been serving as a Non-executive Director of the Company since August 20, 2013.

Mr. Lo Mun Lam, Raymond has been serving as an Independent non-executive Director of the Company since August 20, 2013.

Mr. Ma Zhizhong has been serving as an Independent non-executive Director of the Company since August 20, 2013.

Mr. Chen Jinhang resigned as the Chairman of the Board and Non-executive Director of the Company on August 20, 2013.

Mr. Yin Li resigned as a Non-executive Director of the Company on August 20, 2013.

Mr. Wang Guogang resigned as an Independent non-executive Director of the Company on August 20, 2013.

Report of Directors *(Continued)*

Mr. Yu Hon To David resigned as an Independent non-executive Director of the Company on August 20, 2013.

As at December 31, 2013, there is no information relating to supervisors of the Company which is discloseable according to Rule 13.51B(1) of the Listing Rules.

XIV. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, supervisors and senior management are set out on pages 89 to 97 of this annual report.

XV. SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with each of the Directors. The principal particulars of such service contracts including: (1) 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.

XVI. 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.

Report of Directors *(Continued)*

XVII. INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

As at December 31, 2013, 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.

XVIII. SIGNIFICANT SUBSEQUENT EVENTS

On January 20, 2014, the Company entered into the New Financial Services Agreement with Datang Finance. Pursuant to which, the services to be provided by Datang Finance to the Group include 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 advice and consultation services, financial consultation and training services, underwriting services concerning the issuance of bonds, guarantee trust services, and insurance agent services. In respect of the provision of the loan services under the New Financial Services Agreement, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for the year ending December 31, 2014. In respect of the provision of the deposit services under the New Financial Services Agreement, the maximum amount of the daily deposit balance (including any interest accrued thereon) for the Group's deposits with Datang Finance shall be RMB430 million for the year ending December 31, 2014. The term of the New Financial Services Agreement shall be from January 20, 2014 to December 31, 2014.

On May 9, 2013, the Company entered into the Finance Lease Framework Agreement with Datang Financial Leasing and set the annual cap for the year of 2013. As the annual cap expired on December 31, 2013, and the Company and Datang Financial Leasing wish to continue the continuing connected transactions, the Company and Datang Financial Leasing renewed the annual cap of the Finance Lease Framework Agreement for the year of 2014 on March 27, 2014. The aggregate amount of finance Lease to be provided by Datang Financial Leasing to the Group for the year ended December 31, 2014 will be RMB1,800.00 million. Pursuant to the agreement, Datang Financial Leasing shall provide finance lease services to the members of the Group's upon reasonable requests. With respect to each Finance Lease, the relevant lessor and lessee will enter into separate written contract(s) subject to the provisions of the Agreement. The lease method includes sale and leaseback, pursuant to which the lessor shall purchase from the Lessee the leasing equipment which will be leased back to the Lessee by the lessor; and finance lease arrangement involving leasing of leasing equipment newly acquired by the lessor as per the requirements of the lessee.

Report of Directors *(Continued)*

There were no significant subsequent events occurred from January 1, 2014 to the date of this annual report.

XIX. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at December 31, 2013, 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. Wang Yeping*	Chairman of the Board and Non-executive Director	Vice Chairman and General Manager of Datang Corporation
Wu Jing	Vice Chairman of the Board and Non-executive Director	Datang International Power Generation Co., Ltd.
Kou Bing'en	Non-executive Director	Director of Capital Management and Property Management Department of Datang Corporation
Su Min	Non-executive Director	General Manager and deputy Party chief of Datang Jilin

* Mr. Wu Jing was appointed as the General manager, Vice Chairman and executive director of Datang International Power Generation Co., Ltd..

Report of Directors *(Continued)*

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

As at December 31, 2013, 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 Companies ("Model Code") stated in Appendix X of the Listing Rules.

XXI. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at December 31, 2013, 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%
National Council for Social Security Fund	H Shares	Beneficial owner	214,261,000 (Long position)	8.57%	2.95%

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.

Report of Directors *(Continued)*

XXII. MANAGEMENT CONTRACTS

As at and during the year ended December 31, 2013, 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.

XXIII. CONNECTED TRANSACTIONS

Major connected transactions of the Group during 2013 are as follows:

(1) Non-exempt One-off Connected Transactions

The Group has entered into certain non-exempt one-off connected transactions during the year.

1. *Loans from the Datang Financial Leasing*

Datang Renewable (Hong Kong), a wholly-owned subsidiary of the Company, entered into a loan agreement ("Loan Agreement") with Datang Financial Leasing on February 25, 2013, pursuant to which Datang Renewable (Hong Kong) provided a loan of RMB370,000,000 to Datang Financial Leasing for a term of 3 years at an interest rate of 5% per annum. The loan was used for the businesses of Datang Financial Leasing including financial leasing, leasing, purchase of leased property from domestic and overseas sellers and treatment and maintenance of salvage leased property.

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. As Datang Financial Leasing is an indirect subsidiary wholly-owned by Datang Corporation, thus it is a connected person of the Company.

Report of Directors *(Continued)*

(2) Non-exempt Continuing Connected Transactions

The Group 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, their respective annual caps for 2013-2015 were approved at the fifteenth meeting of the first session of the Board of the Company in 2012 held on August 29, 2012. 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, their respective annual caps for 2013-2018 were approved at the 2012 first EGM held on December 27, 2012. In terms of the non-exempt continuing connected transactions of category 4 as stated below, the 2013 annual cap was approved at the eleventh meeting of the first session of the Board in 2011 held on August 18, 2011, relevant announcement was issued on August 31, 2011. In terms of the non-exempt continuing connected transactions of category 5 as stated below, the 2013 annual cap was approved at the 2013 annual general meeting ("AGM") held on June 28, 2013.

Report of Directors *(Continued)*

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2013:

Connected Transactions	Connected Person	Annual Cap for 2013	Actual Transaction Amount for 2013
1 Provision of products and services by the Group	Datang Corporation	RMB 50 million	**RMB5.66 million**
2 Provision of products and services to the Group	Datang Corporation	RMB3,600 million	**RMB1,151.35 million**
3 Provision of financial assistance to the Group	KEPCO International Hong Kong Ltd. (KEPCO Hong Kong)	The balance of the principal of the loan and accrued interests the end of the year were USD33.90 million and USD2.50 million, respectively	**The balance of the principal of the loan and interests paid for the year were USD33.81 million and USD2.32 million, respectively**
4 Provision of financial services to the Group — Cash depository service	Datang Finance	Highest daily balance of cash deposit held during 2013: RMB480 million	**Daily balance of cash deposit held during 2013: less than RMB480 million**
5 Provision of financial services to the Group — Financial leasing service	Datang Financial Leasing	RMB2,000 million	**RMB1,077.77 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. The agreement valid for three years and expired on July 8, 2013. Either party may terminate the agreement upon giving the other party at least three months' written notice.

Report of Directors *(Continued)*

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 provides, 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;

Report of Directors *(Continued)*

- 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 prices of 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.

During the reporting period, the annual cap of this continuing connected transaction for 2013 was RMB50 million and the actual transaction amount was RMB5.66 million.

Report of Directors *(Continued)*

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. The agreement was valid for a term of three years and expired on July 8, 2013. Either party may terminate the agreement upon giving the other party an at least three-month prior written notice.

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 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.

During the reporting period, the annual cap of this continuing connected transaction for 2013 was RMB3,600 million and the actual transaction amount was RMB1,151.35 million.

Report of Directors *(Continued)*

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 a loan facility to Chifeng Renewable Power. The loan was for a term of three years and was expired on November 21 , 2013.

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

Principal terms 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 at November 6, 2012, the outstanding principal of the loan facility is USD40.57 million;

- 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;

Report of Directors *(Continued)*

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

- The term for the loan facility is from November 6, 2012 to September 18, 2018;

- 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.

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 closing balance of the principal of this continuing connected transaction for 2013 was USD33.90 million. The annual cap of accrued interests was USD2.50 million. The actual closing balance of the principal as at the end of the year was USD33.81 million and the actual interests paid for the year was USD2.32 million.

Report of Directors *(Continued)*

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.

Report of Directors *(Continued)*

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.

During the reporting period, the annual cap of the daily deposit balance of deposit service of this continuing connected transaction for 2013 was RMB480 million and the actual maximum amount of daily deposit balance was less than RMB480 million.

5. *Provision of financial services by Datang Financial Leasing to the Group*

The Company and Datang Financial Leasing entered into the Finance Lease Framework Agreement on May 9, 2013, pursuant to which Datang Financial Leasing provides finance lease services to the Group. With respect to each Finance Lease, the relevant Lessor and Lessee will enter into separate written contract(s) subject to the provisions of the Agreement.

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

- The term for the Finance Lease Framework Agreement is three years commencing on the date of the Agreement;

- The lease method includes sale and leaseback pursuant to which the Lessor shall purchase from the Lessee the Leasing Equipment which will be leased back to the Lessee by the Lessor; and finance lease arrangement involves leasing of Leasing Equipment newly acquired by the Lessor as per the requirements of the Lessee;

Report of Directors *(Continued)*

- The lease period for each Finance Lease will be determined by the following factors, including but not limited to, the useful life of the relevant Leasing Equipment, the financial needs of the Lessee and the funding availability of the Lessor, which in general should not exceed the useful life of such Leasing Equipment;

- The lease payments charged by the Lessor will include the purchase price or the value of the Leasing Equipment and interest thereon charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate determined by reference to the benchmark lending rates published by PBOC from time to time or, if no such rate is available, by reference to, among other factors, the rate charged by the other major financial institutions for the same or similar types of services;

- A one-off non-refundable handling fee may be charged on terms no less favourable to the Lessee than those offered by independent third parties by the Lessor and payable by the Lessee when separate written contract(s) under the Agreement is entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant written contract(s);

- The legal title and all rights of the Leasing Equipment shall vest in the Lessor throughout the lease period; and

- Subject to the Lessee having performed all its obligations under, and upon the expiry of the lease period of the separate written contract(s) under the Agreement, the Lessee shall have an option to purchase the relevant Leasing Equipment at a nominal price.

Report of Directors *(Continued)*

During the reporting period, the annual cap of deposit service of this continuing connected transaction for 2013 was RMB2,000 million and the actual transaction amount was RMB1,077.77 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 owners 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:

Report of Directors *(Continued)*

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 above, nothing has come to the auditor's attention that causes the auditor to believe that the continuing connected transactions have exceeded the aggregate annual caps for each of the disclosed continuing connected transactions disclosed in the previous announcements dated December 17, 2010, August 31, 2011, November 6, 2012 and May 9, 2013 made by the Company in respect of the 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 32 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.

Report of Directors *(Continued)*

XXIV. 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 businesses.

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 preemptive 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.

XXV. 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.

XXVI. 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 Appendix 14 to the Listing Rules. Please refer to the Corporate Governance Report as set out on pages 60 to 83 of this annual report for details.

XXVII. 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.

Report of Directors *(Continued)*

XXVIII. MATERIAL LITIGATION

As at December 31, 2013, 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.

XXIX. AUDIT COMMITTEE

The Company's 2013 annual results and the financial statements for the year ended December 31, 2013 prepared in accordance with the IFRSs have been reviewed by the audit committee of the Company.

XXX. AUDITORS

PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP were appointed to audit the financial statements for the year ended December 31, 2013 prepared in accordance with IFRSs and CAS, respectively.

XXXI. 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.

XXXII. CHANGES IN ACCOUNTING POLICIES

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

XXXIII. 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 provisions of the Code on Corporate Governance Practices (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 at December 31, 2013, the Company was not involved in any material litigation liable by any Director. Each Director 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 confirms that no liability insurance has been arranged for the Directors.

As provided in the Code Provisions A.1.8 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. During the period from January 1, 2013 to August 19, 2013, the Company's Nomination Committee under the Board was chaired by Mr. Wu Jing, a non-executive Director and the vice chairman of the Company. 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 believes 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. At the first meeting of the second session of the Board held on August 20, 3013, the Board approved the appointment of Mr. Liu Chaoan, an independent non-executive Director of the Company as the chairman of the Nomination Committee.

Corporate Governance Report *(Continued)*

Code Provision A.5.6 in the Corporate Governance Code set out in Appendix 14 to the Listing Rules stipulates that the Nomination Committee (or the Board) should have a policy concerning diversity of Board members, and should disclose the policy or a summary of the policy in the corporate governance report. The Company fully understands and affirms the importance of a policy concerning diversity of Board members for the Company. However, so far, the Company is still actively preparing relevant policies and vigorously arranging the Board and relevant personnel to discuss and consider the same. Relevant policies will be prepared recently and will be disclosed in the 2014 interim report.

For the year ended December 31, 2013, save as disclosed above, the Company has been in strict compliance with the principles and code provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules, as well as certain recommended best practices.

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 at December 31, 2013, 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 89 to 93 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.

Corporate Governance Report *(Continued)*

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
Wang Yeping	1956.08	Chairman of the Board and non-executive Director	August 20, 2013
Wu Jing	1957.03	Vice Chairman of the Board and non-executive Director	July 1, 2010
Kou Bing'en	1962.09	Non-executive Director	August 20, 2013
Su Min	1962.09	Non-executive Director	December 27, 2012
Hu Yongsheng	1963.04	Executive Director	July 1, 2010
		President	July 1, 2010
Hu Guodong	1963.10	Executive Director	December 27, 2012
		Vice president	July 1, 2010
Liu Chaoan	1956.03	Independent non-executive Director	July 1, 2010
Lo Mun Lam, Raymond	1953.09	Independent non-executive Director	August 20, 2013
Ma Zhizhong	1950.01	Independent non-executive Director	August 20, 2013

Corporate Governance Report *(Continued)*

(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 2013, the Board held four meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Attendance/ number of meetings	Attendance rate
Wang Yeping *(Note1)*	Chairman of the Board and Non-executive Director	2/2	100%
Wu Jing	Vice Chairman of the Board and Non-executive Director	4/4	100%
Kou Bing'en *(Note2)*	Non-executive Director	2/2	100%
Su Min	Non-executive Director	4/4	100%
Hu Yongsheng	Executive Director and President	4/4	100%
Hu Guodong	Executive Director and Vice president	4/4	100%
Liu Chaoan	Independent non-executive Director	4/4	100%
Lo Mun Lam *(Note3)*	Independent non-executive Director	2/2	100%
Ma Zhizhong, Raymond *(Note4)*	Independent non-executive Director	2/2	100%
Chen Jinhang *(Note5)*	Former Chairman of the Board and Former non-executive Director	2/2	100%
Yin Li *(Note6)*	Former non-executive Director	2/2	100%
Wang Guogang *(Note7)*	Former independent non-executive Director	2/2	100%
Yu Hon To David *(Note8)*	Former independent non-executive Director	2/2	100%

Corporate Governance Report *(Continued)*

Note:

1 Mr. Wang Yeping was appointed as a non-executive Director and Chiarman of the Company on August 20, 2013. Two Board meetings were held for the year ended December 31, 2013 after his appointment.

2 Mr. Kou Bing'en was appointed as a non-executive Director of the Company on August 20, 2013. Two Board meetings were held for the year ended December 31, 2013 after his appointment.

3 Mr. Lo Mun Lam, Raymond was appointed as an independent non-executive Director of the Company on August 20, 2013. Two Board meetings were held for the year ended December 31, 2013 after his appointment.

4 Mr. Ma Zhizhong was appointed as an independent non-executive Director of the Company on August 20, 2013. Two Board meetings were held for the year ended December 31, 2013 after his appointment.

5 Mr. Chen Jinhang resigned as Chairman of the Board and non-executive Director on August 20, 2013. Two meetings were held for the year ended December 31, 2013 before his resignation.

6 Mr. Yin Li resigned as non-executive Director on August 20, 2013. Two meetings were held for the year ended December 31, 2013 before his resignation.

7 Mr. Wang Guogang resigned as independent non-executive Director on August 20, 2013. Two meetings were held for the year ended December 31, 2013 before his resignation.

8 Mr. Yu Hon To David resigned as independent non-executive Director on August 20, 2013. Two meetings were held for the year ended December 31, 2013 before his resignation.

Corporate Governance Report *(Continued)*

In particular, Mr. Chen Jinhang, former 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 March 2013. Mr. Wang Yeping, 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 2013.

(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 at December 31, 2013, 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 2013, 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.

Corporate Governance Report *(Continued)*

(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. Wang Yeping and Mr. Hu Yongsheng serve as the Chairman and the President respectively, whose powers and responsibilities are clearly divided.

The Chairman of the Company, Mr. Wang Yeping, 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 August 20, 2013.

Corporate Governance Report *(Continued)*

(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 2013, 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, 2013, 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.

Corporate Governance Report *(Continued)*

In 2013, 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
Wang Yeping	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
Kou Bing'en	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
Liu Chaoan	Independent non-executive Director	Business management and corporate governance
Lo Mun Lam, Raymond	Independent non-executive Director	Business management and corporate governance
Ma Zhizhong	Independent non-executive Director	Business management and corporate governance
Chen Jinhang	Former Chairman of the Board and Former non-executive Director	Business management and corporate governance
Yin Li	Former non-executive Director	Business management and corporate governance
Wang Guogang	Former independent non-executive Director	Business management and corporate governance
Yu Hon To David	Former independent non-executive Director	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 2013 in compliance with Rule 3.29 of the Listing Rules. For the year ended December 31, 2013, the joint company secretary of the Company Mr. Wang Wenpeng has undertook relevant profession trainings of not less than 15 hours.

Corporate Governance Report *(Continued)*

The Company appointed Ms. Mok Ming Wai (director of KCS Hong Kong Limited (凱譽香港有限公司)) as one of its joint company secretaries on August 30, 2013. Ms. Gloria Sau-kuen Ma (director of KCS Hong Kong Limited) resigned as a joint company secretary of the Company on August 30, 2013. In compliance with Rule 3.29 of the Listing Rules, both Ms. Mok, joint company secretary and Ms. Ma, former joint company secretary have undertaken no less than 15 hours of relevant profession training during the year ended December 31, 2013. Their 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 at December 31, 2013, 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 at December 31, 2013, its members were Mr. Lo Mun Lam, Raymond (independent non-executive Director), Mr. Ma Zhizhong (independent non-executive Director) and Mr. Su Min (non-executive Director). As at December 31, 2013, Mr. Lo Mun Lam, Raymond served as the Chairman of the Audit Committee.

Corporate Governance Report *(Continued)*

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.

Corporate Governance Report *(Continued)*

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

- The 2013 first meeting of the first session of the Audit Committee of the Board was held on March 21, 2013, at which the following were considered and approved: the 2012 annual results announcement and annual report of the Company, the 2012 final financial report of the Company, the profit distribution plan of the Company for 2012, the 2012 report on internal control of the Company, the re-appointment of the Company's domestic and international auditors for 2013 and their remuneration, as well as making bad debt provision for CDM.

- The 2013 first meeting of the second session of the Audit Committee of the Board was held on August 29, 2013, at which the the 2013 interim results announcement and interim report of the Company 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	1/1
Independent non-executive Director	
Lo Mun Lam, Raymond *(Chairman of the Committee)* *(Note 1)*	1/1
Ma Zhizhong *(Note 2)*	1/1
Former non-executive Director	
Yu Hon To David *(Note 3)*	1/1
Wang Guogang *(Note 4)*	1/1

Note : 1 Mr. Lo Mun Lam, Raymond was appointed as an independent non-executive Director and the Chairman of the Audit Committee of the Company on August 20, 2013. The Audit Committee held one meeting for the year ended December 31, 2013 after his appointment.

Corporate Governance Report *(Continued)*

2 Mr. Ma Zhizhong was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on August 20, 2013. The Audit Committee held one meeting for the year ended December 31, 2013 after his appointment.

3 Mr. Yu Hon To David resigned as an independent non-executive Director and a member of the Audit Committee on August 20, 2013. The Audit Committee held one meeting for the year ended December 31, 2013 before his resignation.

4 Mr. Wang Guogang resigned as an independent non-executive Director and the Chairman of the Audit Committee on August 20, 2013. The Audit Committee held one meeting for the year ended December 31, 2013 before his resignation.

(2) Nomination Committee

The Nomination Committee of the Company consists of three Directors. As at December 31, 2013, its members were Mr. Kou Bing'en (non-executive Director), Mr. Liu Chaoan (independent non-executive Director) and Mr. Lo Mun Lam, Raymond (independent non-executive Director). As at December 31, 2013, Mr. Liu Chaoan served as 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 2013 first meeting of the first session of the Nomination Committee of the Board was held on March 22, 2013, for the main purpose of reviewing and approving the composition of the first session of the Board and the independence of independent non-executive Directors.

Corporate Governance Report *(Continued)*

- The 2013 second meeting of the first session of the Nomination Committee of the Board was held on August 20, 2013, for the main purpose of reviewing and approving the nominated candidates for the second session of the Board.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Non-executive Director	
Kou Bing'en *(Note 1)*	0/0
Independent non-executive Director	
Liu Chaoan (Chairman of the Committee)	2/2
Lo Mun Lam, Raymond *(Note 2)*	0/0
Former Chairman of the Committee	
Wu Jing *(Note 3)*	2/2
Former independent non-executive Director	
Wang Guogang *(Note 4)*	2/2

Note: 1 Mr. Kou Bing'en was appointed as a non-executive Director and a member of the Nomination Committee of the Company on August 20, 2013. The Nomination Committee held no meeting for the year ended December 31, 2013 after his appointment.

2 Mr. Lo Mun Lam, Raymond was appointed as an independent non-executive Director and a member of the Nomination Committee of the Company on August 20, 2013. The Nomination Committee held no meeting for the year ended December 31, 2013 after his appointment.

3 Mr. Wu Jing resigned as the Chairman and a member of the Nomination Committee on August 20, 2013. The Nomination Committee held two meetings for the year ended December 31, 2013 before his resignation.

Corporate Governance Report *(Continued)*

4 Mr. Wang Guogang resigned as an independent non-executive Director and a member of the Nomination Committee on August 20, 2013. The Nomination Committee held two meetings for the year ended December 31, 2013 before his resignation.

(3) Remuneration and Assessment Committee

The Remuneration and Assessment Committee of the Company consists of three Directors. As at December 31, 2013, its members were Mr. Liu Chaoan (independent non-executive Director), Mr. Wu Jing (non-executive Director) and Mr. Ma Zhizhong (independent non-executive Director). As at December 31, 2013, Mr. Ma Zhizhong 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.

Corporate Governance Report *(Continued)*

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

- The 2013 first meeting of the first session of the Remuneration and Assessment Committee of the Board of Directors was held on March 22, 2013, at which the proposal of assessment and incentive for the work of operation management team in 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	
Wu Jing	1/1
Independent non-executive Director	
Liu Chaoan	1/1
Ma Zhizhong (Chairman of the Committee) *(Note 1)*	0/0
Former independent non-executive Director	
Yu Hon To David *(Note 2)*	1/1

Note: 1 Mr. Ma Zhizhong was appointed as an independent non-executive Director and the Chairman of the Remuneration and Assessment Committee of the Company on August 20, 2013. The Remuneration and Assessment Committee held no meeting for the year ended December 31, 2013 after his appointment.

2 Mr. Yu Hon To David resigned as an independent non-executive Director and a member of the Remuneration and Assessment Committee on August 20, 2013. The Remuneration and Assessment Committee held one meeting for the year ended December 31, 2013 before his resignation.

Corporate Governance Report *(Continued)*

(4) *Strategic Committee*

The Strategic Committee of the Company consists of three Directors. As at December 31, 2013, its members were Mr. Wu Jing (non-executive Director), Mr. Hu Yongsheng (executive Director) and Mr. Hu Guodong (executive Director). As at December 31, 2013, Mr. Wu Jing 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 2013 first meeting of the first session of the Strategic Committee of the Board was held on March 22, 2013, at which the report of the operation and investment plans of the Company for 2012 was considered and approved.

Corporate Governance Report *(Continued)*

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) *(Note 1)*	0/0
Executive Director	
Hu Yongsheng	1/1
Hu Guodong	1/1
Former non-executive Director	
Yin Li *(Note 2)*	1/1

Note: 1 Mr. Wu Jing was appointed as a non-executive Director and the Chairman of the Strategic Committee of the Company on August 20, 2013. The Strategic Committee did not hold any meeting for the year ended December 31, 2013 after his appointment.

2 Mr. Yin Li resigned as a non-executive Director and a member of the Strategic Committee on August 20, 2013. The Strategic Committee held one meeting for the year ended December 31, 2013 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, 2013. 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.

Corporate Governance Report *(Continued)*

4. Compliance with the code of conduct for dealing in the securities of the Company by its Directors, supervisors and relevant employees

The Company has adopted the Model Code as the code of conduct for dealing in the securities of the Company by its Directors, supervisors and relevant employees (as defined in the Code). According to the 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 during the reporting period.

The Board will examine the corporate governance practices and operation of the Group from time to time to ensure that the Group 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.

Corporate Governance Report *(Continued)*

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 LLP (collectively, "External Auditors") were appointed as international and domestic auditors to audit the financial statements for the year ended December 31, 2013 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 the External Auditors payable by the Company during the year ended December 31, 2013 were RMB10,500,000.

The External Auditors did not provide any non-audit services to the Company.

7. Remuneration of Directors and Senior Management

A formal and transparent procedure for fixing the remuneration packages of individual Directors and Senior Management is in place. Details of the remuneration for Directors and top five persons in respect of remuneration are set out in Note 12 to the consolidated financial statements of the annual report. For the year ended December 31, 2013, the scope of remuneration for the Senior Management of the Company is set out below:

Scope of remuneration *(RMB'000)*	**Number of members of Senior Management**
0-500	1
500-1,000	5

Note: Numbers disclosed above includes the senior management of the Company and those who are executive directors.

Corporate Governance Report *(Continued)*

8. Shareholders' General Meeting

In 2013, 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
Wang Yeping *(Note 1)*	Chairman of the Board and non-executive Director	0/0	—
Wu Jing	Vice Chairman of the Board and non-executive Director	2/2	100%
Kou Bing'en *(Note 2)*	Non-executive Director	0/0	—
Su Min	Non-executive Director	2/2	100%
Hu Yongsheng	Executive Director and President	2/2	100%
Hu Guodong	Executive Director and vice president	2/2	100%
Liu Chaoan	Independent non-executive Director	2/2	100%
Lo Mun Lam, Raymond *(Note 3)*	Independent non-executive Director	0/0	—
Ma Zhizhong *(Note 4)*	Independent non-executive Director	0/0	—
Chen Jinhang *(Note 5)*	Former Chairman of the Board and Former non-executive Director	2/2	100%
Yin Li *(Note 6)*	Former non-executive Director	2/2	100%
Wang Guogang *(Note 7)*	Former independent non-executive Director	2/2	100%
Yu Hon To David *(Note 8)*	Former independent non-executive Director	2/2	100%

Note: 1 Mr. Wang Yeping was appointed as a non-executive Director of the Company on August 20, 2013. As at December 31, 2013, no general meeting was held after his appointment.

2 Mr. Kou Bing'en was appointed as a non-executive Director of the Company on August 20, 2013. As at December 31, 2013, no general meeting was held after his appointment.

3 Mr. Lo Mun Lam, Raymond was appointed as an independent non-executive Director of the Company on August 20, 2013. As at December 31, 2013, no general meeting was held after his appointment.

Corporate Governance Report *(Continued)*

4 Mr. Ma Zhizhong was appointed as an independent non-executive Director of the Company on August 20, 2013. As at December 31, 2013, no general meeting was held after his appointment.

5 Mr. Chen Jinhang resigned as Chairman of the Board and non-executive Director on August 20, 2013. As at December 31, 2013, two general meetings were held before his resignation.

6 Mr. Yin Li resigned as a non-executive Director on August 20, 2013. As at December 31, 2013, two general meetings were held before his resignation.

7 Mr. Wang Guogang resigned as an independent non-executive Director on August 20, 2013. As at December 31, 2013, two general meetings were held before his resignation.

8 Mr. Yu Hon To David resigned as an independent non-executive Director on August 20, 2013. As at December 31, 2013, two general meetings were held before his resignation.

9. 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.

Corporate Governance Report *(Continued)*

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 annual 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 2012 Annual General Meeting and 2013 first EGM in 2013.

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

Corporate Governance Report *(Continued)*

(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, 2013, there was no material change in the Company's constitutional documents.

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2013

1. Investors' routine visits

During the reporting period, we always gave detailed answers to the queries raised by investors and analysts in compliance with the information disclosure rules. As at the end of 2013, the Company had adequate communications and exchange of ideas with investors and analysts from a number of institutions via meetings, telephone calls and emails.

2. Reverse roadshows for analysts

During the reporting period, the Group held reverse roadshows in July 2013, during which we arranged over 30 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 2012 annual results and 2013 interim results in due course. In March 2013, the management of the Company visited Hong Kong to hold a road show for 2012 annual results, organized a press conference, an analysts conference and 10 one-on-one meetings with investors. In September 2013, the management of the Company hosted a road show for 2013 interim results in Hong Kong, organized a press conference, an analysts conference and 13 one-on-one meetings with investors.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2014

In 2014, 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 2013, 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 22, 2013, the Company held the seventh 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 2012, Annual Results Announcement and Annual Report of the Company for 2012, the Final Financial Report of the Company for 2012, the Financial Budget Report of the Company for 2013 and the Profit Distribution Plan of the Company for 2012.

2. On August 20, 2013, the Company held the first meeting of the second session of the Supervisory Committee in Beijing, at which the Proposal regarding the Election of Chairman of the Second Session of the Supervisory Committee was considered and approved.

3. On August 30, 2013, the Company held the second meeting of the second session of the Supervisory Committee in Beijing, at which the proposal regarding the 2013 Interim Results Announcement and Interim Report of the Company was considered and approved.

Report of the Supervisory Committee *(Continued)*

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2013

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 2012 and the first Extraordinary General Meeting for 2013 of the Company and attended the twentieth meeting of the first session of the Board and the first and second meetings of the second session of the Board 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.

Report of the Supervisory Committee *(Continued)*

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 LLP in respect of the consolidated financial statements of the Company for the year ended December 31, 2013 prepared in accordance with IFRSs and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

Report of the Supervisory Committee *(Continued)*

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 considered that the Board of the Directors earnestly implemented the resolutions approved by the General Meetings.

In 2014, 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 of the Hong Kong Stock Exchange; 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

Beijing, the PRC, March 18, 2014

Profile of Directors, Supervisors and Senior Management

I. NON-EXECUTIVE DIRECTORS

Mr. Wang Yeping, born in August 1956, joined the Group in August 2013 and served as the chairman and non-executive director of the Group. He is now vice chairman of the Board, general manager and Deputy Party chief of China Datang Corporation. Mr. Wang served as the managing director and Party chief of Maoming Power Supply Bureau, Guangdong Province. He was deputy director, Party committee member and leader of Party discipline inspection team of Guangdong Provincial Power Industry Bureau. Also, he was the general manager and deputy Party chief of Guangdong Electric Power Group Corporation. Mr. Wang served as the chairman of board and Party chief in Guangdong Electric Power Group Co., Ltd.. He was director, general manager and Party committee member of China Southern Power Grid Co., Ltd.. Mr. Wang was the vice president and Party committee member in State Electricity Regulatory Commission. Mr. Wang obtained a bachelor's degree and is a senior engineer (高級工程師) (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

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 general manager and vice president and an executive director of Datang International Power Generation Co., Ltd. (a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange; Stock Code of A share: 601991; Stock Code of H share: 00991) since January 2014. Mr. Wu served as the chief economist of China Datang Corporation from December 2006 to December 2013, 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）.

Profile of Directors, Supervisors and Senior Management *(Continued)*

Mr. Kou Bing'en, born in September 1962, has been a non-executive Director since he joined the Group in August 2013. Mr. Kou has served as the director of Capital Management and Property Management Department in China Datang Corporation since August 2011. From April 2008 to August 2011, he was the general manager of China Datang Overseas Investment Co., Ltd.. From January 2005 to April 2008, Mr. Kou was the general manager of China Datang Corporation Henan Branch. He was the deputy director of Planning and Development Department in China Datang Corporation from January 2003 to January 2005. From April 1998 to January 2003, he served as the deputy general manager in Planning Department in North China Electric Power Group Corporation. Mr. Kou was the deputy general manager and general manager in Planning and Development Department in Beijing Datang Power Generation Co., Ltd. from July 1997 to April 1998. From September 1996 to July 1997, he served as the director of Infrastructure Planning Division of Comprehensive Planning Department in North China Electric Power Group Corporation. From August 1983 to September 1996, he was a maintenance worker in Maintenance Department of Shijingshan Power Plant (石景山發電總廠), a technician in Technical Association Exhibition Room, deputy chief engineer, deputy director and Party chief at Project Expansion Department. Mr. Kou graduated from North China Electric Power University and obtained PhD degree. He is a senior economist (高級經濟師) (the advanced title for professional and technical qualification in Chinese economic management industry).

Mr. Su Min, born in September 1962, joined the Company as non-executive Director in December 2012. Mr. Su has been working as president and Deputy Party of Datang Jilin Power Generation Co., Ltd. since December 2013, the president and Party chief of Datang Jinlin Power Generation from July 2013 to December 2013 and worked as vice president (presiding) and deputy Party chief (presiding)of Datang Jilin Power Generation Co., Ltd. from August 2011 to July 2013. 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., deputy chief of Infrastructure Department of Shandong Electricity Company 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).

Profile of Directors, Supervisors and Senior Management *(Continued)*

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 since 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).

Profile of Directors, Supervisors and Senior Management *(Continued)*

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

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).

Mr. Lo Mun Lam, Raymond, born in September 1953, has been an independent non-executive Director since he joined the Group in August 2013. Mr. Lo, has been the executive director and co-managing partner of South Asian Investment Management Company from 21 January 2002. Trained as a Chartered Accountant in England & Wales, he also qualified as a Canadian Chartered Accountant and also member of International Bar Association. Mr. Lo is now licensed as a Responsible Officer by the Securities & Futures Commission of Hong Kong for providing Type 6 (corporate finance) advisory. He held directorate level or strategist positions with multinational financial and emerging companies internationally. He served as former chairman of the board of directors and an independent non-executive director (resigned in August 2013) of Luk Fook Holdings (International) Limited (stock code: 00590), and currency serves as an independent non-executive director and chairman of audit committee of Shanghai Zendai Property Limited (stock code: 00755), as the vice chairman and a non-executive director of The Asian Capital Resources (Holdings) Limited (stock code: 08025) and as an independent non-executive director and the chairman of audit committee of Guangshen Railway Co., Ltd. (stock code: 00525). Mr. Lo graduated from the University of Wisconsin-Madison in business administration and read law at the University of Hong Kong, also obtained the certificate for postgraduate of sustainable development courses of Cambridge University and achieved certification of independent non-executive director qualified by SSE (Shanghai Stock Exchange). He also holds various post-graduate degrees or professional qualifications in accountancy, finance, real estate and hospitality disciplines.

Profile of Directors, Supervisors and Senior Management *(Continued)*

Mr. Ma Zhizhong, born in January 1950, has been an independent non-executive Director since he joined the Group in August 2013. Mr. Ma, served as the advisor of the State Grid Corporation from March 2010 to March 2013. From December 2004 to March 2010, he was the assistant of general manager of the State Grid Corporation. Mr. Ma was the director of the general office of the State Grid Corporation from January 2003 to December 2004. He served as deputy director and director of the National Power Corporation (國家電力公司) from November 2001 to January 2003. From October 1992 to December 1992, he was the Party chief of Beijing Tourism Commodities Service Corporation (北京市旅遊商品服務總公司). From December 1992 to November 2001, Mr. Ma was the secretary of the Party committee and deputy general manager in China National Packaging Import and Export Corporation. From June 1984 to December 1992, he served as the secretary of the Party chief, the deputy director of the general office and the deputy secretary-general of the CPC Beijing Municipal Committee. From April 1982 to June 1984, Mr. Ma worked as the secretary of minister in the Ministry of Urban and Rural Construction and Environmental Protection (城鄉建設環境保護部). From December 1980 to April 1982, he served as the secretary in the National Economic Adjustment Office of the State Council. From October 1979 to December 1980, he was the secretary in general office of the Ministry of Power Industry. As a publicity officer, Mr. Ma worked in the political department in the Ministry of Water Conservancy and Electric Power from August 1977 to October 1979. Mr. Ma studied from September 1974 to August 1977 at the department of political science, Nanjing University, majoring in philosophy. From October 1996 to November 1998, he studied in the Chinese Academy of Social Sciences (中國社會科學院) and obtained master degree of money and banking. Mr. Ma is a senior political engineer (高級政工師) (the advanced professional and technical qualification in the field of Chinese political professions).

Profile of Directors, Supervisors and Senior Management *(Continued)*

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, and the deputy President of Datang International Power Generation Co., Ltd. (a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange; Stock Code of A share: 601991; Stock Code of H share: 00991) since January 2014. He served as the chief auditor and chief of Auditing Department of China Datang Corporation from July 2013 to December 2013. Mr. Wang served as the deputy chief auditor and chief of Auditing Department of China Datang Corporation from August 2011 to July 2013. 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 a Party committee member and chief accountant of Datang Henan Power Generation Co., Ltd (大唐河南發電有限公司) since January 2014. He served as the chief of Accounting Department of Datang Jilin Power Generation Company Limited from March 2007 to December 2013, and has been 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).

Profile of Directors, Supervisors and Senior Management *(Continued)*

Mr. Dong Jianhua, born in November 1960, joined the Group in May 2005. He has been the Employee Representative Supervisor since July 2010, and the deputy leader of Party discipline inspection team and deputy chairman of the Trade Union of the Group and secretary of Party Committee of Datang (Chifeng) Renewable Power Co., Ltd. since 2009. Mr. Dong has been a Party committee member, leader of discipline inspection team and chairman of Trade Union of China Datang Corporation Renewable Power Co., Ltd. (former name of the Group) from March 2009 to November 2009, the assistant to president and chief of politics department, deputy secretary of Party Committee, leader of discipline inspection commission and chairman of the Trade Union of Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (former name of the Group) from May 2005 to March 2009. 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 specialty and technology for political science professionals in the PRC).

V. SENIOR MANAGEMENT

Ms. Mi Keyan, born in April 1966, has been a Party committee member, a member of Party discipline inspection team and 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 December 2013. She has been a Party committee member, leader of discipline inspection team and chairman of the Trade Union of Datang Environmental Technology & Engineering Company Limited (大唐環境科技工程有限公司) from December 2005 to December 2013, and assistant to the President of Datang Environmental Technology & Engineering Company Limited from January to December 2005. From January 2003 to January 2005, she successively served as the deputy director (in charge of work) and director of the Supervision Division II of the Supervision Department of China Datang Group Corporation. From July 1996 to January 2003, she was the director of Office II of the discipline inspection team (Supervision Division) of Huabei Electric Power Group. Ms. Mi graduated from Chongqing University with a degree of bachelor of engineering in Power System and Automation in July 1988 and is a senior political officer (a senior title of qualification of specialty and technology for political science professionals in the PRC).

Profile of Directors, Supervisors and Senior Management *(Continued)*

Mr. Jiao Jianqing, born in May 1963, has been a Party committee member and the deputy President of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Ltd.) since February 2014. Mr. Jiao has been a Party committee member and the deputy President of Shanxi Branch of China Datang Corporation from April 2008 to January 2014, director of the Equipment Management Division of the Operation Safety Department of China Datang Corporation from January 2005 to April 2008, deputy President of Datang Environmental Technology & Engineering Company Limited from December 2003 to January 2005, deputy director of the Operation Management Division of the Operation Safety Department of China Datang Corporation from January 2003 to December 2003, and deputy general manager and chief engineer of Beijing Jingfeng Thermal Power Co., Ltd. (北京京豐熱電有限責任公司) from June 2001 to January 2013. From July 1995 to June 2001, he successively served as the chief engineer, deputy head and chief engineer of No. 3 Thermal Power Plant of Beijing (北京第三熱電廠). From April 1993 to July 1995, he successively served as the deputy director and deputy chief engineer of the Power Generation Division of Beijing Shijingshan Power Plant (北京石景山發電總廠). Mr. Jiao graduated from Huazhong University of Science and Technology with a degree of bachelor of engineering in Thermal Power in July 1983 and then he obtained a degree of bachelor of science in management from North China Electric Power University. He is a senior engineer (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

Mr. Hu Guodong is the Vice President of the Company. The biographical details of Mr. Hu are set out on page 91 of this annual report.

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).

Profile of Directors, Supervisors and Senior Management *(Continued)*

Mr. Chen Song, born in May 1968, has been a Party committee member and the chief accountant (chief financial officer) of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Ltd.) since February 2014. He has been the director of the Financial Department of Datang International Power Generation Co., Ltd. From December 2012 to January 2014, director of Phase II Construction Preparation Department of Honghe Power Company (紅河發電公司) from May 2010 to December 2012, and general manager of Yunnan Datang International Honghe Power Generation Company Limited from November 2009 to December 2012. From November 2006 to November 2009, Mr. Chen successively served as the deputy manager, deputy general manager and deputy director of the Financial Department of Datang International. From December 2004 to November 2006, he successively served as the plant manager assistant, deputy plant manager and chief accountant of Beijing Gao Jing Thermal Power Plant. He served as the chief financial officer of Hebei Huaze Hydropower Development Company Limited from May 2004 to January 2005. From August 2000 to December 2004, Mr. Chen successively served as deputy director of the Funds Division and director of Property Funds Division of the Financial Department of Beijing Datang Power and director of Property Funds Division of the Financial Department of Datang International. Mr. Chen graduated from Xiamen University with a degree of bachelor of economics in Accounting in July 1991. He is a senior accountant (a senior title of qualification of speciality and technology for accounting professionals in the PRC).

Mr. Zhao Zonglin, born in March 1965, has been the chief engineer of the Group (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd. and then China Datang Corporation Renewable Power Co., Ltd.) since December 2013. He served as the deputy chief engineer and the director of the Project Management Department of the Group from February 2012 to January 2014, director of the Project Department of the Group from October 2007 to December 2013. From August 1998 to October 2007, he successively worked as the president, director of the Production Technology Department, director of the Engineering Department of Construction Division, deputy chief of Construction Division of Nuantong Company under Yuanbaoshan Power Plant (元寶山發電廠暖通公司). From July 1989 to August 1998, he served as an engineer of the Steam Engine Branch, deputy head of Hydropower and Engineering Branch and Chemical Branch under Yuanbaoshan Power Plant. Mr. Zhao graduated from North China Electric Power University with a Master's degree and is a senior (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

Notes:

Mr. Wang Wenpeng, a former senior management member of the Group, resigned as the deputy President of the Company at the fourth meeting of the second session of the Board convened on February 20, 2014.

Mr. Zhang Xuefeng, a former senior management member of the Group, resigned as the Chief Financial Officer of the Company at the fourth meeting of the second session of the Board convened on February 20, 2014.

Human Resources

I. PROFILE OF HUMAN RE SOURCES

As at December 31, 2013, the Group has 3,305 employees in total, including 128 employees aged 56 and above, representing 3.8% of the total, 442 employees aged from 46 to 55, representing 13.37%, 848 employees aged from 36 to 45, representing 25.6%, and 1,887 employees aged 35 or below, representing 57.09%. Educational background of our employees is as follows:

Table 1 The Group (by educational background)

No.	Category	Number of staff	Proportion *(%)*
1	Postgraduate and above	176	5.32
2	Undergraduate	1,543	46.7
3	College diploma	1,393	42.15
4	Technical secondary school and below	193	5.83
	Total	3,305	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.

Human Resources *(Continued)*

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 2013, the Group provided 581 training programs on business management, professional techniques and production skills for a total of 18,157 persons/times, with 100% employees attending the training.

V. GUARANTEE OF STAFF RIGHTS

The Group strictly complies with the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China 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.

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 102 to 225, which comprise the consolidated and company statements of financial position as at December 31, 2013, 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.

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Independent Auditor's Report *(Continued)*

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, 2013, 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 18, 2014

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2013**	2012
Revenue	5	**5,630,285**	4,368,015
Other income and other gains-net	6	**126,198**	277,394
Depreciation and amortization charges	8	**(2,200,522)**	(1,856,660)
Employee benefit expenses	8	**(352,838)**	(264,939)
Material costs		**(64,551)**	(23,757)
Repairs and maintenance expenses		**(121,016)**	(83,113)
Service concession construction costs		**(185,338)**	(8,150)
Other operating expenses		**(374,232)**	(294,372)
		(3,298,497)	(2,530,991)
Operating profit		**2,457,986**	2,114,418
Finance income	7	**30,962**	40,980
Finance expenses	7	**(2,138,523)**	(1,973,733)
Share of profit/(loss) of investments accounted for using the equity method	17	**10,014**	(5,328)
Profit before taxation		**360,439**	176,337
Income tax (expense)/benefit	9	**(53,074)**	10,217
Profit for the year		**307,365**	186,554

Consolidated Statement of Comprehensive Income *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2013**	2012
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss			
Gains/(losses) arising on revaluation of financial assets at fair value through other comprehensive income	18	**247,564**	(98,906)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(6,030)**	762
Total other comprehensive income/(loss) for the year		**241,534**	(98,144)
Total comprehensive income for the year		**548,899**	88,410
Profit attributable to:			
Owners of the Company		**236,500**	112,148
Non-controlling interests		**70,865**	74,406
		307,365	186,554

Consolidated Statement of Comprehensive Income *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2013**	2012
Total comprehensive income attributable to:			
Owners of the Company		**478,783**	14,447
Non-controlling interests		**70,116**	73,963
		548,899	88,410
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	10	**0.0325**	0.0154

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

Dividends	11	**21,821**	167,295

Statements of Financial Position

As At December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Group		Company	
		As at December 31,		As at December 31,	
	Note	**2013**	2012	**2013**	2012
Assets					
Non-current assets					
Property, plant and equipment	13	**45,160,107**	44,854,540	**386,691**	391,425
Intangible assets	14	**589,271**	416,941	**5,315**	4,290
Land use rights	15	**379,223**	333,986	**—**	—
Investment in subsidiaries	16	**—**	—	**13,941,841**	13,691,289
Investments accounted for using the equity method	17	**379,915**	278,002	**164,416**	90,751
Financial assets at fair value through other comprehensive income	18(a)	**584,044**	334,480	**2,000**	—
Deferred income tax assets	28	**35,714**	30,057	**—**	—
Value-added tax recoverable	19	**2,201,353**	2,552,823	**4,546**	3,121
Prepayments and other receivables	20	**640,453**	209,707	**4,065,540**	1,731,534
Total non-current assets		**49,970,080**	49,010,536	**18,570,349**	15,912,410
Current assets					
Inventories		**16,885**	14,207	**—**	3,477
Trade and bills receivable	21	**3,804,677**	3,034,519	**125,291**	89,212
Prepayments and other receivables	20	**1,595,283**	2,193,016	**5,234,843**	7,159,197
Financial assets at fair value through profit or loss	18(b)	**—**	16,470	**—**	—
Restricted cash	22(a)	**—**	10,090	**—**	—
Cash and cash equivalents	22(b)	**1,001,388**	2,103,829	**482,969**	770,382
Total current assets		**6,418,233**	7,372,131	**5,843,103**	8,022,268
Total assets		**56,388,313**	56,382,667	**24,413,452**	23,934,678

Statements of Financial Position *(Continued)*

As At December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Group		Company	
		As at December 31,		As at December 31,	
	Note	**2013**	2012	**2013**	2012
Equity					
Equity attributable to owners of the Company					
Share capital	23	**7,273,701**	7,273,701	**7,273,701**	7,273,701
Share premium	23	**2,080,969**	2,080,969	**2,080,969**	2,080,969
Other reserves	24	**(1,251,472)**	(1,667,986)	**1,467,143**	1,462,105
Retained earnings	24				
— proposed final dividend	11	**21,821**	167,295	**21,821**	167,295
— others		**1,166,966**	961,750	**496,428**	476,475
		9,291,985	8,815,729	**11,340,062**	11,460,545
Non-controlling interests		**2,570,961**	2,680,917	**—**	—
Total equity		**11,862,946**	11,496,646	**11,340,062**	11,460,545
Liabilities					
Non-current liabilities					
Borrowings	25(a)	**33,765,657**	32,705,212	**8,828,432**	6,886,069
Deferred income tax liabilities	28	**31,531**	32,663	**—**	—
Other accruals and payables	27	**457,777**	184,290	**12,740**	8,600
Total non-current liabilities		**34,254,965**	32,922,165	**8,841,172**	6,894,669

Statements of Financial Position *(Continued)*

As At December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Group		Company	
		As at December 31,		As at December 31,	
	Note	**2013**	2012	**2013**	2012
Current liabilities					
Borrowings	25(b)	**5,412,192**	5,456,633	**3,924,310**	4,680,543
Trade and bills payable	26	**308,728**	637,297	**2,788**	506,364
Current income tax liabilities		**45,635**	23,697	**2,142**	2,142
Other accruals and payables	27	**4,503,847**	5,846,229	**302,978**	390,415
Total current liabilities		**10,270,402**	11,963,856	**4,232,218**	5,579,464
Total liabilities		**44,525,367**	44,886,021	**13,073,390**	12,474,133
Total equity and liabilities		**56,388,313**	56,382,667	**24,413,452**	23,934,678
Net current (liabilities)/assets		**(3,852,169)**	(4,591,725)	**1,610,885**	2,442,804
Total assets less current liabilities		**46,117,911**	44,418,811	**20,181,234**	18,355,214

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

These financial statements were approved by the Board of Directors on March 18, 2014 and were signed on its behalf.

Wang Yeping	Hu Yongsheng
Director	*Director*

Consolidated Statement of Changes in Equity

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	(Note 23)	*(Note 23)*	*(Note 24)*				
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 income/(loss)							
Losses arising on revaluation of financial assets at fair value through other comprehensive income *(Note 18(a))*	—	—	(98,906)	—	(98,906)	—	(98,906)
Currency translation differences	—	—	1,205	—	1,205	(443)	762
Total comprehensive income/(loss)	—	—	(97,701)	112,148	14,447	73,963	88,410
Transaction with owners							
Acquisition of non-controlling interests of subsidiaries	—	—	—	(508)	(508)	508	—
Acquisition of subsidiaries *(Note 30)*	—	—	—	—	—	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 transactions 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

Consolidated Statement of Changes in Equity *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	(Note 23)	*(Note 23)*	*(Note 24)*				
At January 1, 2013	7,273,701	2,080,969	(1,667,986)	1,129,045	8,815,729	2,680,917	11,496,646
Comprehensive income							
Profit for the year	—	—	—	236,500	236,500	70,865	307,365
Other comprehensive income/(loss)							
Gains arising on revaluation of financial assets at fair value through other comprehensive income *(Note 18(a))*	—	—	247,564	—	247,564	—	247,564
Currency translation differences	—	—	(5,281)	—	(5,281)	(749)	(6,030)
Total comprehensive income	—	—	242,283	236,500	478,783	70,116	548,899
Transaction with owners							
Acquisition of non-controlling interests of subsidiaries *(Note 31)*	—	—	7,267	—	7,267	(86,331)	(79,064)
Capital contributions	—	—	—	—	—	8,100	8,100
Disposal of subsidiaries	—	—	161,926	—	161,926	(21,000)	140,926
Appropriations							
— reserves	—	—	5,038	(5,038)	—	—	—
— others	—	—	—	(4,425)	(4,425)	(2,805)	(7,230)
Dividends	—	—	—	(167,295)	(167,295)	(78,036)	(245,331)
Total transactions with owners	—	—	174,231	(176,758)	(2,527)	(180,072)	(182,599)
At December 31, 2013	7,273,701	2,080,969	(1,251,472)	1,188,787	9,291,985	2,570,961	11,862,946

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

Consolidated Statement of Cash Flows

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2013**	2012
Cash flows from operating activities			
Profit before taxation		**360,439**	176,337
Adjustments for:			
Depreciation and amortization	8	**2,200,522**	1,856,660
Provision for impairment of assets		**17,184**	34,068
Interest expenses	7	**2,141,750**	1,974,808
Interest income	7	**(30,962)**	(40,980)
Foreign exchange gains, net	7	**(3,227)**	(1,075)
Share of (profit)/loss of investments accounted for using the equity method	17	**(10,014)**	5,328
Others, net		**(226)**	2,866
Changes in working capital:			
Increase in inventories		**(2,678)**	(1,743)
Increase in trade and bills receivable		**(842,952)**	(311,550)
Decrease/(increase) in prepayments and other receivables		**247,479**	(45,182)
Increase in trade and bills payable		**38,871**	11,837
Increase in other accruals and payables		**566,290**	503,831
Cash generated from operations		**4,682,476**	4,165,205
Interest received		**16,357**	27,943
Income tax paid		**(35,373)**	(49,795)
Net cash generated from operating activities		**4,663,460**	4,143,353

Consolidated Statement of Cash Flows *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

	Note	Year ended December 31, 2013	2012
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		**(4,600,818)**	(6,864,270)
Proceeds from disposal of property, plant and equipment		**—**	1,524
Loans to related parties		**(372,697)**	(25,173)
Proceeds from repayments of loans and interest earned from related parties		**33,319**	97,617
Investments in investments accounted for using the equity method		**(73,887)**	(214,900)
Dividends received from investments accounted for using the equity method		**—**	15,012
Investments in financial assets at fair value through other comprehensive income		**(2,000)**	—
Dividends received from financial assets at fair value through other comprehensive income		**3,516**	—
Investments in financial assets at fair value through profit or loss		**—**	(16,352)
Proceeds from disposal of investments in financial assets at fair value through profit or loss		**38,815**	—
Assets-related government grants received		**7,690**	26,000
Proceeds from repayment of notes receivable and interest earned		**—**	400,736
Acquisition of subsidiaries, net of cash acquired	30	**—**	(24,984)
Disposal of subsidiaries, net of cash required		**(39,345)**	—
Decrease in restricted cash		**10,090**	18,710
Cash inflow from period under construction		**54,982**	23,658
Proceeds from the repayments of advances for plant constructions		**54,062**	—
Others, net		**8,986**	3,994
Net cash used in investing activities		**(4,877,287)**	(6,558,428)

Consolidated Statement of Cash Flows *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2013**	2012
Cash flows from financing activities			
Cash proceeds from issuance of bonds, net of issuance costs	25	**—**	2,000,000
Repayment of bonds	25	**(2,000,000)**	(2,000,000)
Capital contributions from the non-controlling interests		**8,100**	133,820
Acquisition of non-controlling interests	31	**(79,064)**	—
Proceeds from borrowings		**9,541,861**	15,439,564
Repayments of borrowings		**(5,860,479)**	(12,480,860)
Dividends paid by subsidiaries to the non-controlling interests		**(89,622)**	(39,129)
Dividends paid to owners of the Company		**(167,295)**	(283,674)
Interest paid		**(2,214,525)**	(2,356,406)
Proceeds from working capital provided by related parties		**—**	92,874
Repayments of working capital provided by related parties		**(16,000)**	(142,378)
Payment of shares and bonds issuance expenses		**(8,000)**	(8,537)
Net cash (used in)/generated from financing activities		**(885,024)**	355,274
Net decrease in cash and cash equivalents		**(1,098,851)**	(2,059,801)
Cash and cash equivalents at beginning of year		**2,103,829**	4,162,424
Exchange (losses)/gains on cash and cash equivalents		**(3,590)**	1,206
Cash and cash equivalents at end of year	22	**1,001,388**	2,103,829

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

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2013
(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（中國大唐集團公司）("Datang Corporation"), a limited liability company incorporated in the PRC and controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC government. At December 31, 2013, the directors of the Company regard Datang Corporation as the Company's ultimate holding company.

The Company's H shares was listed on The Stock Exchange of Hong Kong Limited in December 2010. The address of its registered office is Room 149, Building 1, No. 3, Xijing Road, Badachu Hi-tech Zone of Shijingshan District, Beijing, the PRC.

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

These financial statements are presented in Chinese Renminbi ("RMB"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on March 18, 2014.

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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, 2013, the Group's current liabilities exceeded its current assets by approximately RMB3,852.2 million (2012: RMB4,591.7 million). The Group meets its day to day working capital requirements through banking facilities. At December 31, 2013, the Group has committed unutilized banking facilities amounting to approximately RMB15,099.4 million (Note 3.1(c)), of which approximately RMB450.0 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 of the opinion that such covenants have been complied with and expect that the Group will continue complying with these covenants. The directors of the Company are confident that these committed banking facilities will continue to be available to the Group. Further information on the Group's borrowings is set out in Note 25.

Based on its assessment, the Board of Directors of the Company is of the opinion that the Group has adequate resources to continue its operations and to repay its debts when they fall due. As a result, the Group's financial statements have been prepared on a going concern basis.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

The following new and amended standards have been adopted by the Group for the first time for the financial year beginning on or after January 1, 2013:

- 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' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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)*

- 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.

- 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.

- 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.

- 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' on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

- Amendment to IAS 16, "Property, plant and equipment" clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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)*

- Amendment to IAS 34, "Interim financial reporting" clarifies the disclosure requirements for segment assets and liabilities in interim financial information.

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

- Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash-generating units which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the Group until January 1, 2014, however the Group has decided to early adopt the amendment as at January 1, 2013.

The adoption of these new and amended standards did not result in any significant impact to the Group's financial statements other than addition of certain required disclosures.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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, amendments and interpretations not effective for the financial year beginning January 1, 2013 and not yet adopted.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, and have not been applied in preparing these financial statements:

- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities (effective from January 1, 2014). These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

- Amendment to IAS 32, 'Financial instruments: Presentation' (effective from January 1, 2014), 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 statement of financial position.

- Amendment to IAS 39, 'Financial Instruments: Recognition and Measurement' (effective from January 1, 2014), on 'Novation of derivatives'. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counter party meets specified criteria.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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, amendments and interpretations not effective for the financial year beginning January 1, 2013 and not yet adopted. *(Continued)*

- IFRIC 21, 'Levies' (effective from January 1, 2014), sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised.

The Group has already commenced an assessment of the related impact of the above revised standards, amendments and interpretations to the Group's financial statements and is not expecting any significant impact to the Group's financial position and results upon adoption of them at their respective effective dates.

2.2 Consolidation and subsidiaries

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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 end of reporting period or when they first came under common control, whichever is shorter.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.2 Consolidation and subsidiaries *(Continued)*

(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 of the subsidiary 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.

(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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.2 Consolidation and subsidiaries *(Continued)*

(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.

2.3 Investments accounted for using the equity method

The Group has applied IFRS 11 to all joint arrangements as at January 1, 2013. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures.

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 joint ventures 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 joint ventures/associates includes goodwill identified on acquisition.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.3 Investments accounted for using the equity method *(Continued)*

If the ownership interest in a joint venture 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 profit or loss, 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 joint venture or associate equals or exceeds its interest in the joint venture 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 joint venture or associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture 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 joint venture or associate and its carrying value and recognizes the amount adjacent to 'share of profit/(loss) of investments accounted for using the equity method' in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures or associates are eliminated to the extent of the Group's interest in the joint ventures or associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures or associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution of equity interest in joint ventures or associates are recognized in profit or loss.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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 or valuation where items are re-measured. 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 profit or loss.

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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.5 Foreign currency translation *(Continued)*

(b) Transactions and balances (Continued)

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, 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 statement of financial position presented are translated at the closing rate at the end of reporting period;

- income and expenses for each statement of comprehensive income 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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 joint venture 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 owners 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 recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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 profit or loss during the financial period in which they are incurred.

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).

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.6 Property, plant and equipment *(Continued)*

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 profit or loss on a straight-line basis over the terms of the leases. Whenever there is impairment, the impairment is expensed in profit or loss.

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.8 Intangible assets *(Continued)*

(b) Concession assets

The Group, as an operator of wind/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 profit or loss on a straight-line basis over the term of the arrangement upon the completion of construction.

(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 charges' in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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 of disposal 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 (CGUs). Prior impairment of 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

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.10 Financial assets *(Continued)*

(a) Classification (Continued)

Debt instruments *(Continued)*

(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.

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date-the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the 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 profit or loss.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.10 Financial assets *(Continued)*

(b) Recognition and measurement (Continued)

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.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised 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

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.12 Impairment of financial assets *(Continued)*

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, 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 recognised in profit or loss.

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 recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

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 selling expenses.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other financial institutions, and 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 profit or loss 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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.

2.19 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.

Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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 incurred.

(b) Housing benefits

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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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 profit or loss, 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.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company, its subsidiaries, joint ventures 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

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 end of reporting period 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.21 Taxation *(Continued)*

(a) Current and deferred income tax (Continued)

(ii) Deferred income tax *(Continued)*

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, 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 and provision of certain services of the Group are subjected to VAT. VAT payable is determined by applying 6% to 17% on the taxable revenue arising from sales of goods or provision of certain services 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.

Pursuant to Cai Shui [2013]66 issued by Ministry of Finance and State Administration of Taxation, solar power generation plants are entitled to a 50% refund of the VAT levied on electricity generated during October 1, 2013 to December 31, 2015, which are recognized as government grants when they are received.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) *Sale of electricity*

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

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

The Group provides certain energy performance service, repairs and maintenance, and other services to external wind farms and recognizes the related revenue in the period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

(c) *Revenues under service concession arrangement*

Revenue relating to construction services under service concession arrangements 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.

(d) *Rental income from operating leases*

Rental income receivable under operating leases is recognized in profit or loss 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.25 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.26 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.27 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 profit or loss 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 profit or loss on a straight-line basis over the expected lives of the related assets.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.28 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).

2.29 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 profit or loss 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. 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 profit or loss 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and Company's 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.

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 CDM assets/receivables, loan denominated in USD, recognized assets and liabilities and net investments in foreign operations.

As at December 31, 2013, 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

3.1 Financial risk management *(Continued)*

(a) *Market risk (Continued)*

(i) Foreign exchange risk *(Continued)*

At December 31, 2013, if RMB had weakened/strengthened by 5% (2012: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB5.4 million (2012: RMB22.7 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 end of reporting period. The analysis is performed on the same basis for the years presented.

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 from 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 31 December 2013, 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. 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

3.1 Financial risk management *(Continued)*

(a) Market risk (Continued)

(ii) Price risk *(Continued)*

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 RMB53.1 million (2012: RMB28.3 million) as a result of increase/decrease in equity securities classified as fair value through other comprehensive income.

(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 2013 and 2012, 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, 2013, if interest rates on RMB and USD denominated loans both had been 50 basis points (2012: 50 basis points) higher/lower, respectively, with all other variables held constant, interest expense charged to profit or loss for the year would have been RMB152.3 million (2012: RMB133.5 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 end of reporting period.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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 20). 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.

Notes to the Consolidated Financial Statements *(Continued)*

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(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*

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, 2013, the Group held cash and cash equivalents of RMB1,001.4 million (2012: RMB2,103.8 million) (Note 22). In addition, the Group holds listed equity securities of RMB530.9 million (2012: RMB283.3 million) (Note 18), 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 debt ratio targets.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(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, 2013, the Group has the following undrawn borrowing facilities at floating rate:

	As at December 31,	
	2013	2012
Expiring within one year	**450,000**	22,251,230
Expiring beyond one year	**14,649,430**	21,855,570
	15,099,430	44,106,800

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(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 into relevant maturity groupings based on the remaining period from the end of reporting periods 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, 2013					
Long-term loans *(Note 25(a))*	2,957,981	3,523,526	8,307,468	17,747,011	32,535,986
Long-term bonds *(Note 25(a))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 25(b))*	2,454,211	—	—	—	2,454,211
Interest payables on borrowings	1,913,463	1,738,641	4,131,221	3,728,964	11,512,289
Other payables	4,412,953	16,000	48,000	91,418	4,568,371
Trade and bills payable	308,728	—	—	—	308,728
	12,047,336	5,278,167	16,686,689	21,567,393	55,579,585
At December 31, 2012					
Long-term loans *(Note 25(a))*	2,287,276	2,859,438	8,573,340	17,089,115	30,809,169
Long-term bonds *(Note 25(a))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 25(b))*	1,161,015	—	—	—	1,161,015
Short-term bonds *(Note 25(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	5,776,371	16,000	48,000	44,550	5,884,921
Trade and bills payable	637,297	—	—	—	637,297
	14,019,520	4,786,425	17,409,189	20,974,105	57,189,239

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(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, 2013					
Long-term loans *(Note 25(a))*	421,720	881,720	622,300	3,136,760	5,062,500
Long-term bonds *(Note 25(a))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 25(b))*	3,502,590	—	—	—	3,502,590
Interest payables on borrowings	298,851	268,331	641,873	473,894	1,682,949
Other payables	289,225	—	—	—	289,225
Trade and bills payable	2,788	—	—	—	2,788
	4,515,174	1,150,051	5,464,173	3,610,654	14,740,052
At December 31, 2012					
Long-term loans *(Note 25(a))*	142,520	573,720	1,178,920	950,110	2,845,270
Long-term bonds *(Note 25(a))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 25(b))*	2,529,681	—	—	—	2,529,681
Short-term bonds *(Note 25(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, 2013 and 2012, the Company provided financial guarantees to certain subsidiaries as set out in Note 25(a)(i).

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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, 2013 is 79.0% (2012: 79.6%), respectively.

The decrease in the liability-to-asset ratio was primarily due to the increase in total equity resulting from the appreciation of financial assets at fair value through other comprehensive income and improved operating results in 2013 compared with 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

3.3 Fair value estimation

(a) *Fair value measurements*

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is. as prices) or indirectly (that is. derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is. unobservable inputs) (Level 3).

The following table presents the Group's financial assets that are measured at fair value:

	As at December 31, 2013				As at December 31, 2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	530,877	–	53,167	584,044	283,313	–	51,167	334,480
Financial assets at fair value through profit or loss	–	–	–	–	–	16,470	–	16,470
	530,877	–	53,167	584,044	283,313	16,470	51,167	350,950

There were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities during the year ended December 31, 2013.

There was no reclassification of financial assets during the year ended December 31, 2013.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

3.3 Fair value estimation *(Continued)*

(b) The Group's valuation processes

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. 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 closing price. These instruments are included in level 1, which comprise shares listed on the Stock Exchange of Hong Kong Limited.

(ii) Financial instruments in level 2

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise 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 asset are observable, the asset is included in level 2.

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

(iii) Financial instruments in level 3

With respect to the Level 3 fair value measurement for the Group's financial assets at fair value through other comprehensive income that are unlisted equity securities with no active market exists, the Group's finance department benchmark to the market price of certain comparable listed companies within the same or similar operation/industry and apply certain adjustments/discount for non-marketability. At December 31, 2013, the directors of the Company are of their opinion that there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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.

(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 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.

Notes to the Consolidated Financial Statements *(Continued)*

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

(c) Recoverability of CDM assets

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 profit or loss. 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.

(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 statements 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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,	
	2013	2012
Sales of electricity	**5,364,481**	4,275,351
Service concession construction revenue *(Note (i))*	**185,338**	8,150
Service rendered under energy performance contracts	**40,530**	1,500
Other revenues *(Note (ii))*	**39,936**	83,014
	5,630,285	4,368,015

Notes:

(i) The Group, through certain subsidiaries, entered into service concession agreements with local provincial government (the "Grantors") to construct and operate wind/solar power plants during a concession period of 25 years of operation. The Group is responsible for construction and maintenance of the power plants during the concession period. At the end of the concession period, the Group either needs to dispose of the power plants or transfer them to the Grantors at nil consideration. Service concession construction revenue recognized during the years ended December 31, 2013 and 2012 represented the revenue recognized during the construction stage of the service concession period. The same amount of cost is recognized as substantially all the construction activities were sub-contracted to third party suppliers.

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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

Notes: (Continued)

(ii) In March 2011, the Group, 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 the Group to construct and build the necessary facilities on the project site on their behalf 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.

In July 2013, upon fulfilment of the conditions specified in the agreement, the Group acquired related wind turbines and relevant infrastructure from these manufacturers, and the balance of the funds received from these manufacturers were refunded.

During the year ended December 31, 2013, tariff revenue arising from the electricity generated from the installed wind turbines amounting to RMB10.3 million (2012: RMB18.2 million) and was recognized as other revenues.

Apart from the above, the remaining other revenues for the years ended December 31, 2013 and 2012 mainly represented revenues from rental income of power plant facilities and repair and maintenance service.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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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, 2013 and 2012. 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, 2013, substantially all (2012: all) the Group's revenue are derived from external customers in the PRC.

At December 31, 2013, substantially all (2012: substantially all) the non-current assets are located in the PRC.

For the year ended December 31, 2013, all (2012: 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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6. OTHER INCOME AND OTHER GAINS-NET

	Year ended December 31,	
	2013	2012
Income/(loss) from CDM Projects:		
— Income during the year	**73,191**	94,710
— Foreign exchange (losses)/gains, net	**(5,415)**	18,859
— Provision for impairment	**(14,856)**	(34,068)
	52,920	79,501
Government grants	**61,000**	133,556
Dividend from financial assets at fair value through other comprehensive income	**3,619**	—
Revaluation loss from financial assets at fair value through profit or loss	**(1,836)**	—
Gains on disposal of subsidiaries *(Note 16)*	**4,001**	—
Compensation income from wind turbine suppliers *(Note (i))*	**—**	37,963
Payment discount from wind turbine suppliers *(Note (ii))*	**—**	20,000
Others	**6,494**	6,374
	126,198	277,394

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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7. FINANCE INCOME AND EXPENSES

	Year ended December 31,	
	2013	2012
Finance income		
Interest income on deposits with banks and other financial institutions	**16,357**	29,940
Interest income on loans	**14,605**	—
Unwinding of discount on long-term receivables	**—**	11,040
	30,962	40,980
Finance expenses		
Interest expenses	**(2,294,536)**	(2,343,044)
Less: interest expenses capitalized in property, plant and equipment and intangible assets	**152,786**	368,236
	(2,141,750)	(1,974,808)
Foreign exchange gains, net	**3,227**	1,075
	(2,138,523)	(1,973,733)
Net finance expenses	**(2,107,561)**	(1,932,753)
Interest capitalization rate	**5.61% to 6.94%**	5.80% to 7.13%

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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8. OPERATING PROFIT

Operating profit is arrived at after charging:

	Year ended December 31,	
	2013	2012
Employee benefit expenses		
— salaries and staff welfares	**293,474**	285,855
— retirement benefits-defined contribution plans *(Note (i))*	**51,218**	39,838
— staff housing benefits *(Note (ii))*	**25,605**	26,716
— other staff costs	**68,347**	60,495
	438,644	412,904
Less: employee benefit expenses capitalized in property, plant and equipment and intangible assets	**(85,806)**	(147,965)
	352,838	264,939
Depreciation of property, plant and equipment *(Note 13)*	**2,178,903**	1,830,590
Amortization of intangible assets and land use rights *(Notes 14 and 15)*	**27,278**	26,070
Amortization of deferred income and deferred loss *(Note 25(a)(iv))*	**(5,659)**	—
Auditors' remuneration - audit services	**10,500**	15,200
Operating lease expenses	**23,335**	9,829

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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8. OPERATING PROFIT *(Continued)*

Notes:

(i) Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at a rate of 14% to 20% (2012: 14% to 22%) of the specified salaries of the employees in the PRC. 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 in accordance with Datang Corporation's policy. Under this scheme, the Group is required to make a specified contribution at a rate of 5% (2012: 4%) of total salaries for qualified employees. These 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% (2012: 10% to 20%) of the specified salaries of the employees in the PRC. 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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9. INCOME TAX EXPENSE/(BENEFIT)

	Year ended December 31,	
	2013	2012
Current tax expense		
PRC enterprise income tax	**59,681**	36,933
Under-provision in respect of prior years	**182**	2,217
	59,863	39,150
Deferred tax expense/(benefit)		
Origination of tax deduction *(Note (i))*	**—**	(29,042)
Impact of change in applicable tax rate *(Note (ii))*	**—**	(26,206)
(Reversal)/origination of other temporary differences	**(6,789)**	5,881
	(6,789)	(49,367)
Income tax expense/(benefit)	**53,074**	(10,217)

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] No.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 which allowed it to recover the overpaid tax from 2008 to 2011 by reducing its future income tax liabilities. Accordingly, a deferred tax asset amounting to RMB29.0 million was recognized at December 31, 2012.

(ii) In 2012, certain subsidiaries of the Company located in western region obtained the approval from relevant tax jurisdiction 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.

Notes to the Consolidated Financial Statements *(Continued)*

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

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

For the year ended December 31, 2013, except for certain subsidiaries incorporated in the PRC which were exempted or entitled to preferential rates of 7.5% to 15% (2012: 7.5% to 12.5%), all other subsidiaries incorporated in the PRC are subjected to income tax rate of 25% (2012: 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, 2013, the joint ventures and associates are subjected to income tax rate of 25% (2012: 25%), and the share of income tax expense of joint ventures and associates of RMB0.4 million (2012: RMB0.3 million) and RMB8.3 million (2012: RMB1.8 million) respectively, were included in 'share of profit/(loss) of investments accounted for using the equity method'.

The tax on the Group's profit before taxation 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,	
	2013	2012
Profit before taxation	**360,439**	176,337
Taxation calculated at the statutory tax rate	**86,794**	44,050
Income tax effects of:		
— Preferential income tax treatments	**(145,360)**	(61,248)
— Re-measurement of deferred tax due to change of applicable tax rate	**—**	(26,206)
— Income not subject to tax	**(4,034)**	(2,295)
— Expenses not deductible for tax purpose	**2,703**	4,500
— Tax losses and temporary differences for which no deferred income tax asset was recognized	**119,591**	60,364
— Utilization of previously not recognized tax losses and temporary differences	**(7,874)**	—
— Origination of tax deduction	**—**	(29,042)
— Under/(over) provision in respect of prior years	**182**	(340)
— Withholding income tax	**1,072**	—
	53,074	(10,217)
Weighted average effective income tax rate	**14.72%**	–5.79%

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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 owners of the Company by the weighted average number of ordinary shares in issue during the year:

	Year ended December 31,	
	2013	2012
Profit attributable to owners of the Company	**236,500**	112,148
Weighted average number of ordinary shares in issue *(thousands of shares)*	**7,273,701**	7,273,701

(b) Diluted earnings per share

Diluted earnings per share for the years ended December 31, 2013 and 2012 is the same as the basic earnings per share as there are no dilutive potential shares.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

11. DIVIDENDS

A final dividend for the year ended December 31, 2012 of RMB0.023 per share, amounting to RMB167.3 million was declared and approved by the shareholders on June 28, 2013, and was fully paid in August 2013.

A dividend in respect of the year ended December 31, 2013 of RMB0.003 per share, amounting to a total dividend of RMB21.8 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,	
	2013	2012
2012 dividend paid of RMB0.023 (2011: RMB0.039) per share	**167,295**	283,674
Proposed final dividend of RMB0.003 (2012: RMB0.023) per share	**21,821**	167,295
	189,116	450,969

The aggregate amounts of the dividends proposed during 2012 and 2013 have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

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

	Year ended December 31, 2013				
	Fees	Salaries allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Executive Directors					
— Mr. Hu Yongsheng（胡永生）*(Note (i))*	—	328	273	37	638
— Mr. Hu Guodong（胡國棟）	—	298	218	37	553
Non-executive Directors					
— Mr. Chen Jinhang（陳進行）* *(Note (ii))*	—	—	—	—	—
— Mr. Yin Li (殷立)* *(Note (ii))*	—	—	—	—	—
— Mr. Wu Jing (吳靜)*	—	—	—	—	—
— Mr. Su Min (蘇民)*	—	—	—	—	—
— Mr. Wang Yeping（王野平）* *(Note (iii))*	—	—	—	—	—
— Mr. Kou Bing'en（寇炳恩）* *(Note (iii))*	—	—	—	—	—
Independent non-executive directors					
— Mr. Wang Guogang（王國剛）*(Note (ii))*	32	—	—	—	32
— Mr. Yu Hon To David（俞漢度）*(Note (ii))*	32	—	—	—	32
— Mr. Liu Chaoan（劉朝安）	53	—	—	—	53
— Mr. Lo Mun Lam（盧敏霖）*(Note (iii))*	21	—	—	—	21
— Mr. Ma Zhizhong（馬治中）*(Note (iii))*	21	—	—	—	21
Supervisors					
— Mr. Wang Guoping（王國平）*	—	—	—	—	—
— Mr. Zhang Xiaochun（張小春）*	—	—	—	—	—
— Mr. Dong Jianhua（董建華）	—	280	200	37	517
	159	906	691	111	1,867

Notes:

(i) Mr. Hu Yongsheng is also the chief executive of the Company.

(ii) These directors retired as the directors of the Company upon the expiry of the term of the first session of the Board with effect from August 20, 2013.

(iii) These directors have been appointed as non-executive directors or independent non-executive directors of the Company with effect from August 20, 2013.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(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, the chief executive and supervisor of the Company is set out below: *(Continued)*

	Year ended December 31, 2012				
	Fees	Salaries allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Executive Directors					
— Mr. Hu Yongsheng (胡永生) *(Note (i))*	—	281	348	33	662
— Mr. Hu Guodong (胡國棟) *(Note (iii))*	—	253	282	33	568
Non-executive Directors					
— Mr. Chen Jinhang (陳進行)*	—	—	—	—	—
— Mr. Wu Jing (吳靜)*	—	—	—	—	—
— Mr. Yin Li (殷立)*	—	—	—	—	—
— Mr. Jian Yingjun (簡英俊)* *(Note (ii))*	—	—	—	—	—
— Mr. Zhang Xunkui (張勳奎) *(Note (ii))*	—	98	284	33	415
— Mr. Su Min (蘇民)* *(Note (iii))*	—	—	—	—	—
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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(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, the chief executive and supervisor of the Company is set out below: *(Continued)*

Notes:

(i) Mr. Hu Yongsheng is also the chief executive of the Company.

(ii) Mr. Jian Yingjun and Mr. Zhang Xunkui have resigned as directors of the Company with effect from December 27, 2012.

(iii) 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.

* These directors and supervisors of the Company receive emoluments from the Datang Corporation. No apportionment for their services to the Group 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.

During the year ended December 31, 2013, 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 (2012: nil); no director or supervisor waived or agreed to waive any emoluments (2012: nil).

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

(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, 2013 are set forth below:

	Year ended December 31,	
	2013	2012
Director or supervisor	**3**	3
Non-director or supervisor	**2**	2
	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,	
	2013	2012
Salaries and other emoluments	**596**	506
Discretionary bonuses	**436**	566
Retirement benefits-defined contribution plans	**73**	66
	1,105	1,138

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(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 emoluments of the individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2013	2012
Nil to HKD1,000,000	**5**	5

During the year ended December 31, 2013, 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 (2012: nil).

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT

	Group				
	Buildings	Electricity utility plant	Others	Construction-in-progress	Total
			(Note)		
At January 1, 2012					
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
Year ended December 31, 2012					
Opening net book amount	1,126,747	29,443,876	198,839	10,341,649	41,111,111
Additions	5,447	488	29,774	5,270,718	5,306,427
Acquisition of subsidiaries *(Note 31)*	—	129	1,338	279,745	281,212
Transfers and reclassifications	512,308	7,838,506	(184)	(8,350,630)	—
Disposals	—	(72)	(1,420)	—	(1,492)
Depreciation charges	(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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

	Group				
	Buildings	Electricity utility plant	Others *(Note)*	Construction-in-progress	Total
Year ended December 31, 2013					
Opening net book amount	1,585,889	35,537,471	189,698	7,541,482	44,854,540
Additions	133,750	183,327	8,634	3,156,050	3,481,761
Transfers and reclassifications	270,309	5,036,825	2,290	(5,309,424)	—
Disposals of subsidiaries	(17,301)	(776,839)	(1,541)	(189,982)	(985,663)
Depreciation charges	(83,176)	(2,070,212)	(37,143)	—	(2,190,531)
Closing net book amount	1,889,471	37,910,572	161,938	5,198,126	45,160,107
At December 31, 2013					
Cost	2,129,669	44,510,064	302,662	5,198,126	52,140,521
Accumulated depreciation	(240,198)	(6,599,492)	(140,724)	—	(6,980,414)
Net book amount	1,889,471	37,910,572	161,938	5,198,126	45,160,107

For the year ended December 31, 2013, depreciation expense recognized in the consolidated statement of comprehensive income is analyzed as follows:

	Year ended December 31,	
	2013	2012
Depreciation charges *(Note 8)*	**2,178,903**	1,830,590
Capitalization as construction-in-progress	**11,628**	12,128
	2,190,531	1,842,718

At December 31, 2013, certain property, plant and equipment amounting to RMB1,333.6 million net of accumulated depreciation amounting to RMB1,298.8 million were under the finance lease framework agreement as set out in Notes 26(a)(iv)).

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

	Company				
	Buildings	Electricity utility plant	Others	Construction-in-progress	Total
			(Note)		
At January 1, 2012					
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
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 charges	(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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Company				
	Buildings	Electricity utility plant	Others	Construction-in-progress	Total
			(Note)		
Year ended December 31, 2013					
Opening net book amount	110,663	260,756	12,897	7,109	391,425
Additions	17,424	7,560	561	1,733	27,278
Disposals	—	(552)	(1,583)	—	(2,135)
Depreciation charges	(5,858)	(21,169)	(2,850)	—	(29,877)
Closing net book amount	122,229	246,595	9,025	8,842	386,691
At December 31, 2013					
Cost	137,347	402,270	17,515	8,842	565,974
Accumulated depreciation	(15,118)	(155,675)	(8,490)	—	(179,283)
Net book amount	122,229	246,595	9,025	8,842	386,691

Note:

Other property, plant and equipment represents transportation facilities, office equipment and other property, plant and equipment held by the Group and the Company.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(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, 2012					
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 charges	—	(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
Year ended December 31, 2013					
Opening net book amount	58,055	335,167	23,719	416,941	4,290
Additions	—	188,821	4,823	193,644	2,680
Amortization charges	—	(15,154)	(6,121)	(21,275)	(1,655)
Disposal of subsidiaries	—	—	(39)	(39)	—
Closing net book amount	58,055	508,834	22,382	589,271	5,315
At December 31, 2013					
Cost	58,055	584,543	38,390	680,988	9,142
Accumulated amortization	—	(75,709)	(16,008)	(91,717)	(3,827)
Net book amount	58,055	508,834	22,382	589,271	5,315

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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14. INTANGIBLE ASSETS *(Continued)*

Amortization expense for the year ended December 31, 2013 is analyzed as follows:

	Group Year ended December 31,	
	2013	2012
Amortization charges *(Note 8)*	**20,177**	19,601
Capitalization as construction-in-progress	**1,098**	648
	21,275	20,249

Notes:

(i) Concession assets represent the rights the Group obtained for the usage of the concessions in relation to wind/solar power plants for the generation of electricity (Note 5(a)(i)). 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

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 8.0% (2012: 7.8%). 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 (2012: nil).

At December 31, 2013 and 2012, certain concession assets were pledged as security for long-term bank loans and other loans of the Group (Note 25(a)(ii)).

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2013
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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,	
	2013	2012
At January 1,	**333,986**	301,043
Additions	**67,851**	39,484
Disposal of subsidiaries	**(15,083)**	—
Amortization charges	**(7,531)**	(6,541)
At December 31,	**379,223**	333,986

Amortization charges for the year ended December 31, 2013 is analysed as follows:

	Year ended December 31,	
	2013	2012
Amortization charges *(Note 8)*	**7,101**	6,469
Capitalization as construction-in-progress	**430**	72
	7,531	6,541

16. INVESTMENTS IN SUBSIDIARIES - COMPANY

	Year ended December 31,	
	2013	2012
Investments in unlisted shares, at cost:		
At January 1,	**13,691,289**	12,665,505
Acquisitions of subsidiaries *(Note 30)*	—	69,300
Acquisitions of non-controlling interests *(Note 31)*	**78,014**	—
Establishment of new subsidiaries	**21,842**	43,540
Capital contributions to subsidiaries	**391,832**	912,944
Partial disposal *(Note (iii))*	**(10,000)**	—
Disposal of subsidiaries	**(231,136)**	—
At December 31,	**13,941,841**	13,691,289

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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16. INVESTMENTS IN SUBSIDIARIES - COMPANY *(Continued)*

At December 31, 2013, the Company directly and indirectly holds equity interests in subsidiaries, all of which are unlisted securities; and the Company's principal subsidiaries, all of which are incorporated and operated in the PRC in the business of wind power generation, were summarized as follows:

Name	Registered and fully paid-in capital	Proportion of equity interest held by The Company	The Group	Non-controlling interests
Datang (Chifeng) Renewable Power Co., Ltd (大唐(赤峰)新能源有限公司) ("Chifeng Renewable")	Paid-in capital: USD 299.0 million (RMB 2,120.5 million) Registered capital: USD 347.7 million (RMB 2,329.4 million)	60%	60%	40%
Datang Shandong Renewable Power Co., Ltd (大唐山東新能源有限公司)	Paid-in capital: 586,803 Registered capital: 549,833	100%	100%	—
Datang Wengniute Qi Renewable Power Co., Ltd (大唐翁牛特旗新能源有限公司)	124,548	100%	100%	—
Datang Xilinguole Wind Power Generation Co., Ltd (大唐錫林郭勒風力發電有限責任公司)	474,525	100%	100%	—
Datang Renewable Shuozhou Wind Power Generation Co., Ltd (大唐新能源朔州風力發電有限公司)	148,000	100%	100%	—
Chifeng Tangneng Renewable Power Co., Ltd (赤峰唐能新能源有限公司)	326,720	100%	100%	—

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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16. INVESTMENTS IN SUBSIDIARIES - COMPANY *(Continued)*

Name	Registered and fully paid-in capital	Proportion of equity interest held by		
		The Company	The Group	Non-controlling interests
Datang Wuzhong Renewable Power Co., Ltd (大唐吳忠新能源有限公司)	190,167	100%	100%	—
Datang Yumen Changma Wind Power Generation Co., Ltd (大唐玉門昌馬風電有限公司)	298,644	100%	100%	—
Datang (Tongliao) Huolinhe Renewable Power Co., Ltd (大唐(通遼)霍林河新能源有限公司)	528,590	100%	100%	—
Datang Sanmenxia Wind Power Generation Co., Ltd (大唐三門峽風力發電有限公司)	172,320	90%	90%	10%
Datang Xiangyang Wind Power Generation Co., Ltd (大唐向陽風電有限公司)	675,900	100%	100%	—
Datang (Chaoyang) Renewable Power Co., Ltd (大唐(朝陽)新能源有限公司)	Paid-in capital: 384,446 Registered capital: 405,475	60%	60%	40%
Shanghai Dong Hai Wind Power Generation Co., Ltd (上海東海風力發電有限公司) ("Shanghai Dong Hai") *(Note)*	473,000	28%	28%	72%
Datang Sanhe (Linxi) Renewable Power Co., Ltd. (大唐三合(林西)新能源有限公司)	Paid-in capital: 156,907 Registered capital: 183,370	59.60%	59.60%	40.40%

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.

Note:

The directors of the Company are of the opinion that the Company has power to govern the financial and operating policies of Shanghai Dong Hai during the years presented as a shareholder who holds 24% (2012: 24%) equity interest in Shanghai Dong Hai agreed in writing to act in concert with the Company.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

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. All subsidiary undertakings are included in the consolidation. All the subsidiaries have share capital consisting solely of ordinary shares.

At December 31, 2013, 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.

During the year ended December 31, 2013, the Group disposed of or liquidated subsidiaries the Company directly or indirectly controlled with net assets in aggregate amounting to RMB121.4 million (2012: nil) for consideration in aggregate amounting to RMB287.3 million (2012: nil). Except for the RMB161.9 million relating to the disposal of 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") which were credited to equity, the excess of consideration and the net assets disposed amounting to RMB4.0 million (Note 6) is recognized in profit or loss. A summary of the subsidiaries disposed is as follows:

(i) On January 21, 2013, due to certain operational issues, the Company entered into an agreement, respectively, with 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"), both are limited liability companies incorporated in the PRC, to cancel the acquisitions of 100% equity interests in Datang Laizhou and Datang Wendeng, both are limited liability companies incorporated in the PRC, which were completed in December 2011. Pursuant to the agreements, the Company agreed to return all equity interests in Datang Laizhou and Datang Wendeng to Datang Shandong Power and Datang Overhaul by returning or waiving the original acquisition consideration, in aggregate amounting to RMB204.0 million. The Company, Datang Shandong Power and Datang Overhaul are under the common control of Datang Corporation. At December 31, 2013, the consideration receivable amounting to RMB102.0 million was outstanding.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

(ii) In June 2013, the Company completed the disposal of all its 75% equity interests in Datang Renewable Guizhou Development Company Limited (大唐新能源貴州開發有限公司) ("Guizhou Renewable Power") to a fellow subsidiary for a cash consideration of RMB20.3 million, which represents the cash capital injected by the Company prior to the disposal. At December 31, 2013, the consideration receivable amounting to RMB20.3 million was outstanding.

(iii) In March, 2013, the Group disposed 70% equity interests in Datang Nanpi Biomass Power Generation Co. Ltd. (大唐南皮生物質發電有限公司) ("Datang Nanpi") to two third parties for a total cash consideration of RMB7 million. As a result of the disposal, the Company's equity interest in Datang Nanpi decreased from 100% to 30% and lost control over Datang Nanpi. Accordingly, interest in Datang Nanpi is accounted for as an associated company using the equity method (Note 17) as the Company continues to have significant influence in the operation of Datang Nanpi.

(iv) On September 28, 2013, the Group disposed of 100% equity interests the Company indirectly held in Jilin Puhua Yineng Power Generation Co., Ltd.(吉林普華億能發電有限公司) to a third party for a cash consideration of RMB39.2 million which resulted in a gain amounting to RMB4.2 million. At December 31, 2013, consideration receivable amounting to RMB29.2 million was outstanding.

Apart from the above, certain subsidiaries with carrying amount in aggregate amounting to RMB7.0 million were liquidated resulting in a loss of RMB0.2 million during the year ended December 31, 2013 (2012: nil).

Notes to the Consolidated Financial Statements *(Continued)*

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

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

Material non-controlling interests:

The total non-controlling interest as at December 31, 2013 is RMB2,571.0 million, of which RMB945.6 million is for Chifeng Renewable and RMB349.6 million is attributed to Shanghai Dong Hai. The non-controlling interests in respect of other subsidiaries are not material either individually or in aggregate by the same non-controlling interest party.

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. See Note 31 for transactions with non-controlling interests.

Summarised statements of financial position

	Chifeng Renewable As at December 31,		Shanghai Dong Hai As at December 31,	
	2013	2012	**2013**	2012
Current				
Assets	**891,897**	824,753	**202,791**	362,939
Liabilities	**(886,706)**	(815,516)	**(569,289)**	(240,907)
Total current net assets	**5,191**	9,237	**(366,498)**	122,032
Non-current				
Assets	**4,461,951**	4,662,870	**2,272,153**	1,892,198
Liabilities	**(2,078,033)**	(2,377,506)	**(1,420,099)**	(1,474,165)
Total non-current net assets	**2,383,918**	2,285,364	**852,054**	418,033
Net assets	**2,389,109**	2,294,601	**485,556**	540,065

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

Summarised statements of comprehensive income

	Chifeng Renewable Year ended December 31,		Shanghai Dong Hai Year ended December 31,	
	2013	2012	**2013**	2012
Revenue	**644,362**	578,349	**222,075**	216,111
Profit before income tax	**169,250**	70,731	**4,410**	41,912
Income tax expense	**(21,510)**	(10,588)	**(8,918)**	—
Profit for the year	**147,740**	60,143	**(4,508)**	41,912
Other comprehensive income	**—**	—	**—**	—
Total comprehensive income	**147,740**	60,143	**(4,508)**	41,912
Total comprehensive income allocated to non-controlling interests	**59,096**	24,057	**(3,246)**	30,177
Dividends paid to non-controlling interests	**—**	5,593	**36,000**	7,200

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

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

Summarised statements of cash flow

	Chifeng Renewable Year ended December 31,		Shanghai Dong Hai Year ended December 31,	
	2013	2012	**2013**	2012
Cash flows from operating activities				
Cash generated from operations	**513,618**	692,664	**141,047**	263,048
Income tax paid	**(12,255)**	(16,430)	**(303)**	—
Net cash generated from operating activities	**501,363**	676,234	**140,744**	263,048
Net cash (used in)/generated from investing activities	**(77,582)**	231,572	**(418,278)**	(41,992)
Net cash (used in)/generated from financing activities	**(421,822)**	(907,586)	**191,432**	(245,379)
Net increase/(decrease) in cash and cash equivalents	**1,959**	220	**(86,102)**	(24,323)
Cash and cash equivalents at beginning of year	**316**	96	**152,898**	177,221
Cash and cash equivalents at end of year	**2,275**	316	**66,796**	152,898

The information above is the amount before inter-company transactions that would have been eliminated at consolidation.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognized in the statements of financial position are as follows:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Associates	**327,189**	227,244	**114,416**	40,751
Joint ventures	**52,726**	50,758	**50,000**	50,000
	379,915	278,002	**164,416**	90,751

The amounts recognized in the consolidated statement of comprehensive income are as follows:

	Group For the year ended December 31,	
	2013	2012
Associates	**23,280**	(6,086)
Joint ventures	**(13,266)**	758
	10,014	(5,328)

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(Continued)*

(a) Investment in associates

	Group Year ended December 31,		Company Year ended December 31,	
	2013	2012	**2013**	2012
At January 1,	**227,244**	28,430	**40,751**	35,851
Additions	**73,665**	204,900	**70,665**	4,900
Partial disposal of a subsidiary *(Note 16(iii))*	**3,000**	—	**3,000**	—
Share of profit/(loss) for the year	**23,280**	(6,086)	—	—
At December 31,	**327,189**	227,244	**114,416**	40,751

Set out below is the associate of the Group at December 31, 2013, which, in the opinion of the directors of the Company, is material to the Group. The associate as listed below has share capital consisting of paid-in capital, which is held directly by the Company; the country of incorporation or registration is also its principal place of business.

Name of entity	Place of business/country of incorporation	% of ownership interest	Measurement method
Datang Financial Leasing Company Limited (大唐融資租賃有限公司) ("Datang Financial Leasing")	The PRC	20%	Equity

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(Continued)*

(a) Investment in associates *(Continued)*

Datang Financial Leasing, a limited liability company incorporated in the PRC, and the Company is under the common control of Datang Corporation. Datang Financial Leasing provides financing services to the Group (see Note 25(a)(iv) for more details). Datang Financial Leasing is a private company and there is no quoted market price available.

There are no contingent liabilities relating to the Group's interest in the associates.

Summarised financial information for Datang Financial Leasing:

	Year ended December 31,	
	2013	2012
Total assets	**7,677,150**	1,001,048
Total liabilities	**(6,569,235)**	(445)
Net assets	**1,107,915**	1,000,603
Total revenue	**256,078**	1,692
Net profit	**107,312**	603
Dividends received from associate	**—**	—

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(Continued)*

(a) Investment in associates *(Continued)*

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in associates:

Summarised financial information:

	Datang Financial Leasing		Other associates		Total	
	2013	2012	2013	2012	2013	2012
Opening net assets	1,000,603	—	84,079	94,767	1,084,682	94,767
Partial disposal of a subsidiary *(Note 16(iii))*	—	—	10,000	—	10,000	—
Capital contribution	—	1,000,000	255,939	10,000	255,939	1,010,000
Profit for the year	107,312	603	6,111	(20,688)	113,423	(20,085)
Closing net assets	1,107,915	1,000,603	356,129	84,079	1,464,044	1,084,682
Interest in associates	221,583	200,121	105,606	27,123	327,189	227,244
Goodwill	—	—	—	—	—	—
Carrying value	221,583	200,121	105,606	27,123	327,189	227,244

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(Continued)*

(b) Investment in joint ventures

	Group Year ended December 31,		Company Year ended December 31,	
	2013	2012	**2013**	2012
At January 1	**50,758**	55,012	**50,000**	40,000
Capital injections/ distributions	**15,234**	(5,012)	**—**	10,000
Share of (loss)/profit for the year	**(13,266)**	758	**—**	—
At December 31	**52,726**	50,758	**50,000**	50,000

At December 31, 2013, the Group did not have significant commitments relating to its joint ventures, and there are no contingent liabilities relating to the Group's interest in the joint ventures.

In the opinion of the directors of the Company, investment in joint ventures are not material to the Group and no further disclosure of the particulars of the joint ventures are presented.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

18. FINANCIAL ASSETS AT FAIR VALUE

(a) Financial assets at fair value through other comprehensive income

	Group Year ended December 31,		Company Year ended December 31,	
	2013	2012	**2013**	2012
At January 1,	**334,480**	—	—	—
Additions	**2,000**	—	**2,000**	—
Transferred from available-for-sale investments *(Note)*	—	433,386	—	—
Exchange differences	**(8,602)**	53	—	—
Net gains/(losses) transfer to other comprehensive income	**256,166**	(98,959)	—	—
At December 31,	**584,044**	334,480	**2,000**	—

Note:

Upon adoption of IFRS 9 on January 1, 2012, the Group has designated all available-for-sale investments at January 1, 2012 as 'financial assets at fair value through other comprehensive income'. Accordingly, the fair value losses of RMB73.9 million were reclassified from available-for-sale investment reserve to the investments revaluation reserve in equity (Note 24) and the carrying value of RMB433.4 million were transferred from available-for-sale investment to 'financial assets at fair value through other comprehensive income'.

Notes to the Consolidated Financial Statements *(Continued)*

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18. FINANCIAL ASSETS AT FAIR VALUE *(Continued)*

(a) Financial assets at fair value through other comprehensive income *(Continued)*

At December 31, 2013, the Group's respective financial assets at fair value through other comprehensive income include the following:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Listed securities:				
— Equity securities				
— Hong Kong	**530,877**	283,313	**—**	—
Unlisted securities:				
— Equity securities				
— the PRC	**53,167**	51,167	**2,000**	—
	584,044	334,480	**2,000**	—

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

18. FINANCIAL ASSETS AT FAIR VALUE *(Continued)*

(a) Financial assets at fair value through other comprehensive income *(Continued)*

Financial assets at fair value through other comprehensive income are denominated in the following currencies:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
RMB	**53,167**	51,167	**2,000**	—
HKD	**530,877**	283,313	**—**	—
	584,044	334,480	**2,000**	—

At December 31, 2013 and 2012, 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.

(b) Financial assets at fair value through profit or loss

At December 31, 2012, financial assets at fair value through profit or loss represented equity funds held by the Group. 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. All financial assets at fair value through profit or loss at December 31, 2012 were denominated in HKD.

All financial assets at fair value through profit or loss were disposed of during the year ended December 31, 2013.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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19. VALUE-ADDED TAX RECOVERABLE

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.

20. PREPAYMENTS AND OTHER RECEIVABLES

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
CDM assets	**326,455**	626,104	**8,149**	8,051
Less: provision for impairment *(Note (i))*	**(48,924)**	(34,068)	**(1,006)**	(423)
	277,531	592,036	**7,143**	7,628
Prepayments or advances for plant constructions	**613,369**	929,288	**87,516**	172,912
Receivables from provision of services	**211,091**	347,865	**211,091**	347,865
Consideration receivables from disposal of subsidiaries *(Notes 16(i), (ii) and (iv))*	**151,500**	—	**122,300**	—
Receivable from disposal of a wind farm project *(Note (ii))*	**29,866**	35,950	**—**	—
Amounts due from related parties *(Note (iii))*	**231,744**	40,216	**—**	—
Amounts due from subsidiaries	**—**	—	**7,654,490**	7,362,582
Dividend receivables	**—**	—	**1,177,856**	954,669
Loan to a related party *(Note (iv))*	**370,000**	—	**—**	—
Staff advances	**5,630**	12,710	**883**	4,571
Deposit for project investments	**33,674**	34,740	**3,000**	4,000
Deposit for borrowings *(Note 25(a))*	**50,005**	53,755	**—**	—
Other receivables	**34,401**	129,688	**31,858**	20,225
	2,008,811	2,176,248	**9,296,137**	8,874,452
Current income tax prepayments	**21,970**	24,522	**—**	—
Deferred loss *(Note 25(a)(iv))*	**6,611**	—	**—**	—
Other prepayments	**198,344**	201,953	**4,246**	16,279
	2,235,736	2,402,723	**9,300,383**	8,890,731

Notes to the Consolidated Financial Statements *(Continued)*

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20. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Less: Non-current portion of				
— Receivables from provision of services	**(83,664)**	(73,879)	**(83,664)**	(73,879)
— Amounts due from subsidiaries	**—**	—	**(3,980,780)**	(1,642,750)
— Loan to a related party	**(370,000)**	—	**—**	—
— Deposit for borrowings	**(50,005)**	(53,755)	**—**	—
— Deferred loss	**(6,284)**	—	**—**	—
— Other prepayments	**(130,500)**	(82,073)	**(1,096)**	(14,905)
	(640,453)	(209,707)	**(4,065,540)**	(1,731,534)
	1,595,283	2,193,016	**5,234,843**	7,159,197

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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20. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes:

(i) At December 31, 2013, except for certain CDM assets, substantially all other receivables (2012: 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. As at December 31, 2013, based on their assessment, the directors of the Company concluded that a portion of these receivables may not be recoverable. Therefore, a provision of RMB48.9 million (2012: RMB34.1 million) has been provided for. Movements on the provision for impairment of CDM assets/receivables are as follows:

	Group Year ended December 31,		Company Year ended December 31,	
	2013	2012	**2013**	2012
At January 1,	**34,068**	—	**423**	—
Provision for impairment	**29,319**	34,068	**583**	423
Reversal	**(14,463)**	—	**—**	—
At December 31,	**48,924**	34,068	**1,006**	423

(ii) On October 8, 2012, AusChina Energy Development Limited, a subsidiary of the Company, 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 for a consideration of AUD5.5 million. At December 31, 2013, the consideration receivable amounting to AUD5.5 million (equivalent to RMB29.9 million) (2012: AUD5.5 million, equivalent to RMB36.0 million) is outstanding.

(iii) At December 31, 2013, included in "Amounts due from related parties" are RMB206.6 million (2012: nil) settlement of CDM assets/receivable collected by a fellow subsidiary of the Company on the Group's behalf.

(iv) In February 2013, the Group, though a wholly-owned subsidiary, entered into a loan agreement with Datang Financial Leasing to lend RMB370.0 million at an interest rate of 5% per annum to Datang Financial Leasing. The loan is due in February 2016.

Notes to the Consolidated Financial Statements *(Continued)*

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20. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. The Group does not hold any collateral as security.

The carrying amount of the Group and the Company's other receivables are denominated in the following currencies:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
RMB	**1,701,292**	1,523,513	**9,288,994**	8,866,824
USD	**182**	17,732	**—**	—
HKD	**—**	24,326	**—**	—
EUR	**277,452**	574,304	**7,143**	7,628
AUD	**29,885**	36,373	**—**	—
	2,008,811	2,176,248	**9,296,137**	8,874,452

The fair values of loans to related parties are based on cash flows discounted using a rate based on the borrowings rate of 5% (2012: 5%). The discount rate are determined based on the local market interest rate for the corresponding period plus appropriate credit rating. The fair values are within level 2 of the fair value hierarchy.

At December 31, 2013 and 2012, the fair value of loans and receivables approximates to their carrying amounts.

Notes to the Consolidated Financial Statements *(Continued)*

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21. TRADE AND BILLS RECEIVABLE

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Trade receivables	**3,684,801**	2,924,698	**104,791**	68,022
Bills receivable	**122,204**	109,821	**20,500**	21,190
	3,807,005	3,034,519	**125,291**	89,212
Less: provision for doubtful debts	**(2,328)**	—	—	—
	3,804,677	3,034,519	**125,291**	89,212

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 trade and bills receivable of the Group and the Company are all denominated in RMB. The fair value of the trade and bills receivable approximates to their carrying amounts.

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.

Notes to the Consolidated Financial Statements *(Continued)*

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

21. TRADE AND BILLS RECEIVABLE *(Continued)*

Aging analysis of trade and bills receivable was as follows:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Within 1 year	**2,112,774**	2,087,606	**49,181**	71,998
Between 1 and 2 years	**177,534**	818,434	**200**	17,214
Between 2 and 3 years	**1,419,182**	126,151	**75,910**	—
Over 3 years	**97,515**	2,328	**—**	—
	3,807,005	3,034,519	**125,291**	89,212

At December 31, 2013, trade and bills receivable of RMB1,691.9 million (2012: RMB946.9 million) of the Group and RMB76.1 million (2012: RMB17.2 million) of the Company were past due but not impaired. The ageing analysis of these trade and bills receivable is as follows:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Past due within 1 year	**177,534**	818,434	**200**	17,214
Past due over 1 year	**1,514,369**	128,479	**75,910**	—
	1,691,903	946,913	**76,110**	17,214

At December 31, 2013, trade receivables of RMB2.3 million (2012: nil) were fully impaired. The individually impaired receivables mainly relate to a dispute with local power grid companies with an ageing over 3 years, for which the Company is continuously taking all efforts to get it settled but assessed that the amount could not be recovered.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLE *(Continued)*

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. Effective from March 2012, the application, approval and settlement of the tariff premium is subject to certain procedures as promulgated by Caijian [2012] No.102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (“可再生能源電價附加補助資金管理暫行辦法”). Caijian [2013] No.390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff premium. At December 31, 2013, most of the operating projects of the Group have been approved for the tariff premium and certain projects are in the process of applying for the approval. The directors are of the opinion that these trade and bills receivable from tariff premium are fully recoverable considering there were no bad debt experiences in the past and the tariff premium is funded by the PRC government.

At December 31, 2013 and 2012, the Group has pledged proportion of their tariff collection rights as security for certain bank and other loans (Notes 25(a) (ii) and (v)).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. The Group does not hold any collateral as security.

Notes to the Consolidated Financial Statements *(Continued)*

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

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Restricted cash

As of December 31, 2012, restricted cash represented the balance of frozen bank accounts of a subsidiary in connection with a pending litigation, and was released with the subsequent settlement of the claim in 2013. The restricted cash were denominated in RMB.

(b) Cash and cash equivalents comprise of the following:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Cash in hand	**1**	6	**—**	2
Deposits with banks and other financial institutions	**1,001,387**	2,103,823	**482,969**	770,380
	1,001,388	2,103,829	**482,969**	770,382

Cash and cash equivalents of the Group and the Company are denominated in the following currencies:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
RMB	**923,058**	1,979,837	**431,957**	714,648
HKD	**61,897**	101,132	**51,012**	55,734
USD	**1,225**	16,198	**—**	—
EUR	**15,095**	4,329	**—**	—
AUD	**113**	2,333	**—**	—
	1,001,388	2,103,829	**482,969**	770,382

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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23. SHARE CAPITAL AND PREMIUM

At December 31, 2013, share capital comprises of the following:

	Group and Company	
	As at December 31, 2013	As at December 31, 2012
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, 2013 and 2012, all issued shares are registered, fully paid and rank pari passu to each other.

A summary of the movements in the Company's issued share capital and share premium is as follows:

	Group and Company			
	Number of shares (thousands)	Share capital	Share premium	Total
At December 31, 2012 and 2013	7,273,701	7,273,701	2,080,969	9,354,670

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

24. OTHER RESERVES AND RETAINED EARNINGS

A summary of the movements of other reserves for the year ended December 31, 2013 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, 2012	84,518	(1,616,646)	(73,920)	—	(1,775)	(1,607,823)
Reclassification *(Note 18(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)
At January 1, 2013	122,056	(1,616,646)	—	(172,826)	(570)	(1,667,986)
Acquisition of non-controlling interests of subsidiaries	—	7,267	—	—	—	7,267
Disposal of subsidiaries	—	161,926	—	—	—	161,926
Revaluation gains	—	—	—	247,564	—	247,564
Currency translation difference	—	—	—	—	(5,281)	(5,281)
Appropriations	5,038	—	—	—	—	5,038
At December 31, 2013	127,094	(1,447,453)	—	74,738	(5,851)	(1,251,472)

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

24. OTHER RESERVES AND RETAINED EARNINGS *(Continued)*

	Company			
	Other reserves			Retained earnings
	Statutory surplus	Others	Total	
	(Note (a))	*(Note (b))*		
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	—	—	—	(283,674)
At December 31, 2012	112,764	1,349,341	1,462,105	643,770
At January 1, 2013	**112,764**	**1,349,341**	**1,462,105**	**643,770**
Profit for the year	—	—	—	**46,812**
Appropriations	**5,038**	—	**5,038**	**(5,038)**
Dividends	—	—	—	**(167,295)**
At December 31, 2013	**117,802**	**1,349,341**	**1,467,143**	**518,249**

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 (Note 1), and merger reserves arising from business combinations under common control.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

25. BORROWINGS

(a) Long-term borrowings:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Bank loans				
— unsecured loans	**17,753,187**	18,771,203	**2,562,500**	2,345,270
— guaranteed loans *(Note (i))*	**4,435,644**	3,113,664	**—**	—
— secured loans *(Note (ii))*	**3,210,593**	4,640,668	**—**	—
Corporate bonds-unsecured	**4,187,652**	4,183,319	**4,187,652**	4,183,319
Other loans				
— unsecured loans	**600,000**	872,232	**500,000**	500,000
— guaranteed loans *(Note (iii))*	**3,731,038**	2,846,389	**2,000,000**	—
— secured loans *(Notes (ii), (iii) and (iv))*	**2,805,524**	565,013	**—**	—
	36,723,638	34,992,488	**9,250,152**	7,028,589
Less: Current portion of long-term borrowings *(Note 25(b))*				
— bank loans	**(2,539,559)**	(2,086,528)	**(421,720)**	(142,520)
— other loans	**(418,422)**	(200,748)	**—**	—
	(2,957,981)	(2,287,276)	**(421,720)**	(142,520)
	33,765,657	32,705,212	**8,828,432**	6,886,069
Estimated fair value of long-term borrowings *(Note (v))*	**36,657,446**	35,072,169	**9,183,960**	7,108,270

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

25. BORROWINGS *(Continued)*

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

Notes:

(i) Details of guaranteed bank loans are as follows:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Guarantor				
— The Company*	**3,159,245**	1,765,574	**—**	—
— Non-controlling interests of subsidiaries and an ultimate holding company of non-controlling interests	**1,276,399**	1,348,090	**—**	—
	4,435,644	3,113,664	**—**	—

* At December 31, 2013, guaranteed loans by the Company amounting to RMB64.0 million (2012: RMB70.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

25. BORROWINGS *(Continued)*

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

Notes: (Continued)

(ii) Securities for long-term loans

The Group has pledged certain assets as collateral to certain secured long-term loans. At December 31, 2013, a summary of these pledged assets is as follows:

	Bank loans As at December 31,		Other loans As at December 31,	
	2013	2012	**2013**	2012
Property, plant and equipment	**1,140,236**	1,238,824	**2,884,555**	805,573
Concession assets	**291,090**	302,769	**—**	—
Tariff collection rights	**416,113**	312,825	**550,257**	419,346
	1,847,439	1,854,418	**3,434,812**	1,224,919

(iii) At December 31, 2013, included in other loans were borrowings of RMB3,010.0 million (2012: RMB3,156.4 million) from ICBC Datang Financial Leasing Limited (工銀金融租賃有限公司) for the constructions of designated wind farms. Pursuant to the related loan agreements, certain property, plant and equipment of relevant wind farms are pledged as security. Prior to the period before the pre-determined criteria were met, these borrowings were all guaranteed by the Company. At December 31, 2013, cash amounting to RMB50.0 million (2012: RMB53.8 million) was held in a deposit accounts with ICBC Datang Financial Leasing Limited.

In addition, the Company obtained borrowings from Pingan Assets Management Co. Ltd. amounting to RMB2 billion (2012: nil). At December 31, 2013, these borrowings were outstanding and were guaranteed by Datang Corporation.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

25. BORROWINGS *(Continued)*

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

Notes: (Continued)

(iv) In May 2013, the Company entered into a Finance Lease Framework Agreement with Datang Financial Leasing. Pursuant to the agreement, certain subsidiaries of the Company will sell and lease back certain property, plant and equipment to and from Datang Financial Leasing for a period ranging from 10 to 13 years. According to this framework agreement, the underlying property, plant and equipment will be transferred to the relevant subsidiaries of the Company at a consideration of RMB1.00 at the end of the lease term. In accordance with SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease", cash proceeds received under this agreement should be accounted for as secured borrowings.

At December 31, 2013, total proceeds received from Datang Financial Leasing under the abovementioned arrangement amounted to RMB1,350.0 million (2012: nil) is outstanding and accounted for as secured borrowings in the statement of financial position; certain property, plant and equipment is pledged to the outstanding borrowings under this arrangement (Note 13).

At December 31, 2013, deferred loss and revenue represented the adjustments for the present value of the borrowings and other adjustments are included in 'prepayments and other receivables' and 'other accrual and payables" in the consolidated statement of financial position, respectively.

(v) Except for the fair value of corporate bonds are based on its closing prices quoted as of December 31, 2013, on the Shanghai Stock Exchange, which is within level 1 of the fair value hierarchy, 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, 2013 were ranging 4.32% to 7.34% (2012: 4.32% to 7.21%). The fair values of long-term loans (including current portion and excluding corporate bonds) are within level 2 of the fair value hierarchy.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

25. BORROWINGS *(Continued)*

(b) Short-term borrowings:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Bank loans				
— unsecured loans	**400,237**	611,015	**400,000**	400,000
— secured loans *(Note (i))*	**700,000**	—	**700,000**	—
Short-term bonds	**—**	2,008,342	**—**	2,008,342
Unsecured other loans *(Note (ii))*	**1,353,974**	550,000	**2,402,590**	2,129,681
Current portion of long-term borrowings *(Note 25(a))*	**2,957,981**	2,287,276	**421,720**	142,520
	5,412,192	5,456,633	**3,924,310**	4,680,543

Notes:

(i) Pursuant to the agreement with China Construction Bank Corporation (中國建設銀行股份有限公司), the Company's intra-group loans to certain subsidiaries amounting to RMB1,910.6 million were pledged for a borrowing totalling RMB1,300.0 million. At December 31, 2013, loans due to China Construction Bank Corporation amounting to RMB700.0 million (2012: nil).

(ii) In 2011, the Company and certain subsidiaries entered into agreements with a bank for certain cash pool management service for central management of the cash of the Group. Under these agreements, substantially all cash of the relevant subsidiaries is transferred and held by the Company's designated accounts. Cash transferred from the relevant subsidiaries to the Company is being accounted for as loan to the Company at an interest rate of 1.17% and are due on demand. At December 31, 2013, included in other loans of the Company, RMB1,502.6 million (2012: RMB1,781.3 million) were loans due to the relevant subsidiaries under this arrangement.

The estimated fair value of short-term borrowings approximate their carrying amounts.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

25. BORROWINGS *(Continued)*

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

	Group Year ended December 31,		Company Year ended December 31,	
	2013	2012	**2013**	2012
Long-term				
Bank loans	**4.32%-7.05%**	4.32%-7.05%	**5.54%-6.70%**	5.54%-7.05%
Other loans	**5.54%-7.34%**	5.54%-7.21%	**5.54%-6.22%**	5.54%
Short-term				
Bank loans	**5.04%-6.60%**	4.00%-6.56%	**5.04%-6.60%**	5.04%-6.56%
Other loans	**5.04%-5.60%**	5.04%-7.05%	**1.17%-5.40%**	1.17%-5.49%

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

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Within 1 year	**2,957,981**	2,287,276	**421,720**	142,520
After 1 year but within 2 years	**3,523,526**	2,859,438	**881,720**	573,720
After 2 years but within 5 years	**12,495,120**	12,756,659	**4,809,952**	5,362,239
After 5 years	**17,747,011**	17,089,115	**3,136,760**	950,110
	36,723,638	34,992,488	**9,250,152**	7,028,589
Wholly repayable within 5 years	**6,850,863**	6,367,016	**5,329,652**	5,385,319

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

25. BORROWINGS *(Continued)*

(e) The carrying amounts of borrowings are denominated in the following currencies:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
RMB	**38,971,716**	37,906,833	**12,752,742**	11,566,612
USD	**206,133**	255,012	**—**	—
	39,177,849	38,161,845	**12,752,742**	11,566,612

26. TRADE AND BILLS PAYABLE

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Trade payables	**76,856**	44,720	**2,788**	5,787
Bills payable	**231,872**	592,577	**—**	500,577
	308,728	637,297	**2,788**	506,364

At December 31, 2013 and 2012, substantially all trade and bills payable are within one year since their invoice date, and are denominated in RMB.

The fair value of the trade and bills payable approximates to their carrying amounts.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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27. OTHER ACCRUALS AND PAYABLES

	Group		Company	
	As at December 31,		As at December 31,	
	2013	2012	**2013**	2012
Payables for property, plant and equipment	**3,755,400**	4,511,057	**144,438**	156,421
Amounts due to related parties *(Note 32)*	**234,133**	542,753	**40,032**	49,239
Dividends payable	**182,796**	194,382	**—**	—
Interests payable	**126,417**	105,434	**68,074**	39,991
Accrued staff related costs	**60,595**	46,399	**9,484**	4,195
Payables for CDM projects	**45,875**	101,846	**296**	293
Payables for taxes other than income taxes	**17,319**	23,267	**3,771**	3,792
Consideration payables for business combinations under common control *(Note 16(i))*	**—**	102,000	**—**	102,000
Advances from suppliers *(Note(i))*	**—**	152,668	**—**	—
Assets retirement obligations *(Note (ii))*	**62,868**	—	**—**	—
Other payables	**160,881**	174,781	**36,883**	34,484
	4,646,284	5,954,587	**302,978**	390,415
Deferred government grants	**21,652**	14,073	**12,740**	8,600
Deferred income *(Note 25(a)(iv))*	**213,936**	—	**—**	—
Other accruals and deferrals	**79,752**	61,859	**—**	—
	4,961,624	6,030,519	**315,718**	399,015

Notes to the Consolidated Financial Statements *(Continued)*

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27. OTHER ACCRUALS AND PAYABLES *(Continued)*

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Less: non-current portion of				
— Amounts due to related parties	**(92,550)**	(108,550)	—	—
— Assets retirement obligations	**(62,868)**	—	—	—
— Deferred government grants	**(21,652)**	(14,073)	**(12,740)**	(8,600)
— Deferred income	**(202,291)**	—	—	—
— Other accruals and deferrals	**(78,416)**	(61,667)	—	—
	(457,777)	(184,290)	**(12,740)**	(8,600)
	4,503,847	5,846,229	**302,978**	390,415

Notes:

(i) 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(a)(ii).

(ii) Under the relevant laws and regulations, the Group is generally required to restore and rehabilitate areas caused by the Group's temporary occupation of lands during the construction of the relevant power plant facilities. In additions, the Group may have contractual obligation to dismantle the relevant facilities and rehabilitate the lands occupied at the end of the concession periods for wind or solar farms operated under the relevant service concession agreements. Based on management's assessment, the Group recognized a provision for restoration and rehabilitation amounting to RMB62.9 million (2012: nil), which represented the present value of the estimated future obligation under the abovementioned obligations at a discount rate of 6.55%.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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27. OTHER ACCRUALS AND PAYABLES *(Continued)*

The carrying amount of the Group and the Company's other payables denominated in the following currencies:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
RMB	**4,600,741**	5,872,789	**302,011**	389,724
USD	**239**	71	**—**	—
EUR	**44,619**	79,627	**296**	—
HKD	**685**	560	**671**	691
AUD	**—**	1,540	**—**	—
	4,646,284	5,954,587	**302,978**	390,415

28. DEFERRED INCOME TAX - GROUP

The analysis of deferred income tax assets and liabilities is as follows:

	As at December 31,	
	2013	2012
Deferred income tax assets to be recovered:		
— after more than 12months	**33,803**	27,518
— within 12 months	**1,911**	2,539
	35,714	30,057
Deferred income tax liabilities to be settled:		
— after more than 12 months	**(28,995)**	(30,537)
— within 12 months	**(2,536)**	(2,126)
	(31,531)	(32,663)
Deferred income tax assets/(liabilities), net	**4,183**	(2,606)

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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28. DEFERRED INCOME TAX - GROUP *(Continued)*

The gross movement on the deferred income tax account is as follows:

	Year ended December 31,	
	2013	2012
At January 1,	**(2,606)**	(51,973)
Tax credited to profit or loss *(Note 9)*	**6,789**	49,367
At December 31,	**4,183**	(2,606)

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:

Movement of deferred income tax assets:

	Tax losses	Provision for impairment of receivables	Deferred revenue	Unrealized profit at consolidation	Tax credits entitlement	Total
At January 1, 2012	5,020	—	—	2,939	—	7,959
Credited to profit or loss	(5,020)	—	—	(86)	27,204	22,098
At December 31, 2012 and January 1, 2013	—	—	—	2,853	27,204	30,057
Credited to profit or loss	2,881	2,039	2,139	(86)	(1,316)	5,657
At December 31, 2013	2,881	2,039	2,139	2,767	25,888	35,714

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
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28. DEFERRED INCOME TAX - GROUP *(Continued)*

Movement of deferred income tax liabilities:

	Asset revaluation	Others	Total
At January 1, 2012	(59,932)	—	(59,932)
Credited to profit or loss	27,269	—	27,269
At December 31, 2012 and January 1, 2013	(32,663)	—	(32,663)
Credited to profit or loss	2,126	(994)	1,132
At December 31, 2013	(30,537)	(994)	(31,531)

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:

	As at December 31,	
	2013	2012
Year of expiry		
2014	**6,442**	6,442
2015	**—**	369
2016	**159,749**	161,653
2017	**289,804**	389,773
2018	**523,695**	N/A
	979,690	558,237

Notes to the Consolidated Financial Statements *(Continued)*

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29. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Contracted but not provided for	**4,917,017**	7,376,704	—	—
Authorized but not contracted for	**8,153,538**	21,630,335	—	427,780
	13,070,555	29,007,039	—	427,780

(b) Commitment under operating leases

At December 31, 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Within 1 year	**3,207**	3,497	**2,431**	28
Between 2 and 5 years	**3,752**	5,874	**1,215**	—
Over 5 years	**1,184**	7,551	—	—
	8,143	16,922	**3,646**	28

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

29. COMMITMENTS *(Continued)*

(c) Commitment for capital contribution

At December 31, 2013, the Group and the Company have commitment to inject additional capital to its subsidiaries, respectively as follows:

	Group As at December 31,		Company As at December 31,	
	2013	2012	**2013**	2012
Commitment for capital contribution	**—**	—	**536,504**	434,689

30. BUSINESS COMBINATIONS

Non-common controlled business combinations

During the year ended December 31, 2013, there is no business combinations.

In January 2012, the Company acquired 60% equity interests of Inner Mongolia Longxin Wind Power Company Limited (內蒙古隆欣風力發電有限公司) ("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.

Notes to the Consolidated Financial Statements *(Continued)*

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

30. 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 prior to 2012	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 and other receivables	1,372	—	1,372
Other accruals and 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
Cash outflow on acquisitions in 2012	(23,987)	(999)	(24,986)

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

30. 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 Renewable Power 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 and other receivables	27
Other accruals and 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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

31. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Acquisition of additional interest in subsidiaries

During the year ended December 31, 2013, the Company, or a subsidiary of the Company acquired additional interests in certain subsidiaries. The carrying amount of non-controlling interests acquired, consideration paid and the effect of changes in the ownership interest of subsidiaries on the equity attributable to owners of the Company during the year are summarised as follows:

	Datang Yilan Wind Power Generation Company (大唐依蘭風力發電有限公司)	Datang Huanan Wind Power Generation Company (大唐樺南風力發電有限公司)	Datang Times Datong Recycling Energy Technology Co., Ltd. (大唐時代大同循環能源科技有限公司)	Total
Acquisition date	May 2013	May 2013	Feb 2013	
Interest in subsidiaries acquired	4.24%	30.00%	15.00%	
Carrying amount of non-controlling interests acquired	8,357	76,924	1,050	86,331
Consideration paid to non-controlling interests	(9,891)	(68,123)	(1,050)	(79,064)
Excess of consideration paid recognised within equity	(1,534)	8,801	—	7,267

There were no significant transactions with non-controlling interests in 2012.

32. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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 the disposal of subsidiaries to fellow subsidiaries as set out in Note 16 and the related party transactions disclosed elsewhere in these consolidated financial statements, the following is a summary of significant related party transactions entered into, in the ordinary course of business, between the Group and its related parties during the year.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

32. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Significant related party transactions arising with Datang Corporation and its subsidiaries

	Group Year ended December 31,	
	2013	2012
Transactions with fellow subsidiaries of the Group:		
— Provision of installation, construction, general contracting services	**5,655**	12,366
— Purchase of installation, construction, general contracting services *(Note (i))*	**(734,871)**	(973,729)
— Purchase of equipment	**(416,476)**	(329,126)
— Provide working capital	**209,449**	15,173
— Receive working capital	**—**	(42,874)
— Provide loans or other borrowings *(Note 20)*	**370,000**	10,000
— Receive entrusted loans or other borrowings	**(3,077,768)**	(6,472,232)
— Interest income earned	**14,576**	8,367
— Interest expense charged	**(95,541)**	(32,429)
— Sales of certain assets	**—**	10,679
Provide working capital to:		
— A joint venture	**1,700**	—
— Associates	**4,003**	—
	5,703	—
Interest income earned from a joint venture	**29**	—
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries:		
— Contracted but not provided for	**4,917,017**	7,376,704

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

32. 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) 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 ended 31 December 2011, 2012 and 2013.

At December 31, 2013, the Group has cash deposit held at Datang Finance amounting to RMB50.7 million (2012: nil) under the Financial Service Agreement, and the interest income on the deposit was RMB1.1 million for the year ended December 31, 2013 (2012: RMB7.4 million).

At December 31, 2013, the Group's borrowings amounting to RMB2 billion (2012: nil) were guarantees by Datang Corporation (Note 25(a)(iii)).

All transactions above with related parties are conducted on prices and terms mutually agreed by the parties involved, and all amounts disclosed were transactions amounts inclusive of VAT applicable to the relevant transactions.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

32. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(b) Year-end balances due from/(to) Datang Corporation and its subsidiaries

	Group As at December 31,	
	2013	2012
Included in 'property, plant and equipment':		
— Fellow subsidiaries	**54,028**	153,331
Included in 'prepayments and other receivables':		
— Fellow subsidiaries	**725,626**	40,613
Included in 'trade and bills receivable':		
— Fellow subsidiaries	**10,049**	6,173
Included in 'trade and bills payable':		
— Fellow subsidiaries	**(165,984)**	(7,950)
Included in 'other accruals and payables':		
— Fellow subsidiaries	**(1,103,754)**	(1,605,187)
Included in 'borrowings':		
— Fellow subsidiaries	**(2,316,338)**	(822,232)
'Cash and cash equivalents' deposited with:		
— A fellow subsidiary *(Note 32(a)(ii))*	**50,652**	5

All balances with related parties were arising primarily resulted from transactions as disclosed in Note 32(a).

At December 31, 2013, amount included in 'other accruals and payables' of RMB108.6 million (2012: RMB397.4 million) and 'borrowings' of RMB2,316.3 million (2012: RMB822.2 million) payable to certain fellow subsidiaries of the Company bear interest at 5.04% to 7.47% (2012: 5.57% to 6.35%); except for the abovementioned, all (2012: all) other balances with Datang Corporation and its subsidiaries are interest-free, unsecured and due on demand.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2013
(All amounts are in thousands of RMB unless otherwise stated)

32. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(c) Significant transactions with state-owned enterprises except Datang Corporation and its subsidiaries ("Other State-owned Enterprises")

For the year ended December 31, 2013, all revenue from the sales of electricity is made to the provincial power grid companies (2012: all). These power grid companies are directly or indirectly owned or controlled by the PRC government. At December 31, 2013, substantially all (2012: all) trade and bills receivable (Note 21) are due from these power grid companies.

Apart from the above, for the years ended December 31, 2013 and 2012, 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, 2013 and 2012, 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.

(d) Key management personnel remuneration

	Year ended December 31,	
	2013	2012
Basic salaries, housing allowances, other allowances and benefits in kind	**2,216**	1,857
Discretionary bonus	**1,619**	2,230
Pension costs - defined contribution schemes	**256**	262
	4,091	4,349

Glossary of Terms

"Articles of Association"	the Articles of Association of the Company
"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
"CER"	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

Glossary of Terms *(Continued)*

"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 Financial Leasing"	Datang Financial Leasing Co., Ltd (大唐融資租賃有限公司), a company incorporated in the PRC with limited liability, which is a fellow subsidiary as well as an associate of the Company
"Datang Renewable (Hong Kong)"	Datang Renewable Power (Hong Kong) Co., Ltd. (大唐新能源(香港)有限公司) a company with limited liability incorporated in Hong Kong
"Datang Finance"	China Datang Corporation Finance Company Limited (中國大唐集團財務有限公司)

Glossary of Terms *(Continued)*

"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
"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

Glossary of Terms *(Continued)*

"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 from 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

Glossary of Terms *(Continued)*

"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, unless it has specifically specified, it excludes 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 have 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

Glossary of Terms *(Continued)*

"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 current lawful currency of the PRC
"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
"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*

REGISTERED OFFICE

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LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Chen Jinhang

* *For identification purpose only*

Corporate Information *(Continued)*

AUTHORIZED REPRESENTATIVES

Ms. Mok Ming Wai

Mr. Hu Yongsheng

JOINT COMPANY SECRETARIES

Mr. Wong Wenpeng

Ms. Mok Ming Wai

COMMITTEES UNDER THE BOARD

AUDIT COMMITTEE

Mr. Lo Mun Lam, Raymond *(Independent Non-executive Director) (Chairman)*

Mr. Ma Zhizhong *(Independent Non-executive Director)*

Mr. Su Min *(Non-executive Director)*

NOMINATION COMMITTEE

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

Mr. Kou Bing'en *(Non-executive Director)*

Mr. Lo Mun Lam, Raymond *(Independent Non-executive Director)*

Corporate Information *(Continued)*

REMUNERATION AND ASSESSMENT COMMITTEE

Mr. Ma Zhizhong *(Independent Non-executive Director) (Chairman)*

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

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

STRATEGIC COMMITTEE

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

Mr. Hu Yongsheng *(Executive Director)*

Mr. Hu Guodong *(Executive Director)*

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Corporate Information *(Continued)*

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- Bank of Communications Co., Ltd. Beijing Branch

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- China Development Bank Co., Ltd.

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Corporate Information *(Continued)*

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