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

2014
ANNUAL REPORT

*For identification purpose only

Contents

Chairman's Statement

Dear Shareholders,

In 2014, China comprehensively intensified its reform while the Company faced challenges positively, optimized its development portfolio and pressed ahead with reform and innovation. Confronted by the complex and dynamic economic situation as well as the strategic opportunity for the new energy industry development, the Board adhered to the belief of "value-based, efficiency-oriented" while the management and all employees made concerted efforts to tackle challenges. Accordingly, remarkable achievements were made through hard work in strengthening management of production and operation, accelerating regional structure adjustment, enhancing cost control, and being the first mover of power generation.

In 2014, the Group increased its approved capacity by 797 MW and commenced construction of projects with capacity of 1,159 MW. Projects with capacity of 197 MW were put into operation. As at the end of 2014, the Group's consolidated installed capacity on an accumulative basis amounted to 6,038 MW, including 5,916 MW from wind power, 117 MW from solar energy and 5 MW from other clean energy. The Group achieved electricity generation of 10,335 GWh, which represented a saving of 3.17 million tons standard coal and reduction of 8.78 million tons carbon dioxide emission, and performed the corporate mission and corporate social responsibility of energy conservation and emission reduction.

Although the Board, the management and all employees of the Group performed their duties diligently, made efforts in exploration and innovation and forged ahead aggressively, the Company incurred loss in its operating results in 2014 for the first time since its listing due to the adverse factors such as wind resource and grid curtailment. Despite of the heavy responsibilities the Board and the management have to bear, we will press ahead with stronger confidence and endeavour to turn around the unfavourable situation.

Chairman's Statement *(Continued)*

The year 2015 will witness the end of China's Twelfth Five-year Plan and the preparation of the thirteenth Five-year Plan. In this year, China will fulfil its energy strategy policy of "economical, clean and secure" and implement its energy development strategy of "prioritizing energy conservation, green and low-carbon, relying on domestic resources, and innovation-driven". The Board will closely follow the national development policies on the new energy industry and the industrial development plan, insist in efficiency-oriented principle, fully utilize the capacity in service, develop additional capacity, strengthen internal management, and optimize design. We will also make efforts to accelerate the innovative capital operation and construction of talent team, and enhance scientific management and sustainable development capacity, aiming for creating more benefits for 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,

The Company experienced a bumpy year as China expedited adjustment, transformation and upgrade of energy structure. Due to the combined impacts from lower wind speed in most regions as compared with last year and the regional structure of the Group's wind power projects, the electricity generation decreased notably as compared with the same period last year. Accordingly, the net profit attributable to the shareholders was impacted significantly while the Group encountered the most severe operation situation in its history. However, thanks to the great support from the shareholders and advisable decisions of the Board, the management and all employees spared no efforts, forged ahead aggressively, and tackled challenges together to optimize development, upgrade management, intensify reform, reduce cost and increase efficiency. Achievements were made in various aspects as a result, thus laying a foundation for exploring new development potentials.

Message from the President *(Continued)*

REINFORCE THE PRODUCTION MANAGEMENT AND STABILIZE PRODUCTION SAFETY

While ensuring the production safety, the Group: 1) pressed ahead special governance of equipment, enhanced the reliability of wind turbines, and accumulated extensive experience in operation and maintenance of wind power equipment; 2) actively carried out renovation for improving efficiency of wind turbines and increased the efficiency of wind turbines through experiments such as lengthening the blades and modification of control system; and 3) sped up the construction of dispatching centre so as to cement a solid foundation for the operation and maintenance management such as fully controlling over production indexes, equipment failures, and planned maintenance. The Group's wind power utilisation hours amounted to 1,803 hours for the year; grid curtailment ratio was 12.9%; power generation from wind power, solar energy and coal bed methane ("CBM") amounted to 10,335 GWh.

Message from the President *(Continued)*

EXPEDITE STRUCTURAL ADJUSTMENT AND FURTHER OPTIMIZE THE DISTRIBUTION OF ASSETS

The Group: 1) made more efforts to the development of projects in regions which have no grid curtailment and increased the approved capacity by 797 MW for the year; 2) strengthened the optimization and design of construction projects and pressed ahead construction and operation of high-quality projects; and 3) enhanced capital operation, broadened financing channels and optimized debt structure.

STRENGTHEN FINANCE AND INVESTMENT MANAGEMENT TO LOWER OPERATION COST

In 2014, the Group strengthened finance management and guaranteed the security of funds, thus lowering the finance cost. During the year, the Company issued short-term bonds of RMB2,000 million, which adjusted the debt structure and reduced finance cost; and issued mid-term notes (with long-term option) of RMB2,000 million and reduced the gearing ratio. The Group put more efforts in recovery of electricity subsidies from the state, actively strived for refund of value-added tax, and strengthened the collection of settlement proceeds from CDM projects and insurance claim for equipment.

LEVERAGE ON TECHNOLOGICAL IMPROVEMENT AND GIVE PLAY TO THE LEADING AND SUPPORT ROLE OF TECHNOLOGY

The Group carried out the research and experiments on components of wind turbines and control strategy, which greatly enhanced the technology research and development capacity; obtained 63 new authorized patents and software copyrights, undertook compilation work for the Technical Supervision Procedures for Wind Rotor System of Wind Power Generating Units (《風電機組風輪系統技術監督規程》) which is internationally advanced, as the chief compiler. The first solar-coal complementary power generation demonstration project in China — Datang Tianwei Jiayuguan solar-coal complementary power generation project (大唐天威嘉峪關光煤互補項目), a project under the National High-Tech Research and Development Project (National 863 Program) (國家高技術研究發展計劃(國家863項目)), was put into trial operation.

Message from the President *(Continued)*

In 2015, China's economy has developed into a new normality, and the country is actively pressing ahead revolution of energy production and consumption and aiming to upgrade China's energy, which provide a major opportunity for us. By building up confidence, seizing the opportunity, braving difficulties and focusing on economic benefits, we will prioritize to four major tasks, namely "be the first mover of power generation, speed up commencement of operation, lower cost and enhance management". We will also expedite the transformation of development mode and structural adjustment, speed up system and mechanism reform and management innovation, intensify design and operation optimization, comprehensively improve professional technology capacity and capital operation level, continuously enhance the Company's culture cohesion, comprehensive competitiveness and market influence, aiming for new operation and development results and creating a new landscape for the Company's scientific development.

We'd like to extend our heartfelt gratitude to all the shareholders and friends from all circles in the society. Under the leadership of the Board, we will strive to bring more favourable return to shareholders through building up our confidence, putting more pressure on ourselves, enhancing internal management and seeking common development, and turn over a new leaf in the building of beautiful China and low-carbon society.

President
Zhang Chunlei

Company Profile

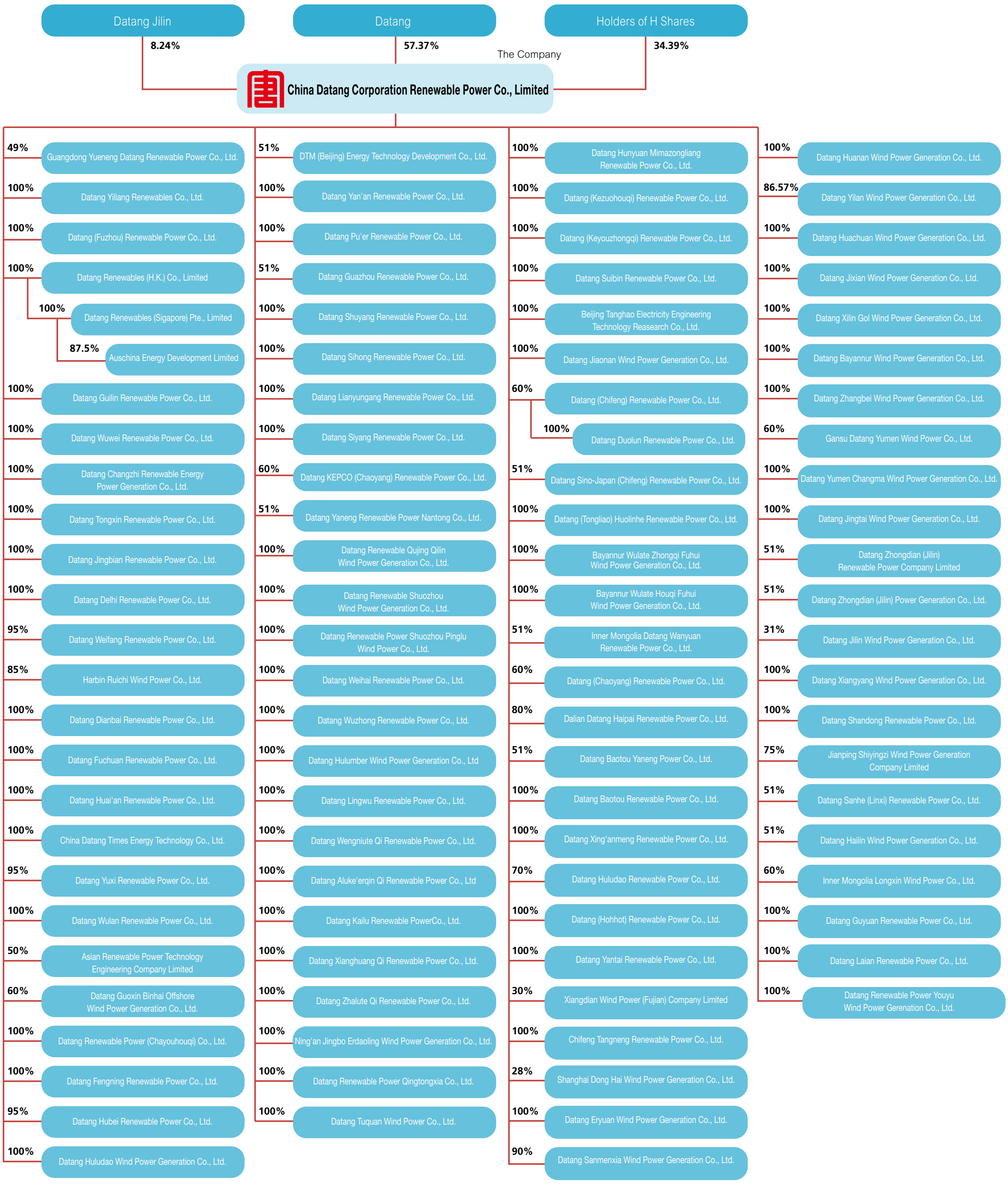
The predecessor of China Datang Corporation Renewable Power Co., Limited (referred to as Datang Renewable or the "Company", stock code: 1798) was Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰塞罕壩風力發電有限公司) which was established on September 23, 2004 and subsequently renamed to China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源有限責任公司) on March 19, 2009. It was one of the earliest power enterprises that engaged in the development of new energy in PRC. Since the establishment of the Company and after several years of rapid development, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on December 17, 2010. As at December 31, 2014, 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; design, construction and installation, repair and maintenance of domestic and overseas 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 Group is actively engaged in the renewable sources business including wind power, solar power and biomass. As at December 31, 2014, the Group's consolidated installed capacity amounted to 6,038 MW, including 5,916 MW of wind power installed capacity.

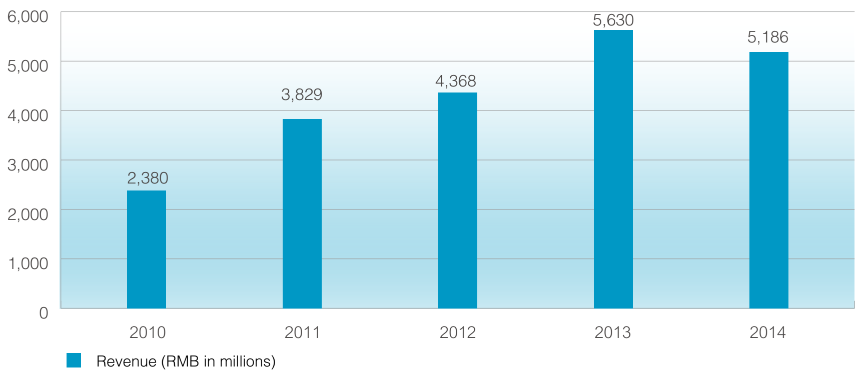
Company Profile *(Continued)*

Corporate Structure: As at December 31, 2014, the Company's major corporate structure was as follows:

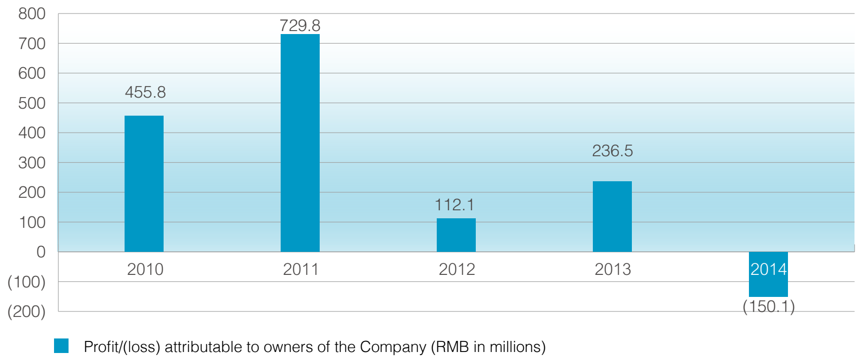


Key Operating and Financial Data

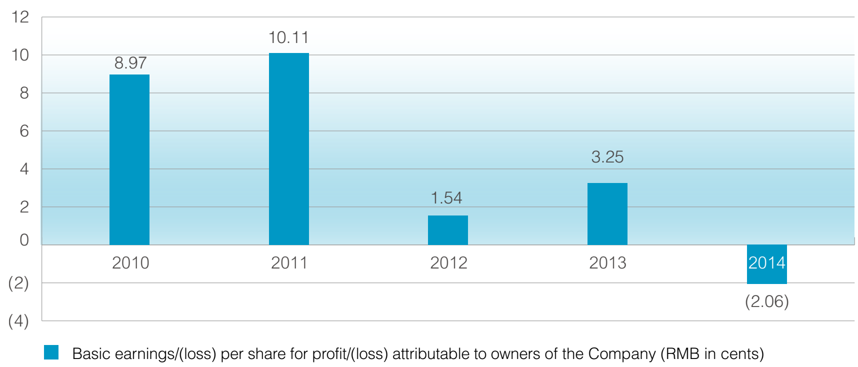
1. Revenue



2. Profit/(loss) attributable to owners of the Company

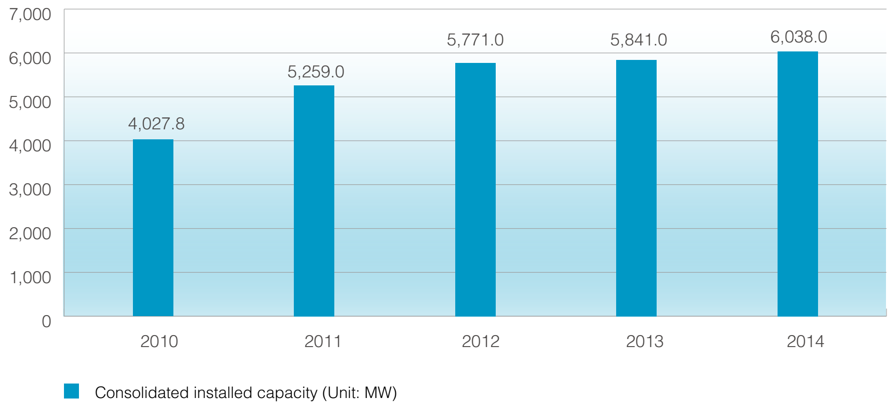


3. Basic earnings/(loss) per share for profit/(loss) attributable to owners of the Company

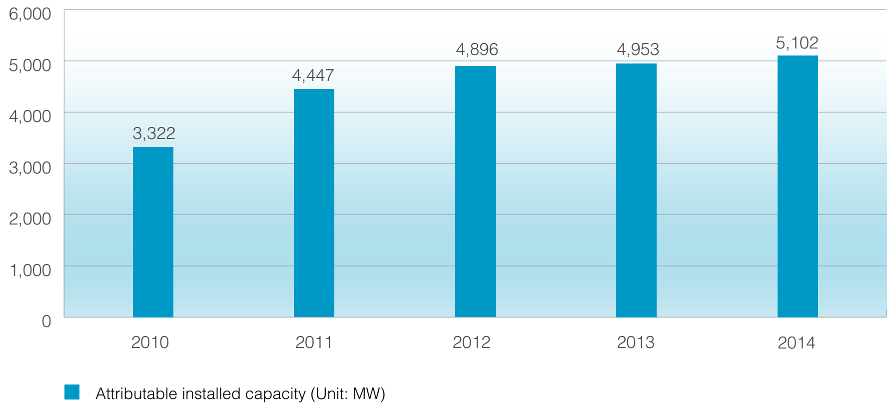


Key Operating and Financial Data *(Continued)*

4. Consolidated installed capacity



5. Attributable installed capacity



Financial Highlights

	Year ended December 31,				
	2014 *RMB'000*	2013 *RMB'000*	2012 *RMB'000*	2011 *RMB'000*	2010 *RMB'000*
Revenue	**5,185,960**	5,630,285	4,368,015	3,828,808	2,379,727
Other income and other gains-net	**230,946**	126,198	277,394	518,350	368,705
Operating expenses	**(3,293,229)**	(3,298,497)	(2,530,991)	(1,918,177)	(1,245,808)
Operating profit	**2,123,677**	2,457,986	2,114,418	2,428,981	1,502,624
(Loss)/profit before taxation	**(61,662)**	360,439	176,337	1,005,258	734,586
Income tax (expense)/benefit	**(65,900)**	(53,074)	10,217	(34,954)	(57,105)
(Loss)/profit for the year	**(127,562)**	307,365	186,554	970,304	677,481
Total other comprehensive (loss)/income	**(180,867)**	241,534	(98,144)	(75,695)	—
Total comprehensive (loss)/income for the year	**(308,429)**	548,899	88,410	894,609	677,481
(Loss)/profit attributable to:					
—Owners of the Company	**(150,115)**	236,500	112,148	729,842	455,831
—Non-controlling interests	**22,553**	70,865	74,406	240,462	221,650
	(127,562)	307,365	186,554	970,304	677,481
Total comprehensive (loss)/income attributable to:					
—Owners of the Company	**(330,740)**	478,783	14,447	654,147	455,831
—Non-controlling interests	**(22,311)**	70,116	73,963	240,462	221,650
	(308,429)	548,899	88,410	894,609	677,481
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to owners of the Company *(expressed in RMB per share)*	**(0.0206)**	0.0325	0.0154	0.1011	0.0897

Financial Highlights *(Continued)*

	As at December 31,				
	2014	2013	2012	2011	2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**53,427,082**	50,476,748	49,010,536	44,975,075	33,835,144
Total current assets	**6,682,878**	5,911,565	7,372,131	9,307,830	7,524,786
Total assets	**60,109,960**	56,388,313	56,382,667	54,282,905	41,359,930
Equity attributable to owners of the Company	**10,918,363**	9,291,985	8,815,729	9,088,648	8,352,742
Non-controlling interests	**2,729,918**	2,570,961	2,680,917	2,647,019	2,197,650
Total equity	**13,648,281**	11,862,946	11,496,646	11,735,667	10,550,392
Total non-current liabilities	**35,510,392**	34,254,965	32,922,165	29,717,142	22,023,169
Total current liabilities	**10,951,287**	10,270,402	11,963,856	12,830,096	8,786,369
Total liabilities	**46,461,679**	44,525,367	44,886,021	42,547,238	30,809,538
Total equity and liabilities	**60,109,960**	56,388,313	56,382,667	54,282,905	41,359,930

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

According to the information released by the National Energy Administration, the national electricity consumption increased at a slower pace of 3.8% year on year in 2014, with the decrease of 3.7 percentage points in the growth as compared with the same period last year. The newly-added installed capacity of wind power in the PRC for the year was 19,813MW; accumulative on-grid capacity was 96,371MW, representing an increase of 25.88% as compared with 2013. The average wind speed on the land at 70 meters high was approximately 5.5 m/s in the PRC, with a decrease of 8% to 12% as compared with the past years. In 2014, the national average utilization hours of wind power were 1,893 hours, representing a year-on-year decrease of 181 hours or 8.73%. The national average wind curtailment ratio was 8%, representing a decrease of 4 percentage points as compared with the same period last year, which was the lowest in recent years. Wind curtailment ratio decreased to different extents in all regions in the PRC except Xinjiang region.

In 2014, the government further strengthened its policy support to the new energy industry and launched a series of policies.

In March 2014, the National Energy Administration issued the Notice of Implementation of Wind Power Grid Connection and Consumption in 2014 (《關於做好二零一四年風電並網和消納相關工作的通知》), which required the full recognition of the importance of wind power consumption, guarantee of the wind power consumption in the key areas, reinforce the construction of ancillary transmission channels of the wind power bases and prioritize the development and construction of distributive wind power resources so as to optimize the operation and management of grid connection, and provide good services for grid connection of wind power.

In May 2014, the National Energy Administration issued Notice on Expedition of the Construction of Twelve Key Transmission Channels of the Air Pollution Prevention Plan (《關於加快推進大氣污染防治行動計劃12條重點輸電通道建設的通知》), which planned 9 extra-high voltage lines (including four AC lines and five DC lines) to be completed in 2014 and 2015. The issue on grid connection of wind power is expected to be effectively addressed upon completion of the transmission channels.

Management Discussion and Analysis *(Continued)*

In November 2014, the General Office of the State Council of the PRC issued the Implementation Plan for Energy Development Strategy (2014–2020) (《能源發展戰略行動計劃(2014–2020年)》), which proposes to increase the consumption proportion of renewable energy such as wind power and solar energy significantly. It plans to achieve 200 GW and 100 GW of installed capacity for wind power and photovoltaic power respectively in 2020. It also explicitly proposes to improve the utilization of renewable energy and resolve the wind curtailment issue in a practical way. During the 13th Five-Year Plan Period, it gives priority to construct nine major wind power bases and ancillary transmission projects in, among others, Jiuquan, western Inner Mongolia, eastern Inner Mongolia, northern Hebei, Jilin, Heilongjiang, Shangdong, Kumul and Jiangsu and others. The grid curtailment issue in northeast, north China, northwest regions is expected to be addressed effectively.

In December 2014, the Provisional Administrative Measures for Trading Carbon Emission Rights (《碳排放權交易管理暫行辦法》) issued by National Development and Reform Commission ("NDRC") has been officially implemented, according to which trading system in the PRC for carbon emission rights market will be fully initiated and improved from 2016 to 2020. A mechanism under which emission of carbon dioxide shall be charged will be gradually established in the future, thus further promoting the development of new energy industry.

While increasing policy support, NDRC issued the Notice on Proper Adjustment of Standard On-grid Tariff for Onshore Wind Power (《關於適當調整陸上風電標杆上網電價的通知》) in December 2014, according to which the standard on-grid tariff policy by resource zones will be continued to implement for onshore wind power. Standard wind power on-grid tariff for Class I, II and III resource zones will be decreased by RMB0.02 per kWh to RMB0.49 per kWh, RMB0.52 per kWh and RMB0.56 per kWh respectively while the standard wind power on-grid tariff for Class IV resource zone remained unchanged at RMB0.61 per kWh. The newly-added wind power installed capacity hit a record-high in 2014.

Management Discussion and Analysis *(Continued)*

II. BUSINESS OVERVIEW

As at December 31, 2014, the Group's consolidated installed capacity amounted to 6,038 MW, representing an increase of 3.37% over last year. Electricity generation for the year amounted to 10,335 GWh, representing a year-on-year decrease of 4.99%. The Group's average on-grid tariff (tax inclusive) was RMB595.96 per MWh. Loss attributable to the owners of the Company amounted to RMB150.12 million.

1. Reinforce the production management and stabilize production safety

The Group prioritized the production safety, continued to standardize and improve various management systems on wind farms, and carried out special work such as appraisal of management and technology standards for enterprises at the basic level, evaluation of major sources of hazard and risk assessment, further tamping the foundation of production safety.

In 2014, the Group expedited the construction of the dispatching centre. 8 major modules and 32 sub-modules including real-time monitor of wind farms and equipment status as well as analysis of electricity generation were put into operation, which enabled the Group to timely monitor and control the production performance indicators and equipment failures, and cemented a solid foundation for the planned maintenance as well as operation and maintenance management. Accordingly, the control measures for production safety were optimized.

In 2014, the Group's average utilization hours of wind power was 1,803 hours, representing a year-on-year decrease of 198 hours or 9.90% due to the lower average wind speed in the PRC. As a result, the Group generated total electricity of 10,335 GWh, representing a year-on-year decrease of 4.99%. In particular, the Group generated wind power of 10,114 GWh, representing a year-on-year decrease of 5.51%. The grid curtailment ratio decreased from 14.88% in 2013 to 12.90% for 2014.

Management Discussion and Analysis *(Continued)*

As at December 31, 2014, the consolidated wind power generation of the Group by geographical area was as follows:

Region	Consolidated wind power generation as at the end of 2014 *(MWh)*	Consolidated wind power generation as at the end of 2013 *(MWh)*	Rate of change in consolidated wind power generation *(%)*
Inner Mongolia	**4,635,558**	4,923,164	-5.84%
Heilongjiang	**677,553**	685,612	-1.18%
Jilin	**972,074**	1,017,511	-4.47%
Liaoning	**563,419**	686,697	-17.95%
Hebei	**78,826**	66,229	19.02%
Gansu	**583,724**	639,361	-8.70%
Henan	**221,483**	231,231	-4.22%
Shanxi	**389,385**	464,004	-16.08%
Ningxia	**469,684**	434,409	8.12%
Shaanxi	**158,215**	64,354	145.85%
Yunnan	**234,150**	223,327	4.85%
Shandong	**798,250**	904,500	-11.75%
Guangdong	**88,406**	88,756	-0.39%
Shanghai	**223,779**	275,109	-18.66%
Anhui	**19,984**	—	—
Total	**10,114,490**	10,704,264	-5.51%

Management Discussion and Analysis *(Continued)*

As at December 31, 2014, the average utilization hours of the Group's wind farms by region were as follows:

Region	Average wind farm power utilization hours in 2014 *(hours)*	Average wind farm power utilization hours in 2013 *(hours)*	Rate of change in average utilization hours of wind farms *(%)*
Inner Mongolia	1,955.98	2,165.12	-9.66%
Heilongjiang	1,689.66	1,923.39	-12.15%
Jilin	1,499.88	1,605.41	-6.57%
Liaoning	1,729.34	2,107.73	-17.95%
Hebei	1,592.43	1,337.96	19.02%
Gansu	1,412.72	1,623.57	-12.99%
Henan	2,198.35	2,295.10	-4.22%
Shanxi	1,966.59	2,343.45	-16.08%
Ningxia	1,897.71	1,919.36	-1.13%
Shaanxi	1,598.13	1,369.23	16.72%
Yunnan	2,383.21	2,273.05	4.85%
Shandong	1,612.63	1,828.83	-11.82%
Guangdong	1,785.98	1,850.63	-3.49%
Shanghai	2,193.91	2,697.15	-18.66%
Anhui	1,665.30	—	—
Average	1,803.09	2,001.52	-9.91%

Management Discussion and Analysis *(Continued)*

As at December 31, 2014, the consolidated solar power generation of the Group by region was as follows:

Region	Consolidated solar power generation as at the end of 2014 *(MWh)*	Consolidated solar power generation as at the end of 2013 *(MWh)*	Rate of change in consolidated solar power generation *(%)*
Jiangsu	**17,972**	21,150	-15.03%
Ningxia	**80,336**	76,760	4.66%
Qinghai	**95,920**	53,320	79.89%
Total	**194,228**	151,230	28.43%

As at December 31, 2014, the average utilization hours of the Group's solar power stations by region were as follows:

Region	Average utilization hours of solar power stations in 2014 *(hours)*	Average utilization hours of solar power stations in 2013 *(hours)*	Rate of change in average utilization hours of solar power stations *(%)*
Jiangsu	**973.05**	1,144.99	-15.02%
Ningxia	**1,639.51**	1,566.51	4.66%
Qinghai	**1,918.39**	1,789.16	7.22%
Average	**1,653.43**	1,554.68	6.35%

Management Discussion and Analysis *(Continued)*

2. Optimize resource reserves and promote structural adjustment

In 2014, based on the organic development and in response to the grid curtailment, the Group facilitated the optimization of regional structure with various means by continuously promoting the structural adjustment, making more efforts to the development of projects in regions which have no grid curtailment ("non-restricted regions"), and increasing resource reserves, so as to continuously improve the quality of the Group's project development.

In 2014, the newly approved capacity of wind power projects of the Group was 796.90 MW. As at December 31, 2014, the Group had aggregate approved capacity of wind power in aggregate 11,068.55 MW, among which, the capacity listed in national approval plan for wind power projects in the "Twelfth Five-Year Plan" was 4,962.50 MW (including 3,194.00 MW from the non-restricted regions, accounting for 64%).

Management Discussion and Analysis *(Continued)*

Region	Capacity included in the national approval plan *(MW)*	Cumulative approved capacity *(MW)*	Unapproved capacity included in the national wind power approval plan *(MW)*
Inner Mongolia	**628.50**	3,379.95	—
Heilongjiang	**250.00**	738.00	—
Jilin	**200.00**	746.10	100.00
Liaoning	**243.00**	509.30	97.50
Hebei	**97.50**	147.00	—
Gansu	**349.50**	1,145.80	—
Henan	—	100.75	—
Shanxi	**548.50**	796.00	—
Shaanxi	**148.50**	198.00	—
Yunnan	**495.50**	345.75	200.00
Shandong	**343.50**	813.00	48.00
Guangdong	**89.00**	49.50	50.00
Shanghai	—	102.00	—
Jiangsu	**147.00**	300.00	147.00
Zhejiang	**115.00**	46.00	69.00
Anhui	**193.50**	143.50	—
Fujian	**126.00**	72.00	—
Jiangxi	**46.00**	46.00	—
Hubei	**147.50**	97.50	48.00
Hunan	**149.00**	99.40	49.90
Guangxi	**297.50**	297.50	—
Guizhou	**49.50**	48.00	—
Qinghai	**50.00**	49.50	—
Ningxia	**99.50**	742.50	—
Beijing	**49.50**	—	49.50
Chongqing	**99.00**	49.50	49.50
Hainan	—	6.00	—
Total	**4,962.50**	11,068.55	908.40

Management Discussion and Analysis *(Continued)*

In 2014, the Group initiated solar power and other businesses while focusing on development of wind power business. As at December 31, 2014, the Group's solar power resources reserve, biomass resources reserve, coal bed methane ("CBM") resources and energy performance contract ("EPC") projects resources amounted to 9,185 MW, 680 MW, 60 MW and 674 MW respectively, building foundation for suitable development.

3. Promote construction of key projects and improve quality of projects

In 2014, the Group promoted the construction of high-quality projects by various means and commenced construction of projects with capacity of 1,159.2 MW for the year. As at the end of the year, projects with capacity of 198 MW had been completed and put into operation.

As at December 31, 2014, the Group's total consolidated installed capacity increased by 3.37% over the last year to 6,038.02 MW, in which the consolidated wind power installed capacity was 5,915.55 MW, representing an increase of 3.44%, and the consolidated installed capacity of solar power and other renewable energy were 117.47 MW and 5 MW respectively.

Management Discussion and Analysis *(Continued)*

As at December 31, 2014, the consolidated installed capacity of wind power of the Group by region was as follows:

Region	Consolidated installed capacity as at the end of 2014 *(MW)*	Consolidated installed capacity as at the end of 2013 *(MW)*	Rate of change in consolidated installed capacity *(%)*
Inner Mongolia	**2,507.35**	2,507.35	—
Heilongjiang	**401.00**	401.00	—
Jilin	**648.10**	648.10	—
Liaoning	**325.80**	325.80	—
Hebei	**49.50**	49.50	—
Gansu	**542.80**	393.80	37.84%
Henan	**100.75**	100.75	—
Shanxi	**198.00**	198.00	—
Ningxia	**247.50**	247.50	—
Shaanxi	**99.00**	99.00	—
Yunnan	**98.25**	98.25	—
Shandong	**495.00**	495.00	—
Guangdong	**49.50**	49.50	—
Shanghai	**102.00**	102.00	—
Anhui	**48.00**	—	—
Guangxi	**3.00**	3.00	—
Total	**5,915.55**	5,718.55	3.44%

Management Discussion and Analysis *(Continued)*

As at December 31, 2014, the consolidated installed capacity of solar power of the Group by region was as follows:

Region	As at December 31, 2014 *(MW)*	As at December 31, 2013 *(MW)*	Year-on-year change *(%)*
Jiangsu	**18.47**	18.47	—
Ningxia	**49.00**	49.00	—
Qinghai	**50.00**	50.00	—
Total	**117.47**	117.47	—

4. Strengthen capacity of management and control to continuously improve operation and management level

In 2014, the Group enhanced strict implementation of comprehensive budget, which enabled better control over various costs and expenses while other expenses and material costs were within the range of adjusted range of budget. Meanwhile, the Group exerted stringent control over the investment scale and construction scale. Through the management and control mode of "plan annually, review quarterly, execute monthly", over-investment was strictly prohibited.

In 2014, the Group strengthened finance management and guaranteed the security of funds, thus lowering the finance cost. During the year, the Company issued short-term debentures of RMB2,000 million, which adjusted the debt structure and reduced finance cost. In addition, the Company issued mid-term notes (with long-term option) of RMB2,000 million and reduced the gearing ratio. The Group put more efforts in recovery of electricity subsidies from the state, actively strived for refund of value-added tax ("VAT"), and strengthened collection of settlement proceeds from CDM projects and insurance claim on equipment failure.

Management Discussion and Analysis *(Continued)*

5. Leverage on technological improvement and give play to the leading and support role of technology

In 2014, the Group improved its capacity on research and development of technology on wind turbines, and initiated special governance activities of wind turbines, which resulted steadily increase of availability rate of wind turbines. Meanwhile, the Group strengthened research on improvement of efficiency of wind turbines and completed the optimization of certain wind turbine control system, thus further boosting the generation efficiency. The Group obtained 63 new authorized patents and software copyrights. Meanwhile, the Company undertook compilation work for the Technical Supervision Procedures for Wind Rotor System of Wind Power Generating Units (《風電機組風輪系統技術監督規程》), the first standard for energy industry in the PRC, as the chief compilation unit. In addition, it participated in the compilation work of 5 industry standards and 7 new industry standards. The solar-coal complementary power generation demonstration project, a project under the National 863 Program, was put into operation. The Group made new progress in building of "Standardized Good Behavior Enterprise" (標準化良好行為企業), Heilongjing Development Company became the first 4A "Standardized Good Behavior Enterprise" in the wind power industry in the PRC.

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 loss in 2014 amounted to RMB127.56 million, representing a decrease of 141.5% as compared with the profit of RMB307.37 million in 2013. Loss attributable to the owners of the Company amounted to RMB150.12 million.

The loss was mainly due to the fact that the conditions of wind resources in most regions in 2014 were worse than that in the last year, the Company's power generation decreased as a result. The overall power generation for 2014 decreased by 4.99% as compared to the same period of last year.

Management Discussion and Analysis *(Continued)*

2. Revenue

The Group's revenue decreased by 7.89% to RMB5,185.96 million in 2014 compared to RMB5,630.29 million in 2013, primarily due to the decrease in electricity sales revenue.

The Group's electricity sales revenue decreased by 4.34% to RMB5,131.50 million in 2014 compared to RMB5,364.48 million in 2013, primarily due to year-on-year decrease in on-grid electricity as a result of the decline in wind speed which led to the decrease in average utilization hours of wind turbines.

3. Other income and other gains-net

The Group's other income and other gains-net increased by 83.00% to RMB230.95 million in 2014 compared to RMB126.20 million in 2013, primarily due to increases in government's grants obtained and certain compensation received from a wind turbine supplier.

The Group's income generated from CDM projects decreased by 90.96% to RMB6.62 million in 2014 compared to RMB73.19 million in 2013, 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 2014; and the income from CDM projects this year represented the differences between the actual settlement proceeds and the amounts originally recognised. The Group did not recognise any new CDM income during 2014.

Due to fluctuation in Euro to RMB exchange rate, the exchange loss from CDM assets in 2014 was RMB28.43 million, representing an increase by RMB23.01 million compared to RMB5.42 million in 2013.

In 2014, the Group made additional provision of RMB36.27 million against its CDM assets, representing an increase by RMB21.41 million compared to RMB14.86 million in 2013.

The Group's government grants increased by 151.95% to RMB153.69 million in 2014 compared to RMB61.00 million in 2013, primarily due to the increase in VAT refund during the year.

Management Discussion and Analysis *(Continued)*

4. Operating expenses

The Group's operating expenses (excluding service concession construction costs) increased by 5.54% to RMB3,285.61 million in 2014 compared to RMB3,113.16 million in 2013, mainly due to the increase in depreciation and amortization charges as a result of higher installed capacity.

The Group's depreciation and amortization charges increased by 7.32% to RMB2,361.51 million in 2014 compared to RMB2,200.52 million in 2013, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 2.87% to RMB405.15 million in 2014 compared to RMB393.83 million in 2013, primarily due to the increase in labour cost as a result of increase in capacity put into operation.

The Group's other operating expenses increased by 5.57% to RMB351.81 million in 2014 compared to RMB333.24 million in 2013, primarily due to the increase in management costs as a result of increase in capacity put into operation.

5. Operating profit

The Group's operating profit decreased by 13.60% to RMB2,123.68 million in 2014 compared to RMB2,457.99 million in 2013.

6. Finance expenses

The Group's net finance expenses increased by 6.02% to RMB2,234.42 million in 2014 compared to RMB2,107.56 million in 2013, primarily due to less construction in progress expenditure as well as the replacement of higher interest rate borrowings with the issuance of short-term bonds.

7. Share of profit of investments accounted for using equity method

The Group recorded a profit of RMB50.66 million in share of profit of associates in 2014 as compared with RMB23.28 million in 2013.

The Group recorded a loss of RMB1.57 million in share of loss of joint ventures in 2014 as compared with RMB13.27 million in 2013.

Management Discussion and Analysis *(Continued)*

8. Income tax expense

The Group's income tax expense was RMB65.90 million in 2014, representing an increase by 24.17% from RMB53.07 million in 2013. This was mainly due to the fluctuation in profits of, and the mixed commencement and expiration of tax reliefs for certain subsidiaries of the Company located in regions with preferential income tax rate.

9. (Loss)/profit for the year

The Group's loss for the year decreased by 141.50% to RMB127.56 million in 2014 compared to the profit of RMB307.37 million in 2013. For the year ended December 31, 2014, the Group's loss for the year as a percentage of its total revenue (excluding revenue from provision of services under concession arrangements) amounted to 2.64% as compared with a profit margin of 5.64% in 2013.

10. (Loss)/profit attributable to the owners of the Company

The loss attributable to the owners of the Company decreased by 163.47% to RMB150.12 million in 2014 compared to the profit of RMB236.50 million in 2013.

11. Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 68.17% to RMB22.55 million in 2014 compared to RMB70.87 million in 2013.

12. Liquidity and capital sources

As at December 31, 2014, the Group's cash and cash equivalents increased by 118.72% to RMB2,190.21 million compared to RMB1,001.39 million as at December 31, 2013. The main sources of the Group's operating capital are revenue from the sales of electricity.

Management Discussion and Analysis *(Continued)*

As at December 31, 2014, the Group's borrowings increased by 5.27% to RMB41,243.20 million compared to RMB39,177.85 million as at December 31, 2013. In particular, RMB6,223.40 million (including RMB2,997.45 million of long-term borrowings due within one year) was short-term borrowings, and RMB35,019.80 million was long-term borrowings. The above borrowings include borrowings of RMB41,077.70 million denominated in RMB, and borrowings of RMB165.50 million denominated in USD.

At December 31, 2014, the Group has committed unutilized financing facilities amounting to approximately RMB20,057.87 million, of which approximately RMB14,605.42 million are subject to renewal in the next 12 months from the balance sheet date of these consolidated financial statements. The directors of the Company are confident that these financing facilities will be renewed and continue to be available to the Group.

13. Capital expenditure

The Group's capital expenditure increased by 47.36% to RMB5,614.26 million in 2014 compared to RMB3,809.86 million in 2013. Capital expenditure mainly comprises construction costs including acquisition or construction of property, plant and equipment, land use rights and intangible assets.

14. Net gearing ratio

As at December 31, 2014, the Group's net gearing ratio (net debt (total borrowings less cash and cash equivalents) divided by the sum of net debt and total equity) was 74.10%, 2.19 percentage points lower than 76.29% as at December 31, 2013.

15. Significant investment

In 2014, the Group made no significant investment.

16. Material acquisition and disposal

In 2014, the Group had no material acquisition or disposal.

Management Discussion and Analysis *(Continued)*

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, 2014, net carrying value of the pledged assets amounted to RMB5,638.94 million.

18. Contingent liabilities

As at December 31, 2014, the Group had no material contingent liabilities.

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 preferential tax policies. Although the Chinese government has repeatedly reiterated that it would continue to intensify its support for the development of the wind power industry, it is possible that the current preferential measures and favorable policies will be altered or repealed without any prior notice.

2. Grid curtailment risk

As some of the Group's wind farm construction progress did not match with progress of 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.

Management Discussion and Analysis *(Continued)*

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 un-competitive or obsolete. Failure to timely adopt newly-developed technologies may create an adverse impact on our business, financial position and operating results.

4. Competition risk

Currently, there are more investment entities participating in the domestic wind power development projects, all of which are actively capturing the resources, leading 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 improve its core competitiveness by making use of its existing strengths.

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

In 2014, transaction prices of the CERs in international market remained in a prolonged doldrums. The Company will keep a close eye on the developments in CDM market, and start project verification and sales work on a prudent basis as and when appropriate. Meanwhile, the pilot work on domestic carbon market has been rolled out in an orderly manner. The Interim Administrative Measures for Trading Carbon Emission Rights (《碳排放權交易管理暫行辦法》) issued by NDRC has been officially implemented, according to which China's trading system for carbon emission market will be fully initiated and improved during the "Thirteenth Five-Year Plan" period. The establishment of a national carbon market implies long-term stable and sustainable market demand for China Certified Emission Reduction. As such, the Group will closely keep track with the developments in policies and the markets, set out practicable working frames and implementation plans to effectively ensure the Group's income from carbon assets unharmed.

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, the electricity output of Group's wind power projects in these regions are currently adversely affected by the restrictions in electricity consumption and transmission in these regions. Any change that creates 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 and are difficult to predict. Turbines will only start to operate when the wind speed reaches a certain threshold, and must stop running when the wind speed exceeds velocity limit of Turbines to avoid damage to the equipment. 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 resource 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.

8. Project construction risk

Amid the Group's expansion of wind power projects range in the southern coastal regions, the number of unfavourable further increases, where the number of areas unfavourable for wind farm construction land and labour costs for wind farm construction increase, 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.

Management Discussion and Analysis *(Continued)*

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 including solar power, biomass, CBM, and EPC. In light of increasing hazard sources and hidden hazards, it takes certain time 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 finance expenses 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.

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 the PRC and its major revenue is denominated in RMB, the Group also settles CDM assets which is denominated in foreign currencies or obtains overseas financing. 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.

Management Discussion and Analysis *(Continued)*

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 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.

V. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

1. Opportunities faced by the Group

At the 2014 Central Economic Working Conference, the Chinese government indicated that Chinese economy has been in the process of evolving toward a higher stage with more complicated division of labor and more reasonable structure and the economic development has entered a new normal. As the situation of domestic environmental protection became increasingly serious, China has attached more importance to the development of new energy industry, and explicitly stated to aggressively advance the clean and efficient use of coal, concentrate efforts to develop non-coal energies to form the energy resources supply system driven by multiple wheels including coal, oil, natural gas, nuclear, new energies and renewable energies and at the same time strengthen the construction of transmission and distribution network and storage facilities for energies. Meanwhile, China has nailed down its energy strategic policy to be "economical, clean and secure" and the energy development strategy to be "prioritizing energy conservation, green and low-carbon, relying on domestic resources, and innovation-driven".

Management Discussion and Analysis *(Continued)*

In 2014, the China's National Plan to Address Climate Change (2014–2020) (《國家應對氣候變化規劃(2014–2020年)》) and China-U.S. Joint Announcement on Climate Change (《中美氣候變化聯合聲明》) were issued, pursuant to which, it is intended to reduce the CO_2 emissions per unit GDP by 40%–50% by 2020 from that in 2005 and to increase the share of non-fossil fuels in primary energy consumption to approximately 15% by 2020 and 20% by 2030. Meanwhile, it is intended to speed up the construction of nine major 10,000 MW wind power bases in north-east China, northern China, north-west China and coastal regions and strengthen the efforts in construction of various grid connection supporting facilities, so as to have an on-grid wind power installed capacity of 200 GW by 2020.

In 2015, the State Grid Corporation of China planned to commence the construction of 14 extra-high voltage transmission lines including six AC lines and eight DC lines (六交八直), complete the feasibility study for construction of one extra-high voltage AC lines and four extra-high voltage DC lines (一交四直) and carry out the preliminary work for construction of four cross-border extra-high voltage DC lines (四直).

In August 2014, the National Energy Administration issued the Assessment Measures for Renewable Energies Electricity Quota (Trial) (《可再生能源電力配額考核辦法(試行)》) to solicit public opinions. If the renewable energies electricity quota could materialize as scheduled, the new energy power generation will see a growth peak.

In December 2014, the NDRC issued the Provisional Administrative Measures for Trading Carbon Emission Rights (《碳排放權交易管理暫行辦法》), pursuant to which, it is intended to fully launch the implementation and improvement of the carbon market trading system in China from 2016 to 2020.

All these aforesaid matters provide a favorable platform for the further development of the new energy industry.

Management Discussion and Analysis *(Continued)*

2. Operating policies for 2015

In 2015, we will take the profitability enhancement as the center of all our work. In connection with this, we will optimize and adjust the layout of our wind farms with an aim to improve the efficiency of them through mechanism and system reforms, while enhancing the construction of legal risk prevention and control system and uplifting the specialized technology level of the Company and comprehensive ability of talents.

First, we will enhance our electricity generation capability and adjust the project portfolio to boost the profit growth.

We will improve the comprehensive efficiency of wind turbines through strengthening equipment management for wind turbines; exercise control over the pace of project development in a scientific manner to expedite the commencement of operation of projects which are involved in the tariff adjustment and enjoys a better condition for construction and higher return; push forward the development of high quality wind power projects in central and eastern China and in regions not subject to grid curtailment in south China; and put more efforts in the resources reserve work in Inner Mongolia and Gansu to create new profit drivers of the Company.

Second, we will strengthen mechanism and system reform to enhance management and improve profitability.

We will strengthen the benchmarking management to construct the benchmarking system and carry out the benchmarking in city-level regional wind farms; promote standardized management to strengthen process control; strengthen the function of the dispatch center to optimize the management mode for overhaul and maintenance and reduce the operation maintenance cost of the Company.

Management Discussion and Analysis *(Continued)*

Third, we will deepen capital operation to improve the ability of sustainable development.

We will make proactive study on new financing mode in China and outside of China to improve financial structure, enhance the comprehensive ability of the Company in finance control and achieve a cost reduction and profit improvement.

Fourth, we will further regulate operation management in strict compliance with requirements of laws.

In strict accordance with the regulatory requirements and laws and regulations for listed companies, we will regulate corporate governance and meanwhile strengthen construction of the legal risks prevention and control system.

Fifth, we will elevate the level of technological innovation and specialized technology for an improvement in profit.

We will expedite technological innovation, strive to push forward technology upgrade, deepen turbine technology research, speed up promotion and commercialization of technological achievements, improve the health condition of wind turbines, extend the service life of wind turbines and increase the power generation efficiency of wind turbines.

Sixth, we will strengthen talent team building in an all-around way to give play to the important underpinning role of talents.

We will strengthen the construction and cultivation of senior management, managerial talents, technical talents and skill talents, optimize human resource structure and set up a stage for excellent employees to bring their talents into full play.

Major Events in 2014

In January 2014, the Company held the 2014 working conference in Beijing, at which the work of the Company in 2013 was reviewed in an all-round way, the present situation and tasks for the Company were deeply analyzed and the working thoughts, objectives and key jobs for 2014 were nailed down.

In June 2014, the 2013 annual general meeting of the Company was held in Beijing, at which Mr. Zhang Chunlei was elected as a Director of the Company and Mr. He Hua and Mr. Guo Shuping were elected as supervisors of the Company.

In June 2014, the Company successfully registered and issued RMB2 billion short-term bonds.

In August 2014, the Company for the first time compiled the "Technological Supervision Regulations for Rotor System of Wind Turbines" (《風電機組風輪系統技術監督規程》) which straightly passed experts review and attained international leading level.

In September 2014, the "Standard System for Solar-thermal Power Generation Technology" (太陽能光熱發電技術標準體系) drafted by the Company passed the experts review.

In October 2014, the 2014 first Extraordinary General Meeting of the Company was held in Beijing, at which, Mr. Guo Shuping was elected as a Director and Mr. Tong Guofu was elected as a supervisor of the Company.

In November 2014, Datang Heilongjiang Development Company (黑龍江開發公司) became the first 4A-rated "Standardized Good Behavior Enterprise" (標準化良好行為企業) in the wind power industry in China.

In December 2014, Datang Renewable Technology Development Company (科技產業開發公司) successfully passed the joint review by the Beijing Municipal Commission of Economy and Information and the Ministry of Industry and Information Technology of the PRC and was included in the "List of Energy-saving Service Enterprises Recommended by the Authorities Governing Industry and Information Technology" (《工業和通信業推薦的節能服務公司名單》).

In December 2014, phase I of the first solar-coal complementary power generation demonstration project in China — Datang Tianwei Jiayuguan 10 MW solar-coal complementary power generation project (大唐天威嘉峪關10MW光煤互補項目一期工程) which is mainly constructed by the Company, was fully completed and put into trial operation.

In December 2014, the Company registered and successfully issued RMB2 billion mid-term notes with long-term options.

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, construction and installation, repair and maintenance of domestic and overseas power projects; import and export 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, 2014 are set out in the consolidated statement of comprehensive income on pages 111 to 113 of this annual report. The financial position of the Group and of the Company as at December 31, 2014 is set out in the consolidated statement of financial position and statement of financial position on pages 114 to 119 of this annual report. The cash flows of the Group for the year ended December 31, 2014 are set out in the consolidated statement of cash flows on pages 122 to 124 of this 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 14 to 37 of this annual report.

III. PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group and of the Company as at December 31, 2014 are set out in Note 13 to the consolidated financial statements.

Report of Directors *(Continued)*

IV. SHARE CAPITAL

As at December 31, 2014, 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, 2014 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 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 25 to the consolidated financial statements.

VII. DISTRIBUTABLE RESERVES

Pursuant to the Articles of Association, 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, 2014, the distributable reserves of the Company were approximately RMB208.9 million (December 31, 2013: RMB509.0 million) according to the Company's financial statements prepared in accordance with CAS.

VIII. DIVIDENDS

As the Company recorded a loss for 2014, the Board does not recommend distribution of any final dividend to shareholders for the year ended December 31, 2014.

IX. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

As at December 31, 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Report of Directors *(Continued)*

X. MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2014, 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, 2014, the sales to our five largest customers (as defined in the Listing Rules) in aggregate accounted for not more than 64.88% of our total sales for the year, in which, the sales to the largest customer in aggregate accounted for not more than 26.58% 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, 2014 are set out in Note 26 to the consolidated financial statements.

Short-term bonds

On June 11, 2014, the Company announced the issue of short-term bonds with an amount of RMB2 billion at an interest rate of 4.90%. The issuance of the short-term debentures raised fund of RMB1,993.35 million and was used to supplement the Company's working capital, repay bank loans and to improve the financing structure.

Mid-term notes

On December 10, 2014, the Company announced the issue of RMB2 billion mid-term notes at an interest rate of 5.8%. The issuance of mid-term notes raised fund of RMB1,979.33 million and was used to supplement the Company's working capital, repay bank loans and improve the Company's financing structure.

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		
Wang Yeping	Chairman of the Board and Non-executive Director	August 20, 2013
Zhang Chunlei	Vice Chairman of the Board, Executive Director and President	January 6, 2015*Note 1*
Kou Bing'en	Non-executive Director	August 20, 2013
An Hongguang	Non-executive Director	March 27, 2015*Note 2*
Guo Shuping	Non-executive Director	October 10, 2014*Note 3*
Hu Guodong	Executive Director	December 27, 2012
Liu Chaoan	Independent non-executive Director	July 1, 2010
Lo Mun Lam, Raymond	Independent non-executive Director	August 20, 2013
Yu Shunkun	Independent non-executive Director	March 27, 2015*Note 4*
Wu Jing	Former Vice Chairman of the Board and non-executive Director	Resigned on June 6, 2014
Hu Yongsheng	Former Vice Chairman of the Board, executive Director and President	Resigned as the President of the Company on January 6, 2015; resigned as the vice Chairman of the Board on March 4, 2015; and resigned as the executive Director on March 27, 2015*Note 5*
Su Min	Former non-executive Director	Resigned on October 10, 2014
Ma Zhizhong	Former independent non-executive Director	Resigned on November 5, 2014

Report of Directors *(Continued)*

Name	Position in the Company	Date of Appointment
Supervisors		
He Hua	Chairman of the Supervisory Committee	June 6, 2014
Mi Keyan	Employee Representative Supervisor	June 6, 2014
Tong Guofu	Supervisor	October 10, 2014
Wang Guoping	Former Chairman of the Supervisory Committee	Resigned on June 6, 2014
Guo Shuping	Former Supervisor	Resigned on October 10, 2014*Note 3*
Zhang Xiaochun	Former Supervisor	Resigned on June 6, 2014
Dong Jianhua	Former Employee Representative Supervisor	Resigned on June 6, 2014
Senior management		
Jiao Jianqing	Vice President	February 20, 2014
Meng Lingbin	Vice President	July 1, 2010
Chen Song	Chief Accountant	February 20, 2014
Zhao Zonglin	Chief Engineer	December 25, 2013
Wang Wenpeng	Former Vice President, Board Secretary and Joint Company Secretary	Resigned as Vice President on 20 February 2014; resigned as Board Secretary and Joint Company Secretary on June 10, 2014
Chen Yong	Board Secretary and Joint Company Secretary	June 10, 2014

Notes:

1. Mr. Zhang Chunlei was appointed as a non-executive Director on June 6, 2014, as an executive Director and the President of the Company on January 6, 2015 and as the Vice Chairman of the Board on March 4, 2015.

2. Mr. An Hongguang was appointed as a non-executive Director on March 27, 2015.

Report of Directors *(Continued)*

3. Mr. Guo Shuping was appointed as a Supervisor (other than Employee Representative Supervisor) on June 6, 2014 and resigned as a Supervisor and was appointed as a non-executive Director on October 10, 2014.

4. Mr. Yu Shunkun was appointed as an independent non-executive Director on 27 March 2015.

5. Mr. Hu Yongsheng retired as the President of the Company on January 6, 2015, appointed as a Vice Chairman of the Board on June 10, 2014 and resigned as a Vice Chairman of the Board on March 4, 2015 and resigned as an executive Director on March 27, 2015.

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

As at the date of this report, according to the requirement of Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company are set out as follows:

- Mr. Guo Shuping was redesignated to be a non-executive Director on October 10, 2014.

- Mr. Zhang Chunlei was appointed as a non-executive Director on June 6, 2014, redesignated to be an executive Director and the President of the Company on January 6, 2015 and was appointed as the Vice Chairman of the Board on March 4, 2015.

- Mr. Wu Jing resigned as a non-executive Director with effect from June 6, 2014.

- Mr. Su Min resigned as a non-executive Director with effect from October 10, 2014.

- Mr. Ma Zhizhong resigned as an independent non-executive Director with effect from November 5, 2014.

- Mr. Hu Yongsheng resigned as the President of the Company on January 6, 2015, resigned as the vice Chairman of the Board on March 4, 2015 and resigned as the executive Director on March 27, 2015.

- Mr. An Hongguang was appointed as a non-executive Director with effect from March 27, 2015.
- Mr. Yu Shunkun was appointed as an independent non-executive Director with effect from March 27, 2015.

As at the date of this report, according to the requirement of Rule 13.51B(1) of the Listing Rules, the changes in information of supervisors of the Company are set out as follows:

- Mr. He Hua served as the chairman of Supervisory Committee and a non-employee representative Supervisor with effect from June 6, 2014.
- Ms. Mi Keyan served as the Employee Representative Supervisor with effect from June 6, 2014.
- Mr. Tong Guofu served as the Supervisor with effect from October 10, 2014.
- Mr. Wang Guoping resigned as the Chairman of the Supervisory Committee and a Supervisor with effect from June 6, 2014.
- Mr. Guo Shuping served as a non-employee representative Supervisor with effect from June 6, 2014 and retired as non-employee representative Supervisor on 10 October 2014.
- Mr. Zhang Xiaochun resigned as a Supervisor with effect from June 6, 2014.
- Mr. Dong Jianhua resigned as an Employee Representative Supervisor with effect from June 6, 2014.

XIV. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, Supervisors and senior management are set out on pages 98 to 106 of this annual report.

Report of Directors *(Continued)*

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.

XVII. INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

As at December 31, 2014, 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 March 27, 2015, the Company and Datang finance entered into a financial services agreement and set the annual caps for the three years ending December 31, 2015, 2016 and 2017. 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. The transaction and its related proposed annual caps will be effective upon independent shareholders' approval at the 2014 Annual General Meeting. For further details of the transaction, please refer to the announcement dated March 27, 2015 of the Company.

Report of Directors *(Continued)*

On March 27, 2015, the Company and Datang Financial Leasing entered into a finance lease framework agreement and set the annual caps for the three years ending December 31, 2015, 2016 and 2017. 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. The transaction and its related proposed annual caps will be effective upon independent shareholders' approval at the 2014 Annual General Meeting. For further details of the transaction, please refer to the announcement dated March 27, 2015 of the Company.

On March 27, 2015, a resolution was passed at the 2015 First Extraordinary General Meeting approving a transaction concerning the operation and management service agreement dated December 4, 2014 entered into by the Company and Datang Jilin. Pursuant to which, Datang Jilin will provide operation and management services for certain project companies. The Company will pay a service fee to Datang Jilin with reference to the profits in the project companies concerned. The term of the agreement is from the date on which the approval is obtained from Independent Shareholders and up to 31 December 2017. For further details of the transaction, please refer to the circular dated January 26, 2015 of the Company.

On January 16, 2015, the Company entered into a entrusted loan with Datang Finance and Datang Financial Leasing, pursuant to which the Company will issue an entrusted loan of RMB200,000,000 through Datang Finance for a term of 12 months at an interest rate of 6% per annum, of which the Company acts as the entrustor, Datang Finance acts as the entrustee and Datang Financial Leasing acts as the borrower. The term of the agreement is 12 months from the date Datang Financial Leasing withdraws from the loan. For further details of the transaction, please refer to the announcement dated January 16, 2015 of the Company.

There were no other significant subsequent events occurred from January 1, 2015 to the date of this annual report.

Report of Directors *(Continued)*

XIX. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at December 31, 2014, 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
Wang Yeping	Chairman of the Board and Non-executive Director	Vice Chairman and General Manager of Datang Corporation
Kou Bing'en	Non-executive Director	Director of Capital Management and Property Management Department of Datang Corporation/Directors of Guangxi Guiguan Electric Power and Datang Huayin Electric Power
An Hongguang	Non-executive Director	Head of Production Safety Department of Datang Corporation
Guo Shuping	Non-executive Director	General Manager of Datang Jilin

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

As at December 31, 2014, 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.

Report of Directors *(Continued)*

XXI. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at December 31, 2014, 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 1)*	Domestic Shares	Beneficial owner and interests in controlled corporation	4,772,629,900 (Long position)	100%	65.61%
Datang Jilin *(Note 1)*	Domestic Shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%
Citigroup Inc. *(Note 2)*	H Shares	Interests in controlled corporation	439,920 (Long position)	0.02%	0.01%
			439,000 (Short position)	0.02%	0.01%
	H Shares	Custodian	134,784,051 (Long position)	5.39%	1.85%
	H Shares	Person holding security interests	14,829,697 (Long position)	0.59%	0.20%
National Council for Social Security Fund	H Shares	Beneficial owner	214,261,000 (Long position)	9.09%	2.95%

Report of Directors *(Continued)*

Note 1: 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.

Note 2: Citigroup Inc. is a company listed on the New York Stock Exchange (NYSE: C). Citigroup Inc., through its wholly-owned subsidiary Citicorp Holdings Inc., indirectly held interests in the 134,784,051 H Shares (long position) held by Citibank N.A. (a wholly-owned subsidiary of Citicorp Holdings Inc.). Citigroup Inc., through its wholly-owned subsidiary Citigroup Global Markets Holdings Inc, also indirectly held interests in the H Shares held by various subsidiaries of Citigroup Financial Products Inc. (a wholly-owned subsidiary of Citigroup Global Markets Holdings Inc), specified as follows: Citigroup Financial Products Inc. held interests in the 439,000 H Shares (long position) through its wholly-owned subsidiary Citigroup Global Markets Inc.; Citigroup Financial Products Inc. also through itself and two other wholly-owned subsidiaries, Citigroup Global Markets International LLC and Citigroup Global Markets (International) Finance AG, each holding, respectively, 64.67%, 35.22% and 0.11% of the shareholding of Citigroup Global Markets Europe Limited which in turn held interests in the 14,830,617 H Shares (long position) and 439,000 H Shares (short position) held by its wholly-owned subsidiary Citigroup Global Markets Limited. For these reasons, Citigroup Inc. was considered to be interested in all the above mentioned H Shares.

XXII. MANAGEMENT CONTRACTS

As at and during the year ended December 31, 2014, 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.

Report of Directors *(Continued)*

XXIII. CONNECTED TRANSACTIONS

Major connected transactions of the Group during 2014 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. *Capital increase to Datang Financial Leasing*

On April 4, 2014, Datang Renewable Power (Hong Kong) Co., Ltd., China Datang Corporation Capital Holding Co., Ltd., Datang International Power Generation Co., Ltd. and China Datang Overseas (Hong Kong) Co., Ltd. and Datang Financial Leasing entered into the Capital Contribution Agreement. Datang Renewable Power (Hong Kong) is a wholly-owned subsidiary of the Company. Pursuant to the Capital Contribution Agreement, the Shareholder Companies agreed to make capital contribution in cash with a total amount of RMB1 billion to Datang Financial Leasing according to their existing shareholding proportion. The amount (all dominated in US dollar) injected by Datang Renewable Power (Hong Kong) in the Capital Contribution was paid in the aforementioned way. Upon the completion of Capital Contribution, the total equity interests held by Datang Renewable Power (Hong Kong) in Datang Financial Leasing remains at 20%. The Capital Contribution could (i) increase the registered capital and operating capital of Datang Financial Leasing, (ii) will effectively overcome the business scale limitation and expand assets size efficiently, (iii) overcome the scale limitation for overseas loans and improve the overseas financial capability, (iv) comply with the industrial development trend and (v) improve the development potential as well as competitiveness. Datang Financial Leasing's business development capability will be restricted in and after 2014, if there is no additional capital contribution. Datang Renewable Power (Hong Kong), as a shareholder holding 20% equity interests in Datang Financial Leasing, may benefit from the improved operation and business of Datang Financial Leasing, including but not limited to receipt of economic benefits.

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. *Provision of loan and supplemental loan to Datang Guazhou Renewable Power Co., Ltd.*

   On June 12, 2014, the Company entered into the Loan Agreement with Datang Guazhou, pursuant to which the Company will provide a loan of RMB300,000,000 to Datang Guazhou for a term of 15 years at an interest rate of 6.55% (being the benchmark interest rate of the same kind and same term given by PBOC for Renminbi loans and adjusted in line with the benchmark interest rate of the same kind and same term given by PBOC for Renminbi loans) per annum. The loan will be used for construction of the wind power project in Beidaqiao, Guazhou, Gansu. The Loan Agreement will help satisfy capital needs of construction of the wind power project in Beidaqiao, Guazhou, Gansu, and ensure smooth progress in the construction of the project, which will in turn improve the overall economies of scale of the wind power operation of the Company.

   On August 20, 2014, the Company entered into the Supplemental Loan Agreement with Datang Guazhou, pursuant to which the Company will provide a supplemental loan of RMB2,210,000,000 to Datang Guazhou in support of the construction of its Guazhou Beidaqiao Wind Power Project in Gansu. The Supplemental Loan Agreement is for a term of 15 years at an interest rate of 6.55% per annum (being the benchmark interest rate of RMB denominated loans for a term of 5 years or above as announced by the PBOC and is to be adjusted in line annually). The Guazhou Beidaqiao Wind Power Project in Gansu has a total constructing capacity of 400 MW, involving a total investment of RMB3,138,130,000, of which RMB627,620,000 is the capital amount, the remaining RMB2,510,510,000 requires further financing. Constructions required under the project have all began. The loan provided under the Supplemental Loan Agreement will help satisfy the financing needs of the Guazhou Beidaqiao Wind Power Project in Gansu, thereby ensuring the steady progress of the construction of the wind farm, which in turn increases the likelihood of it being able to begin power generation within 2014.

Report of Directors *(Continued)*

Datang Guazhou is a non wholly-owned subsidiary of the Company in which the Company holds 51% interests and Datang Gansu Power Generation Co., Ltd. ("Datang Gansu") holds the remaining 49%. As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company and Datang Gansu is a wholly-owned subsidiary of Datang Corporation, each of them is a connected person of the Company. Accordingly, the loan agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

(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 2014-2015 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 2014-2015 were approved at the 2012 first extraordinary general meeting 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 2014-2018 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 2014 annual cap was approved at the third meeting of the second session of the Board in 2014 held on January 17, 2014, relevant announcement was issued on January 20, 2014. In terms of the non-exempt continuing connected transactions of category 5 as stated below, the 2014 annual cap was approved at the 2013 annual general meeting held on June 6, 2014.

Report of Directors *(Continued)*

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2014:

Connected Transactions	Connected Person	Annual Cap for 2014	Actual Transaction Amount for 2014
1 Provision of products and services by the Group	Datang Corporation	RMB60 million	**RMB6.27 million**
2 Provision of products and services to the Group	Datang Corporation	RMB3,600 million	**RMB964.32 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: USD27.10 million Interest payable: USD2.00 million	**The balance of the principal of the loan: USD27.03 million Interest paid: USD1.93 million**
4 Provision of financial services to the Group — Cash depository service	Datang Finance	Highest daily balance of cash deposit held during 2014: RMB430 million	**Daily balance of cash deposit held during 2014: less than RM430 million**
5 Provision of financial services to the Group — Financial leasing service	Datang Financial Leasing	RMB1,800 million	**RMB225.00 million**

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

1.1 The Group entered into the master agreement on mutual supply of raw materials, products and services with Datang Corporation on November 6, 2012 (the "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.;

Report of Directors *(Continued)*

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

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

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

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

- the 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

Report of Directors *(Continued)*

- 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.

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.

During the reporting period, the annual cap of this continuing connected transaction for 2014 was RMB60 million and the actual transaction amount was RMB6.27 million.

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

2.1 The Group entered into the 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 1.1 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 2014 was RMB3,600 million and the actual transaction amount was RMB964.32 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) 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 Datang (Chifeng) Renewable Power Company Limited 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 Datang (Chifeng) Renewable Power Company Limited.

Principal terms of the agreement are set out as follows:

- KEPCO Hong Kong granted to Datang (Chifeng) Renewable Power Company Limited 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 Datang (Chifeng) Renewable Power Company Limited 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 2014 was USD27.10 million. The annual cap of accrued interests was USD2.00 million. The actual closing balance of the principal as at the end of the year was USD27.03 million and the actual interests paid for the year was USD1.93 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 January 20, 2014, 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 the year ending December 31, 2014.

- 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 RMB430 million for the year ending December 31, 2014.

- The term of the Financial Services Agreement shall commence from January 20, 2014 and end on December 31, 2014.

Report of Directors *(Continued)*

Datang Finance provides the aforementioned financial services to the Group based on the following pricing principles: within the interval for the floating deposit and loan interests rates published by the PBOC and by reference to the benchmark interest rates published by the PBOC, the interest rate for the Group's deposits with Datang Finance shall not be lower than the equivalent deposit interest rate as charged by other financial institutions in the PRC; the interest rate for loans granted to the Group by Datang Finance shall not be higher than the equivalent loan interest rate as charged by other financial institutions in the PRC; and the fees charged by Datang Finance for the provision of financial services other than deposits and loans services shall not be higher than the rate charged by the other financial institutions in the PRC or charged to other customers for similar services.

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

During the reporting period, the annual cap of the daily deposit balance of deposit service of this continuing connected transaction for 2014 was RMB430 million and the actual maximum amount of daily deposit balance was less than RMB430 million.

5. *Provision of finance lease 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. On March 27, 2014, the Company and Datang Financial Leasing entered into the supplementary agreement to the Finance Lease Framework Agreement to renew the annual caps for the provision of finance lease services by Datang Financial Leasing 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.

Report of Directors *(Continued)*

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;

- 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);

Report of Directors *(Continued)*

- 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.

During the reporting period, the annual cap of deposit service of this continuing connected transaction for 2014 was RMB1,800 million and the actual transaction amount was RMB225.00 million.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company and Datang Financial Leasing is a subsidiary of Datang Corporation, thus it is a connected person of the Company.

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 ordinary and usual course of business of the Company;

(2) on normal commercial terms or more favorable terms; and

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

Pursuant to Rule 14A.56 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 Group.

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 disclosed continuing connected transactions have exceeded the maximum annual cap set by the Company.

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 31 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.

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.

Report of Directors *(Continued)*

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 7 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. Save as disclosed in this report, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. Please refer to the Corporate Governance Report as set out on pages 66 to 93 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.

XXVIII. MATERIAL LITIGATION

As at December 31, 2014, 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.

Report of Directors *(Continued)*

XXIX. AUDIT COMMITTEE

The Company's 2014 annual results and the financial statements for the year ended December 31, 2014 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, 2014 prepared in accordance with IFRSs and CAS, respectively.

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

The Company has not had any change in its auditors in any of the preceding three years.

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 12 to 13 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.

On behalf of the Board
Wang Yeping
Chairman

Beijing, the PRC, March 27, 2015

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 Corporate Governance Code (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, 2014, 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.

On November 5, 2014, Mr. Ma Zhizhong, an independent non-executive Director of the Company, resigned as an independent non-executive Director of the Company due to other work arrangement. While the Company had used its best efforts to identify a suitable candidate to fill the vacancy, the candidate for independent non-executive Director was determined in March 2015. The Company published a circular for the first extraordinary general meeting for 2015 to propose appointment of Mr. Yu Shunkun as an independent non-executive Director. The appointment of Mr. Yu Shunkun as an independent non-executive Director was approved at the extraordinary general meeting on March 27, 2015. Subsequent to this appointment, the Company is in compliance with requirements by the Listing Rules regarding the number of independent non-executive Directors.

For the year ended December 31, 2014, 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 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.

Corporate Governance Report *(Continued)*

(1) Composition of the Board

As at December 31, 2014, the Board consisted of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors.

The Company believes that the increasing diversity at the board level is one of essential elements in supporting the attainment of its strategic objectives and its sustainable development, therefore, the Company formulated Board Diversity Policy in August 2014 While determining the composition of the Board, the Company shall consider the diversity of the Board from various perspectives, including but not limited to gender, age, cultural and educational background, professional experiences, skills, knowledge and service tenure, and finally make decisions based on the value of candidates and contributions they can be brought to the Board. All nominees proposed by the Board shall comply with the principle of appointment based on merits and fully take into account objective conditions and benefits of diversity of the Board while considering candidates.

The nomination committee of the Company (the "Nomination Committee") will report the composition of the Board at a diversity level in the annual report each year, supervise the implementation of the Board Diversity Policy and review the policy when appropriate to ensure its effectiveness. The Nomination Committee will discuss any amendments to the Board Diversity Policy when necessary and propose such amendments to the Board for the approval of the Board.

The biographical details of the Directors as at the date of this report are set out on pages 98 to 106 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, except that, in November 2014, Mr. Ma Zhizhong, an independent non-executive Director of the Company, resigned as an independent non-executive Director of the Company due to other work arrangement. While the Company had used its best efforts to identify a suitable candidate to fill the vacancy, the candidate for independent non-executive Director was determined in March 2015, and Mr. Yu Shunkun was officially appointed as an independent non-executive Director of the Company at the first extraordinary general meeting of the Company for 2015. Subsequent to this appointment, the Company is in compliance with requirements by the Listing Rules regarding the number of independent non-executive Directors.

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.

Corporate Governance Report *(Continued)*

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
Zhang Chunlei	1962.01	Executive Director, President and	January 6, 2015 *Note 1*
		Vice Chairman of the Board	March 4, 2015
Kou Bing'en	1962.09	Non-executive Director	August 20, 2013
An Hongguang	1959.05	Non-executive Director	March 27, 2015 *Note 2*
Guo Shuping	1965.07	Non-executive Director	October 10, 2014
Hu Guodong	1963.10	Executive Director	December 27, 2013
		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
Yu Shunkun	1963.05	Independent non-executive Director	March 27, 2015 *Note 3*

Notes:

1. Mr. Zhang Chunlei was appointed as an executive Director of the Company on June 6, 2014 and redesignated as an executive Director and the President of the Company on January 6, 2015. On March 4, 2015, he was elected as the Vice Chairman of the Company.

2. Mr. An Hongguang was appointed as a non-executive Director of the Company on March 27, 2015.

3. Mr. Yu Shunkun was appointed as an independent non-executive Director of the Company on March 27, 2015.

Corporate Governance Report *(Continued)*

(2) Board meetings

According to the Articles of Association, 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 fourteen 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 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.

Corporate Governance Report *(Continued)*

In 2014, the Board held eight meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Attendance/ number of meetings	Attendance rate
Wang Yeping	Chairman of the Board and non-executive Director	8/8	100%
Zhang Chunlei *(Note 1)*	Vice Chairman of the Board, Executive Director and President	5/5	100%
Kou Bing'en	Non-executive Director	8/8	100%
An Hongguang *(Note 2)*	Non-executive Director	N/A	N/A
Guo Shuping *(Note 3)*	Non-executive Director	2/2	100%
Hu Guodong	Executive Director and Vice President	8/8	100%
Liu Chaoan	Independent non-executive Director	8/8	100%
Lo Mun Lam, Raymond	Independent non-executive Director	8/8	100%
Yu Shunkun *(Note 4)*	Independent non-executive Director	N/A	N/A
Wu Jing *(Note 5)*	Former Vice Chairman of the Board and Non-executive Director	3/3	100%
Su Min *(Note 6)*	Former non-executive Director	6/6	100%
Hu Yongsheng *(Note 7)*	Former executive Director and President	8/8	100%
Ma Zhizhong *(Note 8)*	Former independent non-executive Director	7/7	100%

Note: 1. Mr. Zhang Chunlei was redesignated as an executive Director of the Company on January 6, 2015. For the year ended December 31, 2014, he attended the Board meetings as a non-executive Director.

Corporate Governance Report *(Continued)*

2. Mr. An Hongguang was appointed as a non-executive Director of the Company on March 27, 2015. For the year ended December 31, 2014, he was not a Director of the Company and thus was not required to attend any Board meeting of the Company.

3. Mr. Guo Shuping was appointed as a non-executive Director of the Company on October 10, 2014. For the year ended December 31, 2014, two Board meetings were held since his appointment.

4. Mr. Yu Shunkun was appointed as an independent non-executive Director of the Company on March 27, 2015. For the year ended December 31, 2014, he was not a Director of the Company and thus was not required to attend any Board meeting.

5. Mr. Wu Jing resigned as the Vice Chairman and a non-executive Director of the Company on June 6, 2014. As at June 6, 2014, three meetings were held before his resignation.

6. Mr. Su Min resigned as a non-executive Director on October 10, 2014. As at October 10, 2014, six meetings were held before his resignation.

7. Mr. Hu Yongsheng resigned as an executive Director on March 27, 2015. Eight meetings were held for the year ended December 31, 2014 before his resignation.

8. Mr. Ma Zhizhong resigned as an independent non-executive Director on November 5, 2014. Seven meetings were held for the year ended November 5, 2014 before his resignation.

In particular, Mr. Wang Yeping, Chairman of the Board of the Company, held two meetings with the non-executive Directors (including the independent non-executive Directors) of the Company in March 2014 and August 2014, respectively.

Corporate Governance Report *(Continued)*

(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 restrainted and balanced 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, 2014, 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 of the Company and monitoring the performance of the management.

The Board is responsible for the Company's corporate governance. In 2014, 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 organising 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. In 2014, Mr. Wang Yeping and Mr. Hu Yongsheng served as the Chairman and the President respectively, whose powers and responsibilities were clearly divided.

In 2014, the Chairman of the Company, Mr. Wang Yeping, who led the Board, decided on the Company's overall development strategies, ensured the effective operation of the Board, performed his bounden duties, and brought all important matters to discussion in a timely manner; made sure that the Company had in place good corporate governance practices and procedures; and made sure that the Board acted in the best interests of the Company and all its shareholders. In 2014, the President Mr. Hu Yongsheng was mainly in charge of the Company's day-to-day operation management, including organising 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 commencing from the date of service contract to the date of expiry of the term of this session of the Board and subject to termination in accordance with the terms under respective service contracts.

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, working performance, positions and market conditions, taking into account of the recommendation of the Remuneration and Assessment Committee, and is subject to approval by the shareholders' general meeting.

(7) Training for Directors and Joint Company Secretaries

(A) Training for Directors

All Directors always attend to the Directors' duties and personal integrity, and the business activities and developments of the Company. In 2014, they had been updated on a monthly basis with information relating to the performance, state of affairs and prospects of the Company. In addition, the Company provided 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, 2014, 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 (2013 revision) and relevant amendments to the Listing Rules.

Corporate Governance Report *(Continued)*

In 2014, all Directors attended the continuous professional development programme, developed and refreshed their knowledge and skills to help ensure that their contribution to the Board remained informed and relevant.

Trainings received by all Directors during the year at 2014 are as follows:

Name	Position	Training topics
Wang Yeping	Chairman of the Board and non-executive Director	Business management and corporate governance
Zhang Chunlei	Vice Chairman of the Board, Executive Director and President	Business management and corporate governance
Kou Bing'en	Non-executive Director	Business management and corporate governance
An Hongguang *Note*	Non-executive Director	N/A
Guo Shuping	Non-executive Director	Business management and corporate governance
Hu Guodong	Executive Director	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
Yu Shunkun *Note*	Independent non-executive Director	N/A
Wu Jing	Former Vice Chairman of the Board and Non-executive Director	Business management and corporate governance
Su Min	Former non-executive Director	Business management and corporate governance
Hu Yongsheng	Former executive Director and Vice Chairman	Business management and corporate governance
Ma Zhizhong	Former independent non-executive Director	Business management and corporate governance

Note: Mr. An Hongguang and Mr. Yu Shunkun were not Directors in the year of 2014. As such, they did not participate in the trainings held during the year.

Corporate Governance Report *(Continued)*

(B) Training for joint company secretaries

The Company appointed Mr. Chen Yong as a joint company secretary of the Company on June 10, 2014. Mr. Wang Wenpeng resigned as a joint company secretary of the Company on June 10, 2014. In compliance with Rule 3.29 of the Listing Rules, both Mr. Chen Yong, joint company secretary of the Company, and Mr. Wang Wenpeng, former joint company secretary of the Company, had undertook relevant profession trainings of not less than 15 hours during the year ended December 31, 2014.

The Company appointed Ms. Mok Ming Wai (a 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. In compliance with Rule 3.29 of the Listing Rules, Ms. Mok, joint company secretary, had undertaken no less than 15 hours of relevant profession training during the year ended December 31, 2014. Her primary contact in the Company is Mr. Chen Yong, 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, 2014, 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.

Corporate Governance Report *(Continued)*

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

Mr. Ma Zhizhong resigned as an independent non-executive Director and a member of the Audit Committee of the Company on November 5, 2014, and a new independent Director had not been elected by the end of 2014. As at December 31, 2014, the Audit Committee of the Company consists of two Directors, i.e. Mr. Lo Mun Lam, Raymond (independent non-executive Director) and Mr. Guo Shuping (non-executive Director) with Mr. Lo Mun Lam, Raymond serving as the Chairman of the Audit Committee. As at March 27, 2015, the Audit Committee of the Company consists of three Directors, i.e. Mr. Lo Mun Lam, Raymond (independent non-executive Director), Mr. Guo Shuping (non-executive Director) and Mr. Yu Shunkun (independent non-executive Director), with Mr. Lo Mun Lam, Raymond serving as the Chairman of the Audit Committee.

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

- appointing and supervising the work of the Company's 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;

Corporate Governance Report *(Continued)*

- reviewing the planning and staffing of internal audit, the organisation, 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 by the company.

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

- The second meeting of the second session of the Audit Committee of the Board was held on March 17, 2014, for the main purpose of considering and approving the 2013 annual results announcement and annual report of the Company, the 2013 final financial report of the Company, the profit distribution plan of the Company for 2013, the 2013 report on internal control of the Company, the re-appointment of the Company's domestic and international auditors for 2014 and their remuneration.

- The third meeting of the second session of the Audit Committee of the Board was held on August 22, 2014, for the main purpose of considering and approving the 2014 interim results announcement and interim report of the Company.

Corporate Governance Report *(Continued)*

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Lo Mun Lam, Raymond *(Chairman of the Committee)*	2/2
Guo Shuping *(Note 1)*	N/A
Yu Shunkun *(Note 2)*	N/A
Former members	
Su Min *(Note 3)*	2/2
Ma Zhizhong *(Note 4)*	2/2

Notes:

1. Mr. Guo Shuping was appointed as a non-executive Director and a member of the Audit Committee of the Company on October 10, 2014. The Audit Committee did not hold any meeting for the year ended December 31, 2014 after his appointment.

2. Mr. Yu Shunkun was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on March 27, 2015.

3. Mr. Su Min resigned as a non-executive Director and a member of the Audit Committee of the Company on October 10, 2014. The Audit Committee held two meetings for the year ended December 31, 2014 before his resignation.

4. Mr. Ma Zhizhong resigned as an independent non-executive Director and a member of the Audit Committee of the Company on November 5, 2014. The Audit Committee held two meetings for the year ended December 31, 2014 before his resignation.

Corporate Governance Report *(Continued)*

(2) Nomination Committee

As at December 31, 2014, the Nomination Committee of the Company consists of three Directors, i.e. 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, 2014, 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.

On August 22, 2014, the Policy Concerning Diversity of Board Members of the Company was established and affirmed that diversity of the Board members will be considered in various aspects in regard of composition of Board members. All the nomination of the Directors by the Board will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, features of business in the Company, and demand for future development. Selection of candidates for the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, region, professional experience, skills, knowledge and length of service. The Nomination Committee adheres to this policy when exercising its duties.

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

- The first meeting of the second session of the Nomination Committee of the Board was held on March 18, 2014, for the main purpose of reviewing the proposal in relation to the composition of the Board and the independence of independent non-executive Directors.

- The second meeting of the second session of the Nomination Committee of the Board was held on August 22, 2014, for the main purpose of reviewing the proposal in relation to the formulation of Board Diversity Policy.

Corporate Governance Report *(Continued)*

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Kou Bing'en	2/2
Liu Chaoan *(Chairman of the Committee)*	2/2
Lo Mun Lam, Raymond	2/2

(3) Remuneration and Assessment Committee

As at December 31, 2014, the Remuneration and Assessment Committee of the Company consists of two Directors, i.e. Mr. Liu Chaoan (independent non-executive Director) and Mr. Zhang Chunlei (Executive Director). As at March 27, 2015, the Remuneration and Assessment Committee of the Company consists of three Directors, i.e. Mr. Yu Shunkun (independent non-executive Director), Mr. Liu Chaoan (independent non-executive Director) and Mr. Zhang Chunlei (Executive Director) with Mr. Yu Shunkun serving 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;

Corporate Governance Report *(Continued)*

- reviewing the Directors' compensation and making recommendations to the Board in respect thereof; and

- reviewing the compensation schemes of Directors and senior management and making recommendations to the Board in respect thereof.

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

- The 2014 first meeting of the second session of the Remuneration and Assessment Committee of the Board of Directors was held on March 18, 2014, at which the proposal of assessment and incentive for the work of operation management team in 2013 was considered.

The record of attendance is set out as follows:

Member	**Number of attendance/ required number of attendance**
Zhang Chunlei *(Note 1)*	N/A
Liu Chaoan	1/1
Yu Shunkun *(Note 2)*	N/A
Former members	
Wu Jing *(Note 3)*	1/1
Ma Zhizhong *(Chairman of the Committee) (Note 4)*	1/1

Notes: 1 Mr. Zhang Chunlei was appointed as a member of the Remuneration and Assessment Committee of the Company on June 10, 2014. As at June 10, 2014, the Remuneration and Assessment Committee held 1 meeting.

2 Mr. Yu Shunkun was appointed as the chairman of the Remuneration and Assessment Committee of the Company on March 27, 2015.

Corporate Governance Report *(Continued)*

3 Mr. Wu Jing resigned as a non-executive Director and a member of the Remuneration and Assessment Committee on June 6, 2014. As at June 6, 2014, the Remuneration and Assessment Committee held one meeting before his resignation.

4 Mr. Ma Zhizhong resigned as an independent non-executive Director and the Chairman of the Remuneration and Assessment Committee on November 5, 2014. As at November 5, 2014, the Remuneration and Assessment Committee held one meeting before his resignation.

(4) Strategic Committee

As at December 31, 2014, the Strategic Committee of the Company consists of three Directors, i.e. Mr. Zhang Chunlei (executive Director), Mr. Hu Yongsheng (executive Director) and Mr. Hu Guodong (executive Director). As at December 31, 2014, Mr. Hu Yongsheng served as the Chairman of the Strategic Committee. As at March 27, 2015, the composition of the Strategic Committee of the Company was changed into: Mr. Zhang Chunlei (executive Director), Mr. An Hongguang (non-executive Director) and Mr. Hu Guodong (executive Director), with Mr. Zhang Chunlei serving 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.

Corporate Governance Report *(Continued)*

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

- The 2014 first meeting of the second session of the Strategic Committee of the Board was held on March 18, 2014, at which the report of the operation and investment plans of the Company for 2014 was considered.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Mr. Zhang Chunlei *(Note 1)*	N/A
Mr. An Hongguang *(Note 2)*	N/A
Mr. Hu Guodong	1/1
Former members	
Wu Jing *(Note 3)*	1/1
Mr. Hu Yongsheng *(Chairman of the committee) (Note 4)*	1/1

Notes:

1. Mr. Zhang Chunlei was appointed as a member of the Strategic Committee of the Company on June 10, 2014. The Strategic Committee did not hold any meeting for the year ended December 31, 2014 after his appointment. As at March 27, 2015, Mr. Zhang Chunlei served as the Chairman of the Strategic Committee.

2. Mr. An Hongguang was appointed as a member of the Strategic Committee of the Company on March 27, 2015.

3. Mr. Wu Jing resigned as a non-executive Director and the Chairman of the Strategic Committee on June 6, 2014. The Strategic Committee held one meeting for the year ended June 6, 2014 before his resignation.

4. Mr. Hu Yongsheng resigned as the Chairman of the Strategic Committee on March 27, 2015.

Corporate Governance Report *(Continued)*

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, 2014. The Board is responsible for presenting a clear and understandable assessment of the annual and interim reports, inside information, and other disclosures as required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an assessment of the financial information and position of the Group before giving its approval. The Group is not exposed to any material uncertainty that may exert significant impact on the Group's ability to continue as a going concern.

4. Compliance with the code 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 established a complete and prudent internal control system and worked out a set of rules to ensure the institutionalisation and systematisation of internal controls of the Company.

Corporate Governance Report *(Continued)*

In terms of organisational structure, the Company has established the President Office Department, Development Planning Department, Planning and Marketing Department, Capital Operation and Property Right Management Department, Human Resources Department, Financial Management Department, Operation Safety Department, Project Management Department, Political Work 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 able to report instantly to the Board on the operations of each department and problems received. Accordingly, any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner and the decisions of the management of the Company could be implemented accurately and timely under supervision.

During the year ended December 31, 2014, 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 programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate.

Corporate Governance Report *(Continued)*

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, 2014 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, 2014 were RMB11.30 million.

The External Auditors provided non-audit services amounting to RMB0.35 million to the Company during the year ended December 31, 2014.

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, 2014, 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	3
500-1,000	4

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 2014, 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	Chairman of the Board and non-executive Director	2/2	100%
Zhang Chunlei *(Note 1)*	Vice Chairman of the Board, Executive Director and President	1/1	100%
Kou Bing'en	Non-executive Director	2/2	100%
An Hongguang *(Note 2)*	Non-executive Director	N/A	N/A
Guo Shuping *(Note 3)*	Non-executive Director	N/A	N/A
Hu Guodong	Executive Director	2/2	100%
Liu Chaoan	Independent non-executive Director	2/2	100%
Lo Mun Lam, Raymond	Independent non-executive Director	2/2	100%
Yu Shunkun *(Note 4)*	Independent non-executive Director	N/A	N/A
Wu Jing *(Note 5)*	Former Vice Chairman of the Board and non-executive Director	1/1	100%
Hu Yongsheng *(Note 6)*	Executive Director and Vice Chairman	2/2	100%
Su Min *(Note 7)*	Former non-executive Director	2/2	100%
Ma Zhizhong *(Note 8)*	Former independent non-executive Director	2/2	100%

Corporate Governance Report *(Continued)*

Note:

1 Mr. Zhang Chunlei was appointed as a non-executive Director of the Company on June 6, 2014 (and was appointed as an executive Director of the Company on January 6, 2015). One general meeting was held for the year ended December 31, 2014 after the appointment of him as a non-executive Director of the Company.

2 Mr. An Hongguang was appointed as a non-executive Director of the Company on March 27, 2015. As he was not a Director of the Company for the year ended December 31, 2014, he was not required to attend any general meeting.

3 Mr. Guo Shuping was appointed as a non-executive Director of the Company on October 10, 2014. No general meeting was held for the year ended December 31, 2014 after his appointment.

4 Mr. Yu Shunkun was appointed as an independent non-executive Director of the Company on March 27, 2015. As he was not a Director of the Company for the year ended December 31, 2014, he was not required to attend any general meeting.

5 Mr. Wu Jing resigned as the vice Chairman of the Board and a non-executive Director on June 6, 2014. As at June 6, 2014, one general meeting was held before his resignation.

6 Mr. Hu Yongsheng resigned as an executive Director of the Company on March 27, 2015. Two general meetings were held for the year ended December 31, 2014 and Mr. Hu Yongsheng attended both meetings.

7 Mr. Su Min resigned as a non-executive Director on October 10, 2014. Two general meetings were held for the year ended October 10, 2014 before his resignation.

8 Mr. Ma Zhizhong resigned as an independent non-executive Director on November 5, 2014. As at November 5, 2014, 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.

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 extraordinary general meetings, 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 extraordinary general meeting 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.

Corporate Governance Report *(Continued)*

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 of the Company encourages shareholders to attend general meetings to communicate directly any concerns they may have with the Board or the management. Shareholders holding 3% or more of the Company's shares with voting right have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such general meeting if they are matters falling within the functions and powers of general meeting. The ad hoc proposals raised by shareholders shall satisfy the following requirements: (1) Free of conflicts with the provisions of laws and regulations, and fall into the business scope of the Company and the terms of reference of the general meeting; (2) With definite topics to discuss and specific matters to resolve; and (3) Submitted or served to the Board in writing ten (10) days prior to the date of the general meeting.

In 2014, the Company held the 2013 Annual General Meeting and 2014 first extraordinary general meeting.

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.cdt-xny.com, 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, 2014, there was no material change in the Company's constitutional documents.

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2014

1. Investors' routine visits

During the reporting period, we always give detailed answers to the queries raised by investors and analysts in compliance with the information disclosure rules. As at the end of 2014, 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. Participation in investment summits

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

3. Results briefings

During the reporting period, the Group published its 2013 annual results and 2014 interim results in due course. In March 2014, the management of the Company visited Hong Kong to hold a road show for 2013 annual results, organised a press conference, an analysts conference and seventeen one-on-one meetings with investors. In August 2014, the management of the Company hosted a road show for 2014 interim results in Hong Kong, organised a press conference, an analysts conference and twelve one-on-one meetings with investors.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2015

In 2015, 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 2014, 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 Company Law of the PRC, the Articles of Associations, the Rules of Procedures of the Supervisory Committee and the relevant provisions in the Listing Rules.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

1. On March 16, 2014, the Company held the third meeting of the second 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 2013, Annual Results Announcement and Annual Report of the Company for 2013, the Final Financial Report of the Company for 2013, the Financial Budget Report of the Company for 2014 and the Profit Distribution Plan of the Company for 2013.

2. On June 10, 2014, the Company held the fourth meeting of the second session of the Supervisory Committee in Beijing, at which the Proposal regarding the Election of Chairman of the Supervisory Committee was considered and approved.

3. On August 22, 2014, the Company held the fifth meeting of the second session of the Supervisory Committee in Beijing, at which the proposal regarding the 2014 Interim Results Announcement and Interim Report of the Company was considered and approved.

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2014

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 2013 and the first extraordinary general meeting for 2014 of the Company and attended the fifth, sixth and eighth 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.

Report of the Supervisory Committee *(Continued)*

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

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

1. Operation and management of the Company

During the reporting period, as affected by the natural factors such as the year-round lower wind speed, the Company did not accomplish the production and operation target for the year. However, the Company made certain achievements in terms of production and operation, internal management, structural adjustment, project construction, assets operation, efficiency enhancement relying on science and technology, etc. The management of the Company maintained a stable situation for operation safety through continuously strengthening production management and further enhanced governance level by way of continual standardisation and improvement of various management systems for wind farms. In addition, the means for security management and control were further optimised by speeding up the construction of dispatching center to achieve real-time monitoring. The resource reserve was also optimised with structural adjustment promoted. Furthermore, the construction of key projects was propelled and project quality was also improved. The operation and management level of the management of the Company was constantly improved thanks to the strengthened construction of management and control capacity and the leading and support role of science and technology was given full play relying on scientific and technological progress. 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.

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.

Report of the Supervisory Committee *(Continued)*

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 Group for the year ended December 31, 2014 prepared in accordance with IFRSs and Accounting Standards for Business Enterprises of the PRC respectively, and raised no objection to such reports.

3. Connected transactions

The Supervisory Committee reviewed the connected transactions between the Group and its 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 2015, the Supervisory Committee will continue to carry out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Company Law of the PRC, the Articles of Association, the Rules of Procedure of the Supervisory Committee and the Listing Rules; pay close attention to the production, operation and management status of the Company as well as any significant move of the Company; and continue to strengthen the supervision on procedures of the Company's investment projects, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all shareholders and the Company.

By order of the Supervisory Committee
He Hua
Chairman of the Supervisory Committee

Beijing, the PRC, March 27, 2015

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 of the Company. 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. 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 and a technician in Technical Association Exhibition Room of Shijingshan Power Plant (石景山發電總廠), a deputy chief engineer and deputy director of the Project Expansion Department and the Party Secretary of Shijingshan Thermal Power Plant (石景山熱電廠). 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).

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

Mr. An Hongguang, born in May 1959, joined the Group as a non-executive Director in March 2015. He has served as the director of the Operation Safety Department of China Datang Corporation since January 2015. Mr. An started to work with Xia Hua Yuan Power Plant in August 1982 and successively served as the deputy head of chemical workshop, head of chemical workshop, chief of the Division of Production Technology, manager assistant and deputy Party chief of Dou He Power Plant, deputy manager of Production Department, deputy manager of Production Department and chief of Production Scheduling Department, and manager of Production Department and chief of Production Scheduling Department of Beijing Datang Power Generation Co., Ltd., manager of Zhang Jia Kou Power Plant, general manager assistant, and deputy general manager and a Party committee member of Datang International Power Generation Co., Ltd., and general manager and Party chief of Datang Henan Power Generation Co., Ltd (大唐河南發電有限公司). Mr. An obtained a master'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. Guo Shuping, born in July 1965, was the supervisor of the Group from June 2014 to October 2014. He has been a non-executive Director of the Group since October 2014 and the president of Datang Jilin Power Generation Co., Ltd. since December 2014. Mr. Guo successively served as division head of the budget auditing division of financial department and the deputy director of financial department of China Datang Corporation, and vice secretary of party leadership group (responsible for leading the work of the party group) and deputy general manager of Datang Jilin Power Generation Co., Ltd. from January 2003 to December 2014. Mr. Guo obtained his bachelor of engineering degree in power system and its automation from Tsinghua University. He is currently a senior engineer (高級工程師) (a senior title of qualification of speciality and technology for engineering professionals in the PRC) and a senior accountant (高級會計師) (a senior title for professional and technical qualification in accounting industry in the PRC).

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

II. EXECUTIVE DIRECTORS

Mr. Zhang Chunlei, born in January 1962, has been the Vice Chairman of the Company since March 2015 and the President and an executive director of the Company since January 2015. Mr. Zhang had served as the non-executive director of the Company from June 2014 to January 2015. Mr. Zhang had served as the director of safe producing department of China Datang Corporation from July 2013 to January 2015. He had served as the vice secretary of party leadership group, vice president (responsible for leading the work), secretary of party leadership group and president of Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司) from April 2008 to July 2013, vice director of planning and investment financing department of China Datang Corporation from June 2007 to April 2008. Mr. Zhang served as the general manager and subsequently as the general manager and secretary of party committee of Tianjin Datang International Panshan Power Generation Company Limited (天津大唐國際盤山發電有限責任公司) from June 2005 to June 2007, and the deputy director of Zhangjiakou Power Generation Plant (張家口發電廠) from March 2004 to June 2005. Mr. Zhang served as the deputy general manager, chief engineer and secretary of discipline inspection committee of Liaoning Nenggang Power Generation Co., Ltd. (遼寧能港發電有限公司) from January 1999 to March 2004. Mr. Zhang also served several positions including shift supervisor of operating plant, deputy director of the second division of the operating plant, director of the first division of the operating plant and director of producing department of Liaoning Power Generation Plant (遼寧發電廠) from October 1991 to January 1999. Mr. Zhang obtained his bachelor degree in thermal energy from Northeast Dianli University and his master degree in business administration from Cheung Kong Graduate School of Business (長江商學院). Mr. Zhang is currently a senior engineer (高級工程師) (a senior title for professional and technical qualification in engineering industry in the PRC).

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

Mr. Hu Guodong, born in October 1963, joined the Company 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 Company (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 Company (previously named Datang Chifeng Saihanba Wind Power Generation Co., Ltd.) from August 2004 to March 2007. Prior to joining the Company, 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 (高級工程師) (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Chaoan, born in March 1956, has been an independent non-executive Director since he joined the Company 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 (FRICS) membership , Chartered Builder of the Chartered Institute of Building (FCIOB) and is a professor-grade senior engineer (教授級高級工程師) (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

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

Mr. Lo Mun Lam, Raymond, born in September 1953, has been an independent non-executive Director since he joined the Company in August 2013. Mr. Lo, served as an executive director and co-managing partner of South Asian Investment Management Company from 21 January 2002 to 2014 and currently serves as an executive Director and the licensee of SPDB International Holdings Limited, an investment bank of Shanghai Pudong Development Bank. 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 and strategist positions with multinational financial and emerging companies internationally. He served as former chairman of the board of directors and an non-executive director (resigned in August 2013) of Luk Fook Holdings (International) Limited (stock code: 00590), as former vice chairman and a non-executive director of The Asian Capital Resources (Holdings) Limited (stock code: 08025) and as a former independent non-executive director and the chairman of audit committee (resigned in 2014) of Guangshen Railway Co., Ltd. (stock code: 00525), and currently serves as an independent non-executive director of Shanghai Zendai Property Limited (stock code: 00755). 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.

Mr. Yu Shunkun, born in May 1963, holds a doctorate in management from the School of Economics and Management of North China Electric Power University. He has been a professor and doctoral supervisor with the School of Economics and Management of North China Electric Power University since July 1991. From September 1983 to July 1991, Mr. Yu was a teacher with the Department of Business Administration of Communication University of China. Being long engaged in the teaching administration in human resources management major, Mr. Yu was one of the "First Batch Trans-century Academic Leader Candidates of the Electric Power Ministry of China" (電力部首批跨世紀學術帶頭人培養對象) and "Excellent Backbone Youth Teachers of Beijing" (北京市優秀青年骨幹教師). Mr. Yu has a considerable academic standing and influence in his expertise filed and holds various social positions, mainly including: the visiting professor of various universities such as Tsinghua University, Peking University and Zhejiang University and visiting research fellow of Chinese Academy of Personnel Science (中國人事科學研究院客座研究員).

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

IV. SUPERVISORS

Mr. He Hua, born in May 1957, has served as the Chairman of the Supervisory Committee of the Group since June 2014 and the director of the Audit Department of China Datang Corporation since December 2013. Mr. He served as the secretary of party leadership group and the deputy general manager from March 2012 to December 2013 and the secretary of general branch of committee of Communist Party of China and deputy general manager from December 2005 to March 2012 of China Datang Financial Co., Ltd. (中國大唐集團財務有限公司). He served as the chief accountant of Center China Grid Co., Ltd. (華中電網有限公司) from June 2004 to December 2005 and the chief auditor of the State Grid Henan Electric Power Company (河南省電力公司) from December 2001 to June 2004. From November 1996 to December 2001, he took a post in the Audit Department and served as the director of the Audit Division III of State Power Corporation (國家電力公司). From February 1989 to November 1996, he served as the director of the economic management department and planning and finance department and the chief accountant of Changsha Electric Power Bureau of Hunan Province (湖南省長沙電業局). Mr. He obtained his master degree from graduate school of Chinese Academy of Sciences. He is currently a senior accountant (高級工程師) (a senior title for professional and technical qualification in accounting industry in the PRC).

Mr. Tong Guofu, born in October 1968, has been a Supervisor since he joined the Group in October 2014 and the vice director of the financial and property management department of Datang Jilin Power Generation Company Limited since January 2014. Mr. Tong successively served as manager and senior manager of the financial department of Datang Jilin Power Generation Company Limited, chief accountant of Datang Changchun No.2 Co-generation Power Co., Ltd., chief accountant of Preparation Team of Datang Changchun No.3 Co-generation Power Plant Project, chief accountant of Datang Changchun No.3 Co-generation Power Plant, vice president and chief financial officer of Datang Jilin Wind Power Generation Co., Ltd. as well as vice director of Preparation Team of Datang Songyuan Power Generation Project from January 2005 to January 2014. Mr. Tong graduated from Changsha Normal College of Hydraulic and Electric Engineering with a bachelor's degree of of economics in Accounting and currently is a senior accountant (高級會計師) (a senior title for professional and technical qualification in accounting industry in China).

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

Ms. Mi Keyan, born in April 1966, joined the Group in December 2013. She has been the Employee Representative Supervisor since June 2014, and a Party committee member as well as head of the Party discipline inspection term of the Group since February 2015. She was 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.) from December 2013 to February 2015. 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 (高級政工師) (a senior title of qualification of specialty and technology for political science professionals in the PRC).

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

V. SENIOR MANAGEMENT

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 2013. 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 2003. 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 (高級工程師) (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 101 of this annual report.

Mr. Meng Lingbin, born in April 1962, has been a Vice President since he joined the Group in January 2007, and a Party committee member, vice president and chairman of the Trade Union of the Group since February 2015. Mr. Meng was 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.) from January 2007 to February 2015. 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 (工程師) (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 2013. 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 2013, and general manager of Yunnan Datang International Honghe Power Generation Company Limited from November 2009 to December 2013. 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 (高級會計師) (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 engineer (高級工程師) (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

Human Resources

I. PROFILE OF HUMAN RESOURCES

As at December 31, 2014, the Group has 3,847 employees in total, including 128 employees aged 56 and above, representing 3.32% of the total, 542 employees aged from 46 to 55, representing 14.08%, 1,048 employees aged from 36 to 45, representing 27.24%, and 2,129 employees aged 35 or below, representing 55.36%. 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	276	7.17
2	Undergraduate	1,843	47.91
3	College diploma	1,535	39.9
4	Technical secondary school and below	193	5.02
	Total	3,847	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 concept of "value-based, efficiency-oriented", we actively carried out the plan of building a strong enterprise relying on talents 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 2014, the Group provided 765 training programs on business management, professional techniques and production skills for a total of 61,863 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 111 to 249, which comprise the consolidated and company statements of financial position as at December 31, 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F:+852 2810 9888, www.pwchk.com

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, 2014, and of the Group's loss 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 27, 2015

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2014**	2013
Revenue	5	**5,185,960**	5,630,285
Other income and other gains-net	6	**230,946**	126,198
Depreciation and amortization charges	7	**(2,361,512)**	(2,200,522)
Employee benefit expenses	7	**(405,151)**	(393,829)
Material costs		**(70,441)**	(64,551)
Repairs and maintenance expenses		**(96,690)**	(121,016)
Service concession construction costs		**(7,622)**	(185,338)
Other operating expenses		**(351,813)**	(333,241)
		(3,293,229)	(3,298,497)
Operating profit	7	**2,123,677**	2,457,986
Finance income	8	**27,628**	30,962
Finance expenses	8	**(2,262,052)**	(2,138,523)
Finance expenses, net	8	**(2,234,424)**	(2,107,561)
Share of profit of investments accounted for using the equity method	17	**49,085**	10,014

Consolidated Statement of Comprehensive Income *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	2014	2013
(Loss)/profit before taxation		**(61,662)**	360,439
Income tax expense	9	**(65,900)**	(53,074)
(Loss)/profit for the year		**(127,562)**	307,365
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss			
(Losses)/gains arising on revaluation of financial assets at fair value through other comprehensive income	18	**(178,802)**	247,564
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(2,065)**	(6,030)
Total other comprehensive (loss)/income for the year		**(180,867)**	241,534
Total comprehensive (loss)/income for the year		**(308,429)**	548,899
(Loss)/profit for the year attributable to:			
Owners of the Company		**(150,115)**	236,500
Non-controlling interests		**22,553**	70,865
		(127,562)	307,365

Consolidated Statement of Comprehensive Income *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2014**	2013
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(330,740)**	478,783
Non-controlling interests		**22,311**	70,116
		(308,429)	548,899
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to owners of the Company *(expressed in RMB per share)*	10	**(0.0206)**	0.0325

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

Dividends	11	**—**	21,821

Consolidated Statement of Financial Position

As At December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,	
	Note	2014	2013
Assets			
Non-current assets			
Property, plant and equipment	13	48,783,400	45,666,775
Intangible assets	14	582,387	589,271
Land use rights	15	433,410	379,223
Investments accounted for using the equity method	17	666,854	379,915
Financial assets at fair value through other comprehensive income	18	405,242	584,044
Financial assets at fair value through profit or loss		8,900	—
Deferred income tax assets	29	37,712	35,714
Value-added tax recoverable	19	2,033,101	2,201,353
Prepayments and other receivables	20	476,076	640,453
Total non-current assets		53,427,082	50,476,748
Current assets			
Inventories		35,253	16,885
Trade and bills receivable	21	3,279,040	3,804,677
Prepayments and other receivables	20	828,373	1,088,615
Time deposits	22	350,000	—
Cash and cash equivalents	22	2,190,212	1,001,388
Total current assets		6,682,878	5,911,565
Total assets		60,109,960	56,388,313

Consolidated Statement of Financial Position *(Continued)*

As At December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,	
	Note	**2014**	2013
Equity			
Equity attributable to owners of the Company			
Share capital	23	**9,354,670**	9,354,670
Perpetual notes payable	24	**1,979,325**	—
Other reserves	25	**(1,431,364)**	(1,251,472)
Retained earnings			
— proposed final dividend	11	**—**	21,821
— others		**1,015,732**	1,166,966
		10,918,363	9,291,985
Non-controlling interests		**2,729,918**	2,570,961
Total equity		**13,648,281**	11,862,946
Liabilities			
Non-current liabilities			
Borrowings	26(a)	**35,019,802**	33,765,657
Deferred income tax liabilities	29	**29,405**	31,531
Accruals and other payables	28	**461,185**	457,777
Total non-current liabilities		**35,510,392**	34,254,965

Consolidated Statement of Financial Position *(Continued)*

As At December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,	
	Note	**2014**	2013
Current liabilities			
Borrowings	26(b)	**6,223,399**	5,412,192
Trade and bills payable	27	**433,846**	308,728
Current income tax liabilities		**43,220**	45,635
Accruals and other payables	28	**4,250,822**	4,503,847
Total current liabilities		**10,951,287**	10,270,402
Total liabilities		**46,461,679**	44,525,367
Total equity and liabilities		**60,109,960**	56,388,313
Net current liabilities		**(4,268,409)**	(4,358,837)
Total assets less current liabilities		**49,158,673**	46,117,911

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

These financial statements were approved by the Board of Directors on March 27, 2015 and were signed on its behalf.

Wang Yeping	Zhang Chunlei
Director	*Director*

Statement of Financial Position

As At December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,	
	Note	2014	2013
Assets			
Non-current assets			
Property, plant and equipment	13	390,315	454,162
Intangible assets	14	8,449	5,315
Investments in subsidiaries	16	15,406,992	13,941,841
Investments accounted for using the equity method	17	175,151	164,416
Financial assets at fair value through other comprehensive income	18	2,000	2,000
Financial assets at fair value through profit or loss		8,900	—
Value-added tax recoverable	19	1,282	4,546
Prepayments and other receivables	20	6,438,359	4,065,540
Total non-current assets		22,431,448	18,637,820
Current assets			
Inventories		2	—
Trade and bills receivable	21	106,712	125,291
Prepayments and other receivables	20	4,888,674	5,167,372
Time deposits	22	350,000	—
Cash and cash equivalents	22	1,333,845	482,969
Total current assets		6,679,233	5,775,632
Total assets		29,110,681	24,413,452

Statement of Financial Position *(Continued)*

As At December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,	
	Note	**2014**	2013
Equity			
Equity attributable to owners of the Company			
Share capital	23	**9,354,670**	9,354,670
Perpetual notes payable	24	**1,979,325**	—
Other reserves	25	**1,467,876**	1,467,143
Retained earnings			
— proposed final dividend	11	**—**	21,821
— others		**230,375**	496,428
Total equity		**13,032,246**	11,340,062
Liabilities			
Non-current liabilities			
Borrowings	26(a)	**10,567,095**	8,828,432
Accruals and other payables	28	**13,110**	12,740
Total non-current liabilities		**10,580,205**	8,841,172

Statement of Financial Position *(Continued)*

As At December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		As at December 31,	
	Note	**2014**	2013
Current liabilities			
Borrowings	26(b)	**5,172,510**	3,924,310
Trade and bills payable	27	**37,705**	2,788
Current income tax liabilities		**2,142**	2,142
Accruals and other payables	28	**285,873**	302,978
Total current liabilities		**5,498,230**	4,232,218
Total liabilities		**16,078,435**	13,073,390
Total equity and liabilities		**29,110,681**	24,413,452
Net current assets		**1,181,003**	1,543,414
Total assets less current liabilities		**23,612,451**	20,181,234

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

These financial statements were approved by the Board of Directors on March 27, 2015 and were signed on its behalf.

Wang Yeping	**Zhang Chunlei**
Director	*Director*

Consolidated Statement of Changes In Equity

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Perpetual notes payable	Other reserves	Retained earnings	Total		
	(Note 23)	*(Note 24)*	*(Note 25)*				
At January 1, 2013	9,354,670	—	(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)*	—	—	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	—	—	7,267	—	7,267	(86,331)	(79,064)
Capital contributions	—	—	—	—	—	8,100	8,100
Disposal of subsidiaries *(Note 16(iii))*	—	—	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	9,354,670	—	(1,251,472)	1,188,787	9,291,985	2,570,961	11,862,946

Consolidated Statement of Changes In Equity *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Perpetual notes payable	Other reserves	Retained earnings	Total		
	(Note 23)	*(Note 24)*	*(Note 25)*				
At January 1, 2014	9,354,670	—	(1,251,472)	1,188,787	9,291,985	2,570,961	11,862,946
Comprehensive income							
(Loss)/profit for the year	—	—	—	(150,115)	(150,115)	22,553	(127,562)
Other comprehensive loss							
Losses arising on revaluation of financial assets at fair value through other comprehensive income *(Note 18)*	—	—	(178,802)	—	(178,802)	—	(178,802)
Currency translation differences	—	—	(1,823)	—	(1,823)	(242)	(2,065)
Total comprehensive loss	—	—	(180,625)	(150,115)	(330,740)	22,311	(308,429)
Transaction with owners							
Capital contributions	—	—	(2)	—	(2)	202,185	202,183
Disposal of subsidiaries *(Note 16(ii))*	—	—	—	—	—	(100)	(100)
Share of reserves of investments accounted for using the equity method	—	—	735	—	735	—	735
Issuance of perpetual notes payable, net of issuance costs *(Note 24)*	—	1,979,325	—	—	1,979,325	—	1,979,325
Other appropriations	—	—	—	(1,119)	(1,119)	(626)	(1,745)
Dividends	—	—	—	(21,821)	(21,821)	(64,813)	(86,634)
Total transactions with owners	—	1,979,325	733	(22,940)	1,957,118	136,646	2,093,764
At December 31, 2014	9,354,670	1,979,325	(1,431,364)	1,015,732	10,918,363	2,729,918	13,648,281

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

Consolidated Statement of Cash Flows

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	2014	2013
Cash flows from operating activities			
(Loss)/profit before taxation		**(61,662)**	360,439
Adjustments for:			
Depreciation and amortization	7	**2,361,512**	2,200,522
Provision for impairment of receivables	7	**36,269**	17,184
Loss on disposal of property, plant and equipment	13	**1,538**	—
Interest expenses	8	**2,260,446**	2,141,750
Interest income	8	**(26,213)**	(30,962)
Foreign exchange losses/(gains), net	8	**1,606**	(3,227)
Share of profit of investments accounted for using the equity method	17	**(49,085)**	(10,014)
Others, net		**1,438**	(226)
Changes in working capital:			
Increase in inventories		**(18,368)**	(2,678)
Decrease/(increase) in trade and bills receivable		**532,622**	(842,952)
Decrease in prepayments and other receivables		**115,374**	247,479
Increase in trade and bills payable		**29,855**	38,871
Increase in accruals and other payables		**68,107**	566,290
Cash generated from operations		**5,253,439**	4,682,476
Interest received		**12,522**	16,357
Income tax paid		**(72,907)**	(35,373)
Net cash generated from operating activities		**5,193,054**	4,663,460

Consolidated Statement of Cash Flows *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

		Year ended December 31,	
	Note	**2014**	2013
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		**(5,512,583)**	(4,600,818)
Proceeds from disposal of property, plant and equipment	13	**25,115**	—
Loans to related parties	31(a)	**(30,248)**	(372,697)
Proceeds from repayments of loans and interest earned from related parties		**245,290**	33,319
Investments in investments accounted for using the equity method		**(227,119)**	(73,887)
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		**3,930**	3,516
Proceeds from disposal of investments in financial assets at fair value through profit or loss		**—**	38,815
Assets-related government grants received		**17,725**	7,690
Disposal of subsidiaries, net of cash acquired		**—**	(39,345)
Collection of receivables from disposal of subsidiaries	20	**20,300**	—
Decrease in restricted cash		**—**	10,090
Increase in time deposits		**(350,000)**	—
Cash inflow from period under construction		**11,635**	54,982
Proceeds from the repayments of advances for plant constructions		**50,141**	54,062
Others, net		**10,890**	8,986
Net cash used in investing activities		**(5,734,924)**	(4,877,287)

Consolidated Statement of Cash Flows *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

	Note	Year ended December 31, 2014	2013
Cash flows from financing activities			
Cash proceeds from issuance of perpetual notes payable, net of issuance costs	24	**1,979,325**	—
Cash proceeds from issuance of short-term bonds, net of issuance costs	26(b)(ii)	**1,993,350**	—
Repayment of short-term bonds	26	**—**	(2,000,000)
Capital contributions from non-controlling interests		**191,895**	8,100
Acquisition of non-controlling interests	31	**—**	(79,064)
Proceeds from borrowings		**7,190,163**	9,541,861
Repayments of borrowings		**(7,177,728)**	(5,860,479)
Dividends paid to non-controlling interests of subsidiaries		**(55,668)**	(89,622)
Dividends paid to owners of the Company		**(21,821)**	(167,295)
Interest paid		**(2,355,054)**	(2,214,525)
Repayments of working capital provided by related parties		**(16,000)**	(16,000)
Payment of bonds issuance expenses		**—**	(8,000)
Fund from a non-controlling interests		**3,122**	—
Net cash generated from/(used in) financing activities		**1,731,584**	(885,024)
Net increase/(decrease) in cash and cash equivalents		**1,189,714**	(1,098,851)
Cash and cash equivalents at beginning of year		**1,001,388**	2,103,829
Exchange losses on cash and cash equivalents		**(890)**	(3,590)
Cash and cash equivalents at end of year	22	**2,190,212**	1,001,388

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

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2014
(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 PRC government. At December 31, 2014, the directors of the Company regard Datang Corporation as the Company's ultimate holding company.

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

The address of the Company's registered office is Room 149, Building 1, No. 3, Xijing Road, Badachu Hi-tech Zone of Shijingshan District, Beijing, the PRC.

The Company's H shares were listed on The Stock Exchange of Hong Kong Limited in December 2010.

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 27, 2015.

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.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Going concern

At December 31, 2014, the Group's current liabilities exceeded its current assets by approximately RMB4,268.4 million (2013: RMB4,358.8 million). The Group meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks. At December 31, 2014, the Group has committed unutilized financing facilities amounting to approximately RMB20,057.9 million (Note 3.1(c)), of which approximately RMB14,605.4 million are subject to renewal during the next 12 months from balance sheet date of these consolidated financial statements. Certain of these financing 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 covenant.

The directors of the Company are confident that these financing facilities will continue to be available to the Group for the foreseeable period not less than 12 months from the balance sheet date of these financial statements. Further information on the Group's borrowings is set out in Note 26.

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, 2014
(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, 2014:

- Amendments to IFRS 10, 12 and IAS 27, "Consolidation for investment entities" 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" on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms.

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 39, "Financial instruments: Recognition and measurement" on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to "over-the-counter" derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria.

- International Financial Reporting Interpretations Committee ("IFRIC") Interpretation 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to the payment a levy and when a liability should be recognized.

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.

Other standards, amendments and interpretations which are effective for the financial year beginning on January 1, 2014 are not material to the Group.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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)*

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after March 3, 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

(b) New standards, amendments and interpretations not effective for the financial year beginning January 1, 2014 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. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

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, 2014 and not yet adopted *(Continued)*

- IFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

- Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortisation, the amendments clarify when a method of depreciation or amortisation based on revenue may be appropriate. The amendment to IAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to IAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances:

  - where the intangible asset is expressed as a measure of revenue; or

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, 2014 and not yet adopted *(Continued)*

  - where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

- Amendments to IFRS 10 and IAS 28 on sale or contribution of assets between an investor and its associate or joint venture, the amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

- Amendment to IAS 27 on equity method in separate financial statements, the amendment allows entities to use equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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

2.2 Consolidation and subsidiaries

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) 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.

(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.

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.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized 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 recognized 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.

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

2.2 Consolidation and subsidiaries *(Continued)*

(c) Other business combinations (Continued)

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 recognized 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 recognized directly in the profit or loss (Note 2.8).

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.

(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 amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

2.2 Consolidation and subsidiaries *(Continued)*

(e) Disposal of subsidiaries

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

(f) Acquisition-related costs

All acquisition-related costs are expensed as incurred.

(g) Separate financial statements

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

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

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

2.3 Investments accounted for using the equity method

The Group has applied IFRS 11 to all joint arrangements. 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 Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

An associate is an entity 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 associates and joint ventures 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 recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in joint ventures or associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture or associate, any difference between the cost of the joint venture or associate and the Group's share of the net fair value of the joint venture or associate's identifiable assets and liabilities is accounted for as goodwill.

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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)*

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 of investments accounted for using the equity method" in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its joint venture or associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates.

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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".

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

2.5 Foreign currency translation *(Continued)*

(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 currency translation differences are recognized in other comprehensive income.

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

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

2.5 Foreign currency translation *(Continued)*

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a 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 recognized 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.

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.

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

2.6 Property, plant and equipment *(Continued)*

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

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

— Buildings	8–30 years
— Transportation facilities	6 years
— Electricity utility plants	
— wind turbines	20 years
— others	5–30 years
— Office equipment and others	3–9 years

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

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

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

2.7 Land use rights

Land use rights represent upfront prepayments made for the land use rights and are expensed in 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents 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 identified net assets acquired.

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, 2014
(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.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

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

2.8 Intangible assets *(Continued)*

(c) Computer software (Continued)

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed six years.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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.

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 or 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)*

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(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 recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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

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.

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 recognized 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 recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized 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. Cost is determined 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.

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 Perpetual securities

Perpetual securities are classified as equity if they are non-redeemable, or redeemable only at the issuer's option, and any interests and distributions are discretionary. Interests and distributions on perpetual securities classified as equity are recognized as distributions within equity.

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

2.18 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.

2.19 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.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

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

2.20 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.

2.21 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.

Notes to the Consolidated Financial Statements *(Continued)*

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(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

Inside basis differences

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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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)*

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, 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. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

(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.

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

2.21 Taxation *(Continued)*

(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.

2.22 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.

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

2.22 Employee benefits *(Continued)*

(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.

2.23 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.

2.24 Provisions

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

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

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

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

2.25 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 under service concession arrangement

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

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.

Notes to the Consolidated Financial Statements *(Continued)*

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

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

2.25 Revenue recognition *(Continued)*

(c) 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.

(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.

2.26 Interest income

Interest income is recognized 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 recognized using the original effective interest rate.

2.27 Dividend income

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

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

2.28 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.

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

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

- CDM projects have received the approval from National Development and Reform Committee ("NDRC") and have been approved by the United Nations as registered CDM projects;

- the counterparties have committed to purchases the CERs and prices have been agreed; and

- the relevant electricity has been generated.

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

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

2.30 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.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

The method for allocating gross earnings to accounting periods is referred to as the "actuarial method". The actuarial method allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the lessor's net investment in finance lease.

2.31 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, 2014, 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, 2014
(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, 2014, if RMB had weakened/strengthened by 5% (2013: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB2.5 million lower/higher (2013: RMB5.4 million higher/lower) mainly as a result of foreign exchange gains/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 December 31, 2014, 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.

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 RMB35.2 million (2013: RMB53.1 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 2014 and 2013, the Group's borrowings at variable rate were denominated in the RMB and USD.

The Group analyzes 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, 2014, if interest rates on RMB and USD denominated loans both had been 50 basis points (2013: 50 basis points) higher/lower, respectively, with all other variables held constant, interest expenses charged to profit or loss for the year would have been RMB161.7 million (2013: RMB152.3 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, 2014
(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.

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, 2014, the Group held cash and cash equivalents of RMB2,190.2 million (2013: RMB1,001.4 million) (Note 22). In addition, the Group holds listed equity securities of RMB352.1 million (2013: RMB530.9 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)*

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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 (Continued)

At December 31, 2014, the Group has the following undrawn borrowing facilities at floating rate:

	As at December 31,	
	2014	2013
Expiring within one year	**14,605,420**	450,000
Expiring beyond one year	**5,452,452**	14,649,430
	20,057,872	15,099,430

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

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

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

3.1 Financial risk management *(Continued)*

(c) Liquidity risk (Continued)

The table below analyzes 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, 2014					
Long-term loans *(Note 26(a))*	**2,997,446**	**3,034,112**	**10,274,434**	**17,519,951**	**33,825,943**
Long-term bonds *(Note 26(a))*	**—**	**4,200,000**	**—**	**—**	**4,200,000**
Short-term loans *(Note 26(b))*	**1,173,864**	**—**	**—**	**—**	**1,173,864**
Short-term bonds *(Note 26(b))*	**2,000,000**	**—**	**—**	**—**	**2,000,000**
Interest payables on borrowings	**1,985,501**	**1,805,263**	**4,208,689**	**3,395,898**	**11,395,351**
Other payables	**4,128,031**	**16,000**	**48,000**	**12,550**	**4,204,581**
Trade and bills payable *(Note 27)*	**433,846**	**—**	**—**	**—**	**433,846**
	12,718,688	**9,055,375**	**14,531,123**	**20,928,399**	**57,233,585**
At December 31, 2013					
Long-term loans *(Note 26(a))*	2,957,981	3,523,526	8,307,468	17,747,011	32,535,986
Long-term bonds *(Note 26(a))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 26(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 *(Note 27)*	308,728	—	—	—	308,728
	12,047,336	5,278,167	16,686,689	21,567,393	55,579,585

Notes to the Consolidated Financial Statements *(Continued)*

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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, 2014					
Long-term loans *(Note 26(a))*	845,020	402,400	2,043,200	3,930,190	7,220,810
Long-term bonds *(Note 26(a))*	—	4,200,000	—	—	4,200,000
Short-term loans *(Note 26(b))*	2,275,401	—	—	—	2,275,401
Short-term bonds *(Note 26(b))*	2,000,000	—	—	—	2,000,000
Interest payables on borrowings	430,987	388,531	938,040	677,502	2,435,060
Other payables	270,623	—	—	—	270,623
Trade and bills payable *(Note 27)*	37,705	—	—	—	37,705
	5,859,736	4,990,931	2,981,240	4,607,692	18,439,599
At December 31, 2013					
Long-term loans *(Note 26(a))*	421,720	881,720	622,300	3,136,760	5,062,500
Long-term bonds *(Note 26(a))*	—	—	4,200,000	—	4,200,000
Short-term loans *(Note 26(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 *(Note 27)*	2,788	—	—	—	2,788
	4,515,174	1,150,051	5,464,173	3,610,654	14,740,052

At December 31, 2014 and 2013, the Company provided financial guarantees to certain subsidiaries as set out in Note 26(a)(i).

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

3.2 Capital risk management

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

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

The Group monitors their capital structure on the basis of liability-to-asset ratio, which is calculated by dividing total liabilities by total assets. The liability-to-asset ratio of the Group at December 31, 2014 is 77.3% (2013: 79.0%), respectively.

The decrease in the liability-to-asset ratio was primarily due to the issuance of perpetual notes. 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, 2014
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3. FINANCIAL AND CAPITAL RISKS MANAGEMENT *(Continued)*

3.3 Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value as at December 31, 2014 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy 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, 2014				As at December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	352,075	—	53,167	405,242	530,877	—	53,167	584,044
Financial assets at fair value through profit or loss	—	—	8,900	8,900	—	—	—	—
	352,075	—	62,067	414,142	530,877	—	53,167	584,044

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

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

3.3 Fair value estimation *(Continued)*

The following table presents the changes in level 3 instruments:

	Year ended December 31,	
	2014	2013
Opening balance	**53,167**	51,167
Additions	**8,900**	2,000
Closing balance	**62,067**	53,167

There was no transfer between level 1 and 2 during the year ended December 31, 2014.

(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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

3.3 Fair value estimation *(Continued)*

(ii) Financial instruments in level 2

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

If one or more of the significant inputs is not based on observable market data, the instruments 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, 2014, 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.

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)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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.

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

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

(e) Going concern

As disclosed in Note 2.1.1, the ability of the Group to continue as going concern basis is dependent upon the availability of the banking facilities in order to meet its day to day working capital requirements and its liabilities as they fall due. In the event the Group is unable to obtain adequate funding, there is uncertainty as to whether the Group will be able to continue as a going concern. These consolidated 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.

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,	
	2014	2013
Sales of electricity	**5,131,501**	5,364,481
Provision of services under energy performance contracts	**43,855**	40,530
Provision of services under concession arrangements	**7,622**	185,338
Other revenues *(Note)*	**2,982**	39,936
	5,185,960	5,630,285

Note:

Other revenues mainly represented rental income from power plant facilities and repair and maintenance service.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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, 2014 and 2013. 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, 2014, substantially all (2013: substantially all) the Group's revenue are derived from external customers in the PRC.

At December 31, 2014, substantially all (2013: substantially all) the non-current assets are located in the PRC.

For the year ended December 31, 2014, all (2013: all) revenue from the sales of electricity is charged to the provincial power grid companies in which the Group companies are operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

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

6. OTHER INCOME AND OTHER GAINS-NET

	Year ended December 31,	
	2014	2013
(Loss)/income from CDM Projects:		
— Income during the year	**6,619**	73,191
— Foreign exchange losses, net	**(28,430)**	(5,415)
— Provision for impairment	**(36,269)**	(14,856)
	(58,080)	52,920
Government grants	**153,688**	61,000
Dividend from financial assets at fair value through other comprehensive income	**4,361**	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 from a wind turbine supplier *(Note)*	**121,184**	—
Loss on disposal of property, plant and equipment *(Note 13)*	**(1,538)**	—
Others	**11,331**	6,494
	230,946	126,198

Note:

Compensation from a wind turbine supplier represented compensation for revenue losses incurred mainly due to the delays of provision of maintenance services, including poor spare parts condition, during the period within the relevant manufacturer warranty period.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

7. OPERATING PROFIT

Operating profit is arrived at after charging:

	Year ended December 31,	
	2014	2013
Employee benefit expenses		
— salaries and staff welfares	**344,449**	335,151
— retirement benefits — defined contribution plans *(Note (i))*	**66,226**	55,040
— staff housing benefits *(Note (ii))*	**27,389**	26,111
— other staff costs	**79,952**	72,450
	518,016	488,752
Less: employee benefit expenses capitalized in property, plant and equipment and intangible assets	**(112,865)**	(94,923)
	405,151	393,829
Depreciation of property, plant and equipment *(Note 13)*	**2,343,420**	2,178,903
Amortization of intangible assets and land use rights *(Notes 14 and 15)*	**29,409**	27,278
Amortization of deferred income and deferred loss *(Note 26(a)(ii))*	**(11,317)**	(5,659)
Auditors' remuneration		
— audit and audit related services	**11,300**	10,500
— non-audit services	**350**	—
Provision for impairment of receivables *(Notes 20(i) and 21)*	**36,269**	17,184
Operating lease expenses	**23,599**	23,335

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

7. 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 18% to 20% (2013: 14% to 20%) 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% (2013: 5%) 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-ponsored housing fund at a rate of 12% (2013: 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, 2014
(All amounts are in thousands of RMB unless otherwise stated)

8. FINANCE INCOME AND EXPENSES

	Year ended December 31,	
	2014	2013
Finance income		
Interest income on deposits with banks and other financial institutions	**13,199**	16,357
Interest income on loans	**13,014**	14,605
Interest income from finance lease receivable *(Note 20 (iii))*	**1,415**	—
	27,628	30,962
Finance expenses		
Interest expenses	**(2,370,514)**	(2,294,536)
Less: interest expenses capitalized in property, plant and equipment and intangible assets	**110,068**	152,786
	(2,260,446)	(2,141,750)
Foreign exchange (losses)/gains, net	**(1,606)**	3,227
	(2,262,052)	(2,138,523)
Finance expenses, net	**(2,234,424)**	(2,107,561)
Interest capitalization rate	**5.37% to 6.64%**	5.61% to 6.94%

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

9. INCOME TAX EXPENSE

	Year ended December 31,	
	2014	2013
Current tax		
PRC enterprise income tax	**64,987**	59,681
Under-provision for prior years	**5,037**	182
	70,024	59,863
Deferred tax		
Reversal of temporary differences	**(4,124)**	(6,789)
Income tax expense	**65,900**	53,074

For the year ended December 31, 2014, except for certain subsidiaries incorporated in the PRC which were exempted or entitled to preferential rates of 7.5% to 12.5% (2013: 7.5% to 12.5%), all other subsidiaries incorporated in the PRC are subjected to income tax rate of 25% (2013: 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, 2014, the joint ventures and associates are subjected to income tax rate of 25% (2013: 25%), and the share of income tax expense of joint ventures and associates of nil (2013: RMB0.4 million) and RMB12.3 million (2013: RMB8.3 million) respectively, were included in "share of profit of investments accounted for using the equity method".

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSE *(Continued)*

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,	
	2014	2013
(Loss)/profit before taxation	**(61,662)**	360,439
Taxation calculated at the statutory tax rate	**(22,320)**	86,794
Income tax effects of:		
— Preferential income tax treatments	**(72,628)**	(145,360)
— Income not subject to tax	**(7,067)**	(4,034)
— Expenses not deductible for tax purpose	**767**	2,703
— Tax losses and temporary differences for which no deferred income tax asset was recognized	**162,680**	119,591
— Utilization of previously unrecognized tax losses and temporary differences	**(569)**	(7,874)
— Under-provision for prior years	**5,037**	182
— Others	**—**	1,072
	65,900	53,074
Weighted average effective income tax rate	**–107%**	15%

The change in weighted average effective income tax rate was primarily caused by change in the profitability of the Group's subsidiaries in the respective locations and tax losses for which no deferred income tax assets were recognized.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	Year ended December 31,	
	2014	2013
(Loss)/profit attributable to owners of the Company	**(150,115)**	236,500
Weighted average number of ordinary shares in issue *(thousands of shares)*	**7,273,701**	7,273,701

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the years ended December 31, 2014 and 2013 is the same as the basic (loss)/earnings per share as there are no dilutive potential shares.

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

11. DIVIDENDS

The dividends paid in 2014 were RMB21.8 million (RMB0.003 per share) (2013: RMB167.3 million) (RMB0.023 per share)).

The Board of Directors does not recommend any payment of final dividend for the year ended December 31, 2014 (2013: RMB21.8 million (RMB0.003 per share)).

	Year ended December 31,	
	2014	2013
Interim dividend paid of RMB– (2013: nil) per ordinary share	—	—
Proposed final dividend of RMB– (2013: RMB0.003) per ordinary share	—	21,821
	—	21,821

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

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

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

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

	For the year ended December 31, 2014				
	Fees	Salaries allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Executive Directors					
— Mr. Hu Yongsheng (胡永生) *(Note (i))*	—	332	345	40	717
— Mr. Hu Guodong (胡國棟)	—	305	279	40	624
Non-executive Directors					
— Mr. Wu Jing (吳靜) * *(Note (ii))*	—	—	—	—	—
— Mr. Su Min (蘇民)* *(Note (iii))*	—	—	—	—	—
— Mr. Wang Yeping (王野平)*	—	—	—	—	—
— Mr. Kou Bing'en (寇炳恩)*	—	—	—	—	—
— Mr.Zhang Chunlei (張春雷) *(Note (v))*	—	—	—	—	—
— Mr. Guo Shuping (果樹平)* *(Note (vii))*	—	—	—	—	—
Independent non-executive directors					
— Mr. Liu Chaoan (劉朝安)	50	—	—	—	50
— Mr. Lo Mun Lam (盧敏霖)	50	—	—	—	50
— Mr. Ma Zhizhong (馬治中) *(Note (iv))*	50	—	—	—	50
Supervisors					
— Mr. Wang Guoping (王國平)* *(Note (ii))*	—	—	—	—	—
— Mr. Zhang Xiaochun (張小春)* *(Note (ii))*	—	—	—	—	—
— Mr. Dong Jianhua (董建華) *(Note (ii))*	—	307	319	40	666
— Mr. He Hua (賀華)* *(Note (v))*	—	—	—	—	—
— Mr. Guo Shuping (果樹平)* *(Note (vii))*	—	—	—	—	—
— Ms. Mi Keyan (米克豔) *(Note (v))*	—	304	—	40	344
— Mr.Tong Guofu (佟國福)* *(Note (vi))*	—	—	—	—	—
	150	1,248	943	160	2,501

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

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

Notes:

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

(ii) Due to personal commitments and rearrangement of jobs, these directors and supervisors have resigned as directors and supervisors of the Company, with effect from June 6, 2014.

(iii) Due to personal commitments and rearrangement of jobs, Mr. Su Min has resigned as a director of the Company, with effect from October 10, 2014.

(iv) Due to personal commitments and rearrangement of jobs, Mr. Ma Zhizhong has resigned as an independent non-executive director of the Company, with effect from November 5, 2014.

(v) These director and supervisors have been appointed as a non-executive director or supervisors of the Company with effect from June 6, 2014.

(vi) Mr. Tong Guofu has been appointed as a supervisor of the Company with effect from October 10, 2014.

(vii) Mr. Guo Shuping was appointed as a supervisor of the Company with effect from June 6, 2014, subsequently resigned as a supervisor of the Company and has been appointed as a non-executive director of the Company with effect from October 10, 2014.

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

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

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

	For the 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 to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

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

Notes:

(i) 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.

* 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, 2014, 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 (2013: nil); no director or supervisor waived or agreed to waive any emoluments (2013: nil).

(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, 2014 are set forth below:

	Year ended December 31,	
	2014	2013
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,	
	2014	2013
Salaries and other emoluments	**610**	596
Discretionary bonuses	**599**	436
Retirement benefits — defined contribution plans	**79**	73
	1,288	1,105

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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	
	2014	2013
Nil to HKD1,000,000	**5**	5

During the year ended December 31, 2014, 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 (2013: nil).

13. PROPERTY, PLANT AND EQUIPMENT

	Group				
	Buildings	Electricity utility plant	Others	Construction-in-progress	Total
			(Note)		
At January 1, 2013					
Cost	1,744,476	40,232,042	293,993	8,343,189	50,613,700
Accumulated depreciation	(158,587)	(4,694,571)	(104,295)	—	(4,957,453)
Net book amount	1,585,889	35,537,471	189,698	8,343,189	45,656,247
Year ended December 31, 2013					
Opening net book amount	1,585,889	35,537,471	189,698	8,343,189	45,656,247
Additions	133,750	183,327	8,634	2,861,011	3,186,722
Transfers and reclassifications	270,309	5,036,825	2,290	(5,309,424)	—
Disposal of subsidiaries *(Note 16)*	(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	5,704,794	45,666,775

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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
At December 31, 2013					
Cost	2,129,669	44,510,064	302,662	5,704,794	52,647,189
Accumulated depreciation	(240,198)	(6,599,492)	(140,724)	—	(6,980,414)
Net book amount	1,889,471	37,910,572	161,938	5,704,794	45,666,775
Year ended December 31, 2014					
Opening net book amount	1,889,471	37,910,572	161,938	5,704,794	45,666,775
Additions	63,137	26,142	3,203	5,427,818	5,520,300
Transfers and reclassifications	132,592	1,874,640	2,308	(2,009,540)	—
Disposal of subsidiaries *(Note 16)*	—	(61)	(848)	(20,214)	(21,123)
Disposals	(2,788)	(15,135)	(101)	(8,629)	(26,653)
Depreciation charges	(90,546)	(2,236,953)	(28,400)	—	(2,355,899)
Closing net book amount	1,991,866	37,559,205	138,100	9,094,229	48,783,400
At December 31, 2014					
Cost	2,322,297	46,390,516	305,137	9,094,229	58,112,179
Accumulated depreciation	(330,431)	(8,831,311)	(167,037)	—	(9,328,779)
Net book amount	1,991,866	37,559,205	138,100	9,094,229	48,783,400

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

For the year ended December 31, 2014, depreciation expense recognized in the consolidated statement of comprehensive income is analyzed as follows:

	Year ended December 31,	
	2014	2013
Depreciation charges *(Note 7)*	**2,343,420**	2,178,903
Capitalization as construction-in-progress	**12,479**	11,628
	2,355,899	2,190,531

At December 31, 2014, certain property, plant and equipment with cost and accumulated depreciated amounting to RMB1,333.6 million and RMB104.5 million, respectively were under the finance lease framework agreement as set out in Note 26(a)(ii)).

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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, 2013					
Cost	119,923	395,643	20,413	178,621	714,600
Accumulated depreciation	(9,260)	(134,887)	(7,516)	—	(151,663)
Net book amount	110,663	260,756	12,897	178,621	562,937
Year ended December 31, 2013					
Opening net book amount	110,663	260,756	12,897	178,621	562,937
Additions	17,424	7,560	561	1,733	27,278
Transfer to subsidiaries	—	—	—	(104,041)	(104,041)
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	76,313	454,162
At December 31, 2013					
Cost	137,347	402,270	17,515	76,313	633,445
Accumulated depreciation	(15,118)	(155,675)	(8,490)	—	(179,283)
Net book amount	122,229	246,595	9,025	76,313	454,162

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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)		
Year ended December 31, 2014					
Opening net book amount	122,229	246,595	9,025	76,313	454,162
Additions	—	1,440	(2,095)	—	(655)
Disposals	—	(535)	(1,415)	(34,654)	(36,604)
Depreciation charges	(4,412)	(20,742)	(1,434)	—	(26,588)
Closing net book amount	117,817	226,758	4,081	41,659	390,315
At December 31, 2014					
Cost	137,634	402,725	11,266	41,659	593,284
Accumulated depreciation	(19,817)	(175,967)	(7,185)	—	(202,969)
Net book amount	117,817	226,758	4,081	41,659	390,315

Note:

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

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

Supplemental disclosure for cash flows:

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	Year ended December 31,	
	2014	2013
Net book amount	**26,653**	—
Loss on disposal of property, plant and equipment *(Notes 6)*	**(1,538)**	—
Proceeds from disposal of property, plant and equipment	**25,115**	—

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS

	Group				
	Goodwill	Concession assets	Computer Software	Technologies and tools	Total
	(Note (iii))	*(Note (i))*		*(Note (ii))*	
At January 1, 2013					
Cost	58,055	395,722	33,624	—	487,401
Accumulated amortization	—	(60,555)	(9,905)	—	(70,460)
Net book amount	58,055	335,167	23,719	—	416,941
Year ended December 31, 2013					
Opening net book amount	58,055	335,167	23,719	—	416,941
Additions	—	188,821	3,313	1,510	193,644
Amortization charges	—	(15,154)	(6,121)	—	(21,275)
Disposal of subsidiaries	—	—	(39)	—	(39)
Closing net book amount	58,055	508,834	20,872	1,510	589,271
At December 31, 2013					
Cost	58,055	584,543	36,880	1,510	680,988
Accumulated amortization	—	(75,709)	(16,008)	—	(91,717)
Net book amount	58,055	508,834	20,872	1,510	589,271
Year ended December 31, 2014					
Opening net book amount	**58,055**	**508,834**	**20,872**	**1,510**	**589,271**
Additions	**—**	**7,622**	**5,134**	**1,887**	**14,643**
Amortization charges	**—**	**(15,321)**	**(6,183)**	**—**	**(21,504)**
Disposal of subsidiaries	**—**	**—**	**(23)**	**—**	**(23)**
Closing net book amount	**58,055**	**501,135**	**19,800**	**3,397**	**582,387**
At December 31, 2014					
Cost	**58,055**	**592,165**	**41,988**	**3,397**	**695,605**
Accumulated amortization	**—**	**(91,030)**	**(22,188)**	**—**	**(113,218)**
Net book amount	**58,055**	**501,135**	**19,800**	**3,397**	**582,387**

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

14. INTANGIBLE ASSETS (Continued)

	Company		
	Computer software	Technologies and tools	Total
At January 1, 2013			
Cost	6,462	—	6,462
Accumulated amortization	(2,172)	—	(2,172)
Net book amount	4,290	—	4,290
Year ended December 31, 2013			
Opening net book amount	4,290	—	4,290
Additions	1,170	1,510	2,680
Amortization charges	(1,655)	—	(1,655)
Closing net book amount	3,805	1,510	5,315
At December 31, 2013			
Cost	7,632	1,510	9,142
Accumulated amortization	(3,827)	—	(3,827)
Net book amount	3,805	1,510	5,315
Year ended December 31, 2014			
Opening net book amount	**3,805**	**1,510**	**5,315**
Additions	**1,972**	**2,585**	**4,557**
Amortization charges	**(1,423)**	**—**	**(1,423)**
Closing net book amount	**4,354**	**4,095**	**8,449**
At December 31, 2014			
Cost	**9,604**	**4,095**	**13,699**
Accumulated amortization	**(5,250)**	**—**	**(5,250)**
Net book amount	**4,354**	**4,095**	**8,449**

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS *(Continued)*

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 2.25(b)). 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) At December 31, 2014, technologies and tools represented internal generated technologies and tools pertaining to certain wind farm performance optimization technology amounting to RMB3.4 million (2013: nil).

(iii) 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 calculations. These calculations use pre-tax 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 9.4% (2013: 8.0%). 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, 2014 (2013: nil).

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

14. INTANGIBLE ASSETS *(Continued)*

Amortization expense for the year ended December 31, 2014 is analyzed as follows:

	Group Year ended December 31,	
	2014	2013
Amortization charges *(Note 7)*	**20,902**	20,177
Capitalization as construction-in-progress	**602**	1,098
	21,504	21,275

At December 31, 2014 and 2013, certain concession assets were pledged as security for long-term bank loans and other loans of the Group (Note 26(c)).

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,	
	2014	2013
At January 1,	**379,223**	333,986
Additions	**63,318**	67,851
Disposal of subsidiaries *(Note 16(iii))*	**—**	(15,083)
Amortization charges	**(9,131)**	(7,531)
At December 31,	**433,410**	379,223

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

15. LAND USE RIGHTS — GROUP *(Continued)*

Amortization charges for the year ended December 31, 2014 is analysed as follows:

	Year ended December 31,	
	2014	2013
Amortization charges *(Note 7)*	**8,507**	7,101
Capitalization as construction-in-progress	**624**	430
	9,131	7,531

16. INVESTMENTS IN SUBSIDIARIES — COMPANY

	Year ended December 31,	
	2014	2013
Investments in unlisted shares, at cost:		
At January 1,	**13,941,841**	13,691,289
Acquisitions of non-controlling interests	**—**	78,014
Establishment of new subsidiaries	**—**	21,842
Capital contributions to subsidiaries	**1,509,051**	391,832
Partial disposal	**(18,900)**	(10,000)
Disposal of subsidiaries *(Note (iii))*	**(25,000)**	(231,136)
At December 31,	**15,406,992**	13,941,841

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

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

At December 31, 2014, 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 limited liability companies 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: USD299.0 million (RMB2,120.5 million) Registered capital: USD347.7 million (RMB2,329.4 million)	60%	60%	40%
Datang Shandong Renewable Power Co., Ltd (大唐山東新能源有限公司)	Paid-in capital: 658,913 Registered capital: 586,803	100%	100%	—
Datang Wengniute Qi Renewable Power Co., Ltd (大唐翁牛特旗新能源有限公司)	129,548	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)	248,000	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, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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)*	Paid-in capital: 743,640 Registered capital: 861,000	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: 183,205 Registered capital: 183,370	51.05%	51.05%	48.95%

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.

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

Note:

(i) 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 paid-in capital.

At December 31, 2014, 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.

(ii) During the year ended December 31, 2014, the Company's equity interests in certain directly controlled subsidiaries were diluted through the capital injection by third party shareholders, which resulted in loss of control in these subsidiaries. These equity interests' carrying amount of RMB18.9 million, and the total net assets of the subsidiaries disposed of in aggregate amounted to RMB19.0 million.

(iii) During the year ended December 31, 2013, the Group disposed of subsidiaries with net assets in aggregate amounting to RMB121.4 million for consideration in aggregate amounting to RMB287.3 million. Except for the RMB161.9 million relating to the disposal of two subsidiaries to companies under the common control of China Datang which were credited to equity, the excess of consideration and the net assets disposed amounting to RMB4.0 million is recognized in profit or loss.

Apart from the above, certain subsidiaries with carrying amount in aggregate of RMB31.0 million (2013: RMB7.0 million) were liquidated without gain/loss (2013: nil) during the year ended December 31, 2014.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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, 2014 is RMB2,729.9 million, of which RMB945.2 million and RMB487.8 million are attributed to Chifeng Renewable and Shanghai Dong Hai, respectively. The non-controlling interests in respect of other subsidiaries are not material either individually or in aggregate by the same non-controlling interest party.

Summarized financial information of subsidiaries with material non-controlling interests

Set out below are the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarized statements of financial position

	Chifeng Renewable As at December 31,		Shanghai Dong Hai As at December 31,	
	2014	2013	**2014**	2013
Current				
Assets	**850,365**	878,810	**567,729**	202,791
Liabilities	**(832,012)**	(891,932)	**(828,968)**	(569,289)
Total current net assets/(liabilities)	**18,353**	(13,122)	**(261,239)**	(366,498)
Non-current				
Assets	**4,243,420**	4,480,264	**3,195,101**	2,272,153
Liabilities	**(1,868,248)**	(2,078,033)	**(2,210,769)**	(1,420,099)
Total non-current net assets	**2,375,172**	2,402,231	**984,332**	852,054
Net assets	**2,393,525**	2,389,109	**723,093**	485,556

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

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

Summarized statements of comprehensive income

	Chifeng Renewable Year ended December 31,		Shanghai Dong Hai Year ended December 31,	
	2014	2013	**2014**	2013
Revenue	**586,568**	644,362	**179,933**	222,075
Profit before income tax	**154,009**	169,250	**(35,431)**	4,410
Income tax (expense)/benefit	**(23,953)**	(21,510)	**2,325**	(8,918)
Profit/(loss) for the year	**130,056**	147,740	**(33,104)**	(4,508)
Other comprehensive income	**—**	—	**—**	—
Total comprehensive income/(loss)	**130,056**	147,740	**(33,104)**	(4,508)
Total comprehensive income/(loss) attributable to non-controlling interests	**52,022**	59,096	**(23,835)**	(3,246)
Dividends paid to non-controlling interests	**50,256**	—	**—**	36,000

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

Summarized statements of cash flow

	Chifeng Renewable Year ended December 31,		Shanghai Dong Hai Year ended December 31,	
	2014	2013	**2014**	2013
Cash flows from operating activities				
Cash generated from operations	**489,414**	513,618	**267,429**	141,047
Income tax paid	**(24,864)**	(12,255)	**(6,289)**	(303)
Net cash generated from operating activities	**464,550**	501,363	**261,140**	140,744
Net cash used in from investing activities	**(44,533)**	(77,582)	**(785,236)**	(418,278)
Net cash (used in)/ generated from financing activities	**(422,292)**	(421,822)	**963,101**	191,432
Net (decrease) /increase in cash and cash equivalents	**(2,275)**	1,959	**439,005**	(86,102)
Cash and cash equivalents at beginning of year	**2,275**	316	**66,796**	152,898
Cash and cash equivalents at end of year	**—**	2,275	**505,801**	66,796

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

(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,	
	2014	2013	**2014**	2013
Associates	**581,035**	327,189	**115,151**	114,416
Joint ventures	**85,819**	52,726	**60,000**	50,000
	666,854	379,915	**175,151**	164,416

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

	Group For the year ended December 31,	
	2014	2013
Associates	**50,656**	23,280
Joint ventures	**(1,571)**	(13,266)
	49,085	10,014

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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,	
	2014	2013	**2014**	2013
At January 1,	**327,189**	227,244	**114,416**	40,751
Capital injections	**202,455**	73,665	**—**	70,665
Associates obtained from partial disposal of a subsidiary	**—**	3,000	**—**	3,000
Share of reserve of an associate	**735**	—	**735**	—
Share of profit for the year	**50,656**	23,280	**—**	—
At December 31,	**581,035**	327,189	**115,151**	114,416

Set out below are the associates of the Group at December 31, 2014, which, in the opinion of the directors of the Company, are material to the Group. The associates as listed below have share capital consisting of paid-in capital, which are held directly by the Group; the country of incorporation or registration is also its principal place of business.

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

(a) Investment in associates *(Continued)*

Name of entity	Place of business/ country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
Datang Financial Leasing Company Limited (大唐融資租賃有限公司) ("Datang Financial Leasing")	The PRC	20%	Note 1	Equity
Guangdong Yueneng Datang Renewable Power Co., Ltd. (廣東粵能大唐新能源有限公司) ("Guangdong Yueneng")	The PRC	49%	Note 2	Equity

Note 1: 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 and other companies under the common control of Datang Corporation (see Note 26(a)(ii) for more details).

Note 2: Guangdong Yueneng, a limited liability company incorporated in the PRC, was jointly established by the Company and Guangdong Yuneng (Group) Company Limited (廣東粵能(集團)有限公司). Guangdong Yueneng engages in power generation businesses.

Datang Financial Leasing and Guangdong Yueneng are private companies and there are no quoted market prices available.

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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

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

(a) Investment in associates *(Continued)*

Summarized financial information for associates

Set out below are the summarized financial information for Datang Financial Leasing and Guangdong Yueneng which are accounted for using the equity method.

Summarized statements of financial position

	Datang Financial Leasing		Guangdong Yueneng		Other associates		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Total current assets	**571,985**	121,541	**59,785**	87,907	**351,538**	314,689	**983,308**	524,137
Total current liabilities	**(4,139,432)**	(3,699,235)	**(849)**	(5,574)	**(908,583)**	(247,699)	**(5,048,864)**	(3,952,508)
Total non-current Assets	**10,984,827**	7,555,609	**391,324**	390,843	**1,152,607**	184,469	**12,528,758**	8,130,921
Total non-current liabilities	**(5,003,329)**	(2,870,000)	**(323,750)**	(335,403)	**(42,940)**	(33,103)	**(5,370,019)**	(3,238,506)
Net assets	**2,414,051**	1,107,915	**126,510**	137,773	**552,622**	218,356	**3,093,183**	1,464,044

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

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

(a) Investment in associates *(Continued)*

Summarized statements of comprehensive income

	Datang Financial Leasing		Guangdong Yueneng		Other associates		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Revenue	**608,840**	256,078	**32,275**	—	**142,408**	6,534	**783,523**	262,612
Profit/(loss)	**408,239**	143,082	**(12,764)**	(323)	**(17,346)**	17,913	**378,129**	160,672
Net profit/(loss)	**306,136**	107,312	**(12,764)**	(323)	**(16,531)**	6,434	**276,841**	113,423
Other comprehensive income	**—**	—	**—**	—	**—**	—	**—**	—
Total comprehensive income/(loss)	**306,136**	107,312	**(12,764)**	(323)	**(16,531)**	6,434	**276,841**	113,423
Dividends received from associate	**—**	—	**—**	—	**—**	—	**—**	—

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(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 summarized financial information presented to the carrying amount of the Group's interest in associates:

Summarized financial information:

	Datang Financial Leasing		Guangdong Yueneng		Other associates		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Opening net assets	**1,107,915**	1,000,603	**137,773**	10,128	**218,356**	73,951	**1,464,044**	1,084,682
Release of deferred government grants	**—**	—	**1,500**	—	**—**	—	**1,500**	—
Capital contribution	**1,000,000**	—	**—**	127,968	**351,612**	137,971	**1,351,612**	265,939
Profit/(loss) for the year	**306,136**	107,312	**(12,763)**	(323)	**(17,346)**	6,434	**276,027**	113,423
Closing net assets	**2,414,051**	1,107,915	**126,510**	137,773	**552,622**	218,356	**3,093,183**	1,464,044
Interest in associates	**482,810**	221,583	**61,990**	67,509	**28,373**	32,081	**573,173**	321,173
Goodwill	**2,255**	—	**5,477**	6,016	**130**	—	**7,862**	6,016
Carrying value	**485,065**	221,583	**67,476**	73,525	**28,503**	32,081	**581,035**	327,189

(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,	
	2014	2013	**2014**	2013
At January 1	**52,726**	50,758	**50,000**	50,000
Capital injections	**34,664**	15,234	**10,000**	—
Share of loss for the year	**(1,571)**	(13,266)	—	—
At December 31	**85,819**	52,726	**60,000**	50,000

At December 31, 2014, 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, 2014
(All amounts are in thousands of RMB unless otherwise stated)

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group Year ended December 31,		Company Year ended December 31,	
	2014	2013	**2014**	2013
At January 1	**584,044**	334,480	**2,000**	—
Additions	**8,900**	2,000	**8,900**	2,000
Net (losses)/gains transfer to other comprehensive income	**(178,802)**	247,564	—	—
At December 31	**414,142**	584,044	**10,900**	2,000

At December 31, 2014, the Group and the Company's respective financial assets at fair value through other comprehensive income include the following:

	Group Year ended December 31,		Company Year ended December 31,	
	2014	2013	**2014**	2013
Listed securities:				
— Equity securities				
— Hong Kong	**352,075**	530,877	—	—
Unlisted securities:				
— Equity securities				
— the PRC	**62,067**	53,167	**10,900**	2,000
	414,142	584,044	**10,900**	2,000

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

18. 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 At as December 31,		Company At as December 31,	
	2014	2013	**2014**	2013
RMB	**62,067**	53,167	**10,900**	2,000
HKD	**352,075**	530,877	**—**	—
	414,142	584,044	**10,900**	2,000

At December 31, 2014 and 2013, 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.

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.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

20. PREPAYMENTS AND OTHER RECEIVABLES

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
CDM assets/receivables	**225,649**	326,455	**7,217**	8,149
Less: provision for impairment *(Note (i))*	**(85,193)**	(48,924)	**(3,597)**	(1,006)
	140,456	277,531	**3,620**	7,143
Prepayments/advances for plant constructions	**15,000**	60,000	**—**	—
Receivables from provision of services	**149,423**	211,091	**149,423**	211,091
Consideration receivables from disposal of subsidiaries	**131,200**	151,500	**102,000**	122,300
Receivable from disposal of a wind farm project	**22,976**	29,866	**—**	—
Amounts due from related parties *(Note (ii))*	**360,992**	601,744	**—**	—
Amounts due from subsidiaries	**—**	—	**9,731,686**	7,654,490
Dividend receivables	**—**	—	**1,231,351**	1,177,856
Deposit for project investments	**23,140**	33,674	**3,000**	3,000
Deposit for borrowings *(Note 26(a)(i))*	**50,005**	50,005	**—**	—
Receivables under lease arrangement *(Note (iii))*	**73,333**	—	**—**	—
Other receivables	**125,264**	86,732	**102,244**	52,786
	1,091,789	1,502,143	**11,323,324**	9,228,666
Current income tax prepayments	**15,036**	21,970	**—**	—
Deferred loss on long-term borrowings *(Note 26(a)(ii))*	**6,283**	6,611	**—**	—
Other prepayments	**191,341**	198,344	**3,709**	4,246
	1,304,449	1,729,068	**11,327,033**	9,232,912

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

20. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Less: Non-current portion of				
— Receivables from provision of services	**(91,502)**	(83,664)	**(91,502)**	(83,664)
— Receivables under lease arrangement	**(67,127)**	—	**—**	—
— CDM asset/receivables	**(18,639)**	—	**—**	—
— Amounts due from subsidiaries	**—**	—	**(6,345,790)**	(3,980,780)
— Amounts due from related parties	**(170,000)**	(370,000)	**—**	—
— Deposit for borrowings	**(50,005)**	(50,005)	**—**	—
— Deferred loss on long-term borrowings	**(5,956)**	(6,284)	**—**	—
— Other prepayments	**(72,847)**	(130,500)	**(1,067)**	(1,096)
	(476,076)	(640,453)	**(6,438,359)**	(4,065,540)
Total current portion of prepayments and other receivables	**828,373**	1,088,615	**4,888,674**	5,167,372

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

20. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes:

(i) At December 31, 2014, except for certain CDM assets, substantially all other receivables (2013: 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, 2014, based on their assessment, the directors of the Company concluded that a portion of these receivables may not be recoverable. Therefore, a provision of RMB85.2 million (2013: RMB48.9 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,	
	2014	2013	**2014**	2013
At January 1,	**48,924**	34,068	**1,006**	423
Provision for impairment	**45,138**	29,319	**2,591**	583
Reversal	**(8,869)**	(14,463)	**—**	—
At December 31,	**85,193**	48,924	**3,597**	1,006

(ii) At December 31, 2014, included in "Amounts due from related parties" are RMB171.8 million (2013: RMB206.6 million) settlement of CDM assets/receivable collected by a fellow subsidiary of the Company on the Group's behalf. In February 2015, the CDM assets/receivable amounting to RMB134.1 million was settled.

(iii) During the year ended December 31, 2014, the Group provided services to an external customer under an energy performance contract for a period of 12 years, pursuant to which certain facilities were constructed and operated by the Group and the service fee is determined at a monthly fixed amount plus contingent fee which is linked to coal price. The transaction is accounted for as a finance lease and the implied interest rate is 4.54% per annum.

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

20. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

	As at December 31, 2014
Non-current receivables	
Finance leases — gross receivables	85,000
Unearned finance income from finance lease receivable	(17,873)
	67,127
Current receivables	
Finance leases — gross receivables	8,500
Unearned finance income from finance lease receivable	(2,294)
	6,206
Net investment in finance leases	73,333
Gross receivables from finance leases:	
— No later than 1 year	8,500
— Later than 1 year and no later than 5 years	42,500
— Later than 5 years	42,500
	93,500
Unearned future finance income from finance lease receivable	(20,167)
Net investment in finance leases	73,333
The net investment in finance leases is analysed as follows:	
— No later than 1 year	6,206
— Later than 1 year and no later than 5 years	29,326
— Later than 5 years	37,801
Total	73,333

No contingent income was recognized during the year ended December 31, 2014.

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

20. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

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,	
	2014	2013	**2014**	2013
RMB	**984,255**	1,194,624	**11,322,838**	9,221,523
USD	**—**	182	**—**	—
EUR	**84,539**	277,452	**486**	7,143
AUD	**22,995**	29,885	**—**	—
	1,091,789	1,502,143	**11,323,324**	9,288,666

The fair values of loans to related parties are based on cash flows discounted using a rate based on the borrowings rate of 5% (2013: 5%). The discount rate is 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, 2014 and 2013, the fair value of loans and receivables approximates to their carrying amounts. 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)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLE

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Trade receivables	**3,149,589**	3,684,801	**83,512**	104,791
Bills receivable	**131,779**	122,204	**23,200**	20,500
	3,281,368	3,807,005	**106,712**	125,291
Less: provision for doubtful debts	**(2,328)**	(2,328)	**—**	—
	3,279,040	3,804,677	**106,712**	125,291

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)*

For The Year Ended December 31, 2014
(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, 2014, 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.

Aging analysis of trade and bills receivable was as follows:

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Within 1 year	**1,578,810**	2,112,774	**43,475**	49,181
Between 1 and 2 years	**265,881**	177,534	**8**	200
Between 2 and 3 years	**53,581**	1,419,182	**200**	75,910
Over 3 years	**1,383,096**	97,515	**62,529**	—
	3,281,368	3,807,005	**106,712**	125,291

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

21. TRADE AND BILLS RECEIVABLE *(Continued)*

At December 31, 2014, trade and bills receivable of RMB1,700.2 million (2013: RMB1,691.9 million) of the Group and RMB62.7 million (2013: RMB76.1 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,	
	2014	2013	**2014**	2013
Past due within 1 year	**265,881**	177,534	**8**	200
Past due over 1 year	**1,434,349**	1,514,369	**62,729**	75,910
	1,700,230	1,691,903	**62,737**	76,110

At December 31, 2014, trade receivables of RMB2.3 million (2013: RMB2.3 million) were fully impaired, which represent a past due tariff receivable from a power grid company in dispute. It was assessed that these receivables are note recoverable.

At December 31, 2014 and 2013, the Group has pledged proportion of their tariff collection rights as security for certain bank and other loans (Note 26(c)).

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)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

22. CASH AND CASH EQUIVALENTS AND TIME DEPOSIT

Cash and cash equivalents and time deposit comprise of the following:

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Deposits with banks and other financial institutions	**2,190,212**	1,001,388	**1,333,845**	482,969
Time deposits *(Note)*	**350,000**	—	**350,000**	—
	2,540,212	1,001,388	**1,683,845**	482,969
Less: time deposits with original maturity over 3 months	**(350,000)**	—	**(350,000)**	—
Cash and cash equivalents	**2,190,212**	1,001,388	**1,333,845**	482,969

Note:

As at December 31, 2014, the annual effective interest rate of the above time deposits was 2.55% with maturity of 6 months.

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

22. CASH AND CASH EQUIVALENTS AND TIME DEPOSIT *(Continued)*

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

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
RMB	**2,482,157**	923,058	**1,677,324**	431,957
HKD	**39,722**	61,897	**6,521**	51,012
EUR	**13,368**	15,095	**—**	—
USD	**948**	1,225	**—**	—
AUD	**4,017**	113	**—**	—
	2,540,212	1,001,388	**1,683,845**	482,969

23. SHARE CAPITAL

At December 31, 2014, ordinary shares comprises of the following:

	Group and Company	
	As at December 31, 2014	As at December 31, 2013
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, 2014 and 2013, all issued shares are registered, fully paid and rank pari passu to each other.

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

23. SHARE CAPITAL *(Continued)*

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

	Group and Company			
	Number of shares *(thousands)*	Ordinary shares	Share premium	Total
At December 31, 2013 and 2014	7,273,701	7,273,701	2,080,969	9,354,670

24. PERPETUAL NOTES PAYABLE

On December 10, 2014, the Company issued RMB2,000.0 million medium-term notes at initial interest rate of 5.80% ("Medium-term Notes"). The proceeds from issuance of the Medium-term Notes after the issuance cost is RMB1,979.3 million. Coupon payments of 5.80% per annum are paid annually in arrears on December 12 of each year starting from 2015 (each, a "Coupon Payment Date"), and may be deferred at the discretion of the Company.

The Medium-term Notes have no fixed maturity and are callable at the Company's option, on December 12, 2019 or on any Coupon Payment Date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. After December 12, 2019, the coupon rate will be reset every 5 years to a percentage per annum equal to the sum (a) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (b) current benchmark interest rate, and (c) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce registered capital. Pursuant to the terms of these Medium-term Notes, the Company has no contractual obligation to repay its principal or to pay any coupon interest. Accordingly the Medium-term Notes do not meet the definition of financial liabilities in accordance with IAS 32 Financial Instruments: Presentation, and are classified as equity and subsequent coupon payment will be treated as equity distribution to the owners of the Company.

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

25. OTHER RESERVES AND RETAINED EARNINGS

A summary of the movements of other reserves for the year ended December 31, 2014 is as follows:

	Group				
	Statutory surplus reserve	Other reserves	Investments revaluation reserve	Currency translation	Total
	(Note (a))	*(Note (b))*			
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 *(Note 16(iii))*	—	161,926	—	—	161,926
Gains arising on revaluation of financial assets at fair value through comprehensive income *(Note 18)*	—	—	247,564	—	247,564
Currency translation differences	—	—	—	(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)
At January 1, 2014	127,094	(1,447,453)	74,738	(5,851)	(1,251,472)
Capital contributions	—	(2)	—	—	(2)
Share of reserves of investments accounted for using the equity method	—	735	—	—	735
Losses arising on revaluation of financial assets at fair value through comprehensive income *(Note 18)*	—	—	(178,802)	—	(178,802)
Currency translation differences	—	—	—	(1,823)	(1,823)
At December 31, 2014	127,094	(1,446,720)	(104,064)	(7,674)	(1,431,364)

Notes to the Consolidated Financial Statements *(Continued)*

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

	Company			
	Other reserves			Retained earnings
	Statutory surplus	Others	Total	
	(Note (a))	*(Note (b))*		
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
At January 1, 2014	**117,802**	**1,349,341**	**1,467,143**	**518,249**
Loss for the year	**—**	**—**	**—**	**(266,053)**
Share of reserves of investments accounted for using the equity method	**—**	**735**	**735**	**—**
Dividends	**—**	**—**	**—**	**(21,821)**
At December 31, 2014	**117,802**	**1,350,076**	**1,467,878**	**230,375**

Notes to the Consolidated Financial Statements *(Continued)*

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

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, and merger reserves arising from business combinations under common control.

Notes to the Consolidated Financial Statements *(Continued)*

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26. BORROWINGS

(a) Long-term borrowings

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Bank loans				
— unsecured	**16,993,331**	17,753,187	**3,720,810**	2,562,500
— guaranteed	**5,586,735**	4,435,644	**—**	—
— secured	**3,242,463**	3,210,593	**—**	—
	25,822,529	25,399,424	**3,720,810**	2,562,500
Other loans				
— unsecured	**822,905**	600,000	**500,000**	500,000
— guaranteed *(Note (i))*	**4,009,409**	3,731,038	**3,000,000**	2,000,000
— secured *(Note (ii))*	**3,171,100**	2,805,524	**—**	—
	8,003,414	7,136,562	**3,500,000**	2,500,000
Corporate bonds-unsecured	**4,191,305**	4,187,652	**4,191,305**	4,187,652
Total long-term borrowings	**38,017,248**	36,723,638	**11,412,115**	9,250,152
Less: Current portion of long-term borrowings *(Note 26(b))*				
— bank loans	**(2,134,300)**	(2,539,559)	**(845,020)**	(421,720)
— other loans	**(863,146)**	(418,422)	**—**	—
	(2,997,446)	(2,957,981)	**(845,020)**	(421,720)
Total non-current portion of long-term borrowings	**35,019,802**	33,765,657	**10,567,095**	8,828,432
Estimated fair value of long-term borrowings *(Note (iii))*	**38,062,063**	36,657,446	**11,456,930**	9,183,960

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

26. BORROWINGS *(Continued)*

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

Notes:

(i) At December 31, 2014, included in other loans were borrowings of RMB2,825.1 million (2013: RMB3,010.0 million) from ICBC Financial Leasing Company 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, 2014, cash amounting to RMB50.0 million (2013: RMB50.0 million) was held in a deposit accounts with ICBC Financial Leasing Company Limited.

In addition, at December 31, 2014, the borrowings from Pingan Assets Management Co. Ltd. amounted to RMB3 billion (2013: RMB2 billion), which were guaranteed by Datang Corporation.

(ii) At December 31, 2014, included in secured other loans are borrowings amounting to RMB1,189.9 million (December 31, 2013: RMB1,350.0 million) due to Datang Financial Leasing, which allows certain subsidiaries of the Company sell and lease back certain property, plant and equipment to and from Datang Financial Leasing for a period ranging from 10 to 13 years. The underlying property, plant and equipment will be transferred to the relevant group companies at a notional consideration of RMB1.00 at the end of the lease term. In accordance with Standing Interpretations Committee (SIC) Interpretation 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease", proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement (Note 13).

At December 31, 2014 and 2013, deferred loss and revenue recognized representing the adjustments for the present value of these borrowings, and are included in "prepayments and other receivables" and "accruals and other payables" in the consolidated statement of financial position, respectively.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS *(Continued)*

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

Notes: (Continued)

(iii) Except for the fair value of corporate bonds are based on its closing prices quoted as of December 31, 2014 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, 2014 were ranging 4.07% to 7.34% (2013: 4.32% to 7.34%). The fair values of long-term loans (including current portion and excluding corporate bonds) are within level 2 of the fair value hierarchy.

(b) Short-term borrowings

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Bank loans				
— unsecured	**20,014**	400,237	**20,000**	400,000
— secured *(Note (i))*	**—**	700,000	**—**	700,000
	20,014	1,100,237	**20,000**	1,100,000
Short-term bonds-unsecured *(Note (ii))*	**2,052,089**	—	**2,052,089**	—
Other loans-unsecured *(Note (iii))*	**1,153,850**	1,353,974	**2,255,401**	2,402,590
Current portion of long-term borrowings *(Note 26(a))*	**2,997,446**	2,957,981	**845,020**	421,720
	6,223,399	5,412,192	**5,172,510**	3,924,310

26. BORROWINGS *(Continued)*

(b) Short-term borrowings *(Continued)*

Notes:

(i) At December 31, 2013, the Company's intra-group loans receivable from certain subsidiaries amounting to RMB1,910.6 million were pledged for the loans from China Construction Bank Corporation amounting to RMB700.0 million, which were paid off by December 31, 2014.

(ii) On June 11, 2014, the Company issued short-term bonds with par value of RMB100 each for cash of RMB2,000.0 million, net of issuance cost of RMB6.7 million. These bonds have an annual coupon and effective interest rates at 4.90% and 5.32%, respectively, and are matured in June 2015.

(iii) 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, 2014, included in other loans of the Company, RMB1,955.4 million (2013: RMB1,502.6 million) were loans due to the relevant subsidiaries under this arrangement.

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

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS *(Continued)*

(c) Other disclosures in relation to the Group's borrowings

At December 31, 2014, effective interest rates per annum on borrowings are as follows:

	Group Year ended December 31,		Company Year ended December 31,	
	2014	2013	**2014**	2013
Long-term				
Bank loans	**4.07%–6.56%**	4.32%–7.05%	**5.54%–6.55%**	5.54%–6.70%
Other loans	**5.54%–7.34%**	5.54%–7.34%	**5.54%–6.22%**	5.54%–6.22%
Short-term				
Bank loans	**5.04%–6.60%**	5.04%–6.60%	**5.04%–6.60%**	5.04%–6.60%
Other loans	**5.04%–6.00%**	5.04%–5.60%	**1.17%–5.40%**	1.17%–5.40%

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

26. BORROWINGS *(Continued)*

(c) Other disclosures in relation to the Group's borrowings *(Continued)*

At December 31, 2014, details of the Group's guaranteed borrowings are as follows:

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Guarantor				
— The Company*	**3,454,137**	3,159,245	**—**	—
— Non-controlling interests of subsidiaries and ultimate holding companies of non-controlling interests	**2,132,598**	1,276,399	**—**	—
	5,586,735	4,435,644	**—**	—

* At December 31, 2014, guaranteed loans by the Company amounting to RMB58.0 million (2013: RMB64.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

26. BORROWINGS *(Continued)*

(c) Other disclosures in relation to the Group's borrowings *(Continued)*

At December 31, 2014, the Group has pledged certain assets as collateral to certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans As at December 31,		Other loans As at December 31,	
	2014	2013	**2014**	2013
Property, plant and equipment	**1,068,263**	1,140,236	**3,277,151**	2,884,555
Concession assets	**275,777**	291,090	**—**	—
Tariff collection rights	**485,873**	416,113	**531,874**	550,257
	1,829,913	1,847,439	**3,809,025**	3,434,812

At December 31, 2014, long-term borrowings are repayable as follows:

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Within 1 year	**2,997,446**	2,957,981	**845,020**	421,720
After 1 year but within 2 years	**7,225,417**	3,523,526	**4,593,705**	881,720
After 2 years but within 5 years	**10,274,434**	12,495,120	**2,043,200**	4,809,952
After 5 years	**17,519,951**	17,747,011	**3,930,190**	3,136,760
	38,017,248	36,723,638	**11,412,115**	9,250,152
Wholly repayable within 5 years	**7,223,514**	6,850,863	**5,019,305**	5,329,652

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

26. BORROWINGS *(Continued)*

(c) Other disclosures in relation to the Group's borrowings *(Continued)*

At December 31, 2014, the carrying amounts of borrowings are denominated in the following currencies:

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
RMB	**41,077,697**	38,971,716	**15,739,605**	12,752,742
USD	**165,504**	206,133	**—**	—
	41,243,201	39,177,849	**15,739,605**	12,752,742

27. TRADE AND BILLS PAYABLE

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Trade payables	**106,712**	76,856	**861**	2,788
Bills payable	**327,134**	231,872	**36,844**	—
	433,846	308,728	**37,705**	2,788

At December 31, 2014 and 2013, 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, 2014
(All amounts are in thousands of RMB unless otherwise stated)

28. ACCRUALS AND OTHER PAYABLES

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Payables for property, plant and equipment	**3,521,391**	3,755,400	**71,875**	144,438
Amounts due to related parties *(Note 31)*	**132,915**	234,133	**76,609**	40,032
Dividends payable	**191,941**	182,796	**—**	—
Interests payable	**145,621**	126,417	**87,202**	68,074
Accrued staff related costs	**69,724**	60,595	**10,086**	9,484
Payables for CDM projects	**32,226**	45,875	**74**	296
Payables for taxes other than income taxes	**32,475**	17,319	**5,163**	3,771
Assets retirement obligations *(Note)*	**66,759**	62,868	**—**	—
Amounts due to a non-controlling interest	**3,122**	—	**—**	—
Other payables	**185,260**	160,881	**34,864**	36,883
	4,381,434	4,646,284	**285,873**	302,978
Deferred government grants	**38,999**	21,652	**13,110**	12,740
Deferred income on long-term borrowings *(Note 26(a)(ii))*	**202,291**	213,936	**—**	—
Other accruals and deferrals	**89,283**	79,752	**—**	—
	4,712,007	4,961,624	**298,983**	315,718

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

28. ACCRUALS AND OTHER PAYABLES *(Continued)*

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Less: non-current portion of				
— Amounts due to related parties	**(76,550)**	(92,550)	**—**	—
— Assets retirement obligations	**(66,758)**	(62,868)	**—**	—
— Deferred government grants	**(38,999)**	(21,652)	**(13,110)**	(12,740)
— Deferred income on long-term borrowings	**(190,646)**	(202,291)	**—**	—
— Other accruals and deferrals	**(88,232)**	(78,416)	**—**	—
	(461,185)	(457,777)	**(13,110)**	(12,740)
Current portion of accruals and other payables	**4,250,822**	4,503,847	**285,873**	302,978

Note:

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.

For the year ended December 31, 2014, the unwinding of discount amounting to RMB3.9 million (2013: nil) was included in 'finance expenses' in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

28. ACCRUALS AND OTHER 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,	
	2014	2013	**2014**	2013
RMB	**4,343,646**	4,600,741	**285,055**	302,011
EUR	**17,152**	44,619	**142**	296
HKD	**19,883**	685	**676**	671
Other currencies	**753**	239	**—**	—
	4,381,434	4,646,284	**285,873**	302,978

29. DEFERRED INCOME TAX — GROUP

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

	As at December 31,	
	2014	2013
Deferred income tax assets to be recovered:		
— after more than 12months	**27,444**	33,803
— within 12 months	**10,268**	1,911
	37,712	35,714
Deferred income tax liabilities to be settled:		
— after more than 12 months	**(27,279)**	28,995
— within 12 months	**(2,126)**	2,536
	(29,405)	31,531
Deferred income tax assets, net	**8,307**	4,183

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

29. DEFERRED INCOME TAX — GROUP *(Continued)*

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

	Year ended December 31,	
	2014	2013
At January 1,	**4,183**	(2,606)
Tax credited to profit or loss *(Note 9)*	**4,124**	6,789
At December 31,	**8,307**	4,183

The movement in deferred income tax assets and 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	Deferred revenue	Intra-group unrealized profit	Tax credits entitlement	Total
At 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 and January 1, 2014	2,881	2,039	2,139	2,767	25,888	35,714
Credited to profit or loss	(2,081)	4,748	(583)	(86)	—	1,998
At December 31, 2014	800	6,787	1,556	2,681	25,888	37,712

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

29. DEFERRED INCOME TAX — GROUP *(Continued)*

Movement of deferred income tax liabilities:

	Assets revaluation	Others	Total
At January 1, 2013	(32,663)	—	(32,663)
Credited to profit or loss	2,126	(994)	1,132
At December 31, 2013 and January 1, 2014	(30,537)	(994)	(31,531)
Credited to profit or loss	2,126	—	2,126
At December 31, 2014	28,411	994	(29,405)

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,	
	2014	2013
Year of expiry		
2014	N/A	6,442
2016	**158,659**	159,749
2017	**276,232**	289,804
2018	**517,675**	523,695
2019	**686,598**	N/A
	1,639,164	979,690

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

30. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	Group As at December 31,		Company As at December 31,	
	2014	2013	**2014**	2013
Contracted but not provided for	**4,779,861**	4,917,017	—	—
Authorized but not contracted for	**5,036,817**	8,153,538	—	—
	9,816,678	13,070,555	—	—

(b) Commitment under operating leases

At December 31, 2014, 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,	
	2014	2013	**2014**	2013
Within 1 year	**1,471**	3,207	—	2,431
Between 2 and 5 years	**770**	3,752	—	1,215
Over 5 years	—	1,184	—	—
	2,241	8,143	—	3,646

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

30. COMMITMENTS *(Continued)*

(c) Commitment for capital contribution

At December 31, 2014, 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,	
	2014	2013	**2014**	2013
Commitment for capital contribution	—	—	**745,430**	536,504

31. 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.

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

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

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

	Group Year ended December 31, 2014	2013
Transactions with fellow subsidiaries of the Group:		
— Provision of installation, construction, general contracting services	**6,270**	5,655
— Purchase of installation, construction, general contracting services *(Note (i))*	**(220,513)**	(734,871)
— Purchase of equipment	**(743,810)**	(416,476)
— Provide working capital	**37,648**	209,449
— Provide loans *(Note 21)*	**—**	370,000
— Receive entrusted loans or other borrowings	**(1,775,000)**	(3,077,768)
— Interest income earned	**13,889**	14,576
— Interest expense charged	**(138,119)**	(95,541)
Provide working capital to:		
— A joint venture	**30,000**	1,700
— Associates	**248**	4,003
	30,248	5,703
Interest income earned	**527**	29
Transactions with Datang Corporation		
— Guarantee on borrowings provided by Datang Corporation	**1,000,000**	2,000,000
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (contracted but not provided for)	**4,779,861**	4,917,017

Notes to the Consolidated Financial Statements *(Continued)*

For The Year Ended December 31, 2014
(All amounts are in thousands of RMB unless otherwise stated)

31. 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 addition to the above transactions, 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. After the expiration of the agreement, on January 20, 2014, a new financial service agreement was entered into by both parties for a term from January 20, 2014 to December 31, 2014.

Pursuant to these agreements, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group. At December 31, 2014, the Group has cash deposit held at Datang Finance amounting to RMB40.0 million (2013: RMB50.7 million), and the interest income on the deposit was RMB0.7 million for the year ended December 31, 2014 (2013: RMB1.1 million).

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

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

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

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

	Group As at December 31,	
	2014	2013
Included in :		
Property, plant and equipment	**282,894**	54,028
Prepayments and other receivables	**481,119**	725,626
Trade and bills receivable	**4,283**	10,049
Trade and bills payable	**(89,951)**	(165,984)
Accruals and other payables	**(1,054,863)**	(1,103,754)
Borrowings	**(2,309,230)**	(2,316,338)
Cash and cash equivalents *(Note 31(a)(ii))*	**400,000**	50,652

All balances with related parties were arising primarily resulted from transactions as disclosed in Note 31(a).

At December 31, 2014, amount included in "accruals and other payables" of RMB92.6 million (2013: RMB108.6 million) and "borrowings" of RMB2,288.8 million (2013: RMB2,316.3 million) payable to certain fellow subsidiaries of the Company bear interest at 5.04% to 7.21% (2013: 5.04% to 7.47%); except for the abovementioned, all (2013: 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, 2014
(All amounts are in thousands of RMB unless otherwise stated)

31. 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, 2014, all revenue from the sales of electricity is made to the provincial power grid companies (2013: all). These power grid companies are directly or indirectly owned or controlled by the PRC government. At December 31, 2014, substantially all trade and bills receivable (Note 21) are due from these power grid companies (2013: substantially all).

Apart from the above, for the years ended December 31, 2014 and 2013, 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, 2014 and 2013, and the relevant interest income earned and expenses incurred are transacted with banks and other financial institutions owned/controlled by the PRC government.

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

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

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

(d) Key management personnel remuneration

	Year ended December 31,	
	2014	2013
Basic salaries, housing allowances, other allowances and benefits in kind	**2,919**	2,216
Discretionary bonus	**2,324**	1,619
Pension costs – defined contribution schemes	**357**	256
	5,600	4,091

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)
"Capital Contribution"	RMB1 billion of capital contributed to Datang Lease Company by the Shareholder Companies in accordance with their respective existing Shareholding proportion
"Capital Contribution Agreement"	the conditional agreement entered between Datang Lease Company and the Shareholder Companies on 4 April 2014
"CDC Capital Holding"	China Datang Corporation Capital Holding Co., Ltd. (中國大唐集團資本控股有限公司), a company with limited liability incorporated in the PRC, is a wholly-owned subsidiary of CDC
"CDC Overseas Investment"	China Datang Corporation Overseas Investment Co., Ltd. (中國大唐集團海外投資有限公司), is a wholly-owned subsidiary of CDC
"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

Glossary of Terms *(Continued)*

"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
"consolidated installed capacity"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidate in our consolidated financial statements only. This is calculated by including 100% of the installed capacity or capacity under construction of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated installed capacity and consolidated capacity under construction do not include the capacity of our associated companies
"consolidated power generation" or "consolidated net electricity sales"	the aggregate gross power generation or net electricity sales (as the case may be) of our project companies that we fully consolidate in our financial statements for a specified period
"constructing capacity"	the capacity of projects under construction
"Datang Corporation"	China Datang Corporation (中國大唐集團公司), a state-owned corporation established in the PRC and a controlling shareholder and one of the Promoters of our Company
"Datang Finance"	China Datang Corporation Finance Company Limited (中國大唐集團財務有限公司)
"Datang 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 Gansu"	Datang Gansu Power Generation Co., Ltd. (大唐甘肅新能源有限公司), a company incorporated in the PRC and a non-wholly-owned subsidiary of the Company

Glossary of Terms *(Continued)*

"Datang Guazhou"	Datang Guazhou Renewable Power Co., Ltd. (大唐瓜州新能源有限公司), a company incorporated in the PRC and a non-wholly-owned subsidiary of the Company
"Datang International"	Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司), a joint stock limited company incorporated in the PRC, is a subsidiary of CDC
"Datang Overseas (Hong Kong) "	China Datang Overseas (Hong Kong) Co., Ltd. (中國大唐海外（香港）有限公司), a company with limited liability incorporated in Hong Kong, is a wholly-owned subsidiary of CDC Overseas Investment
"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 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
"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

Glossary of Terms *(Continued)*

"generating capacity"	the capacity of wind turbines that have started to produce electricity, which capacity corresponds to the amount of power generation salable to the power grid companies plus the auxiliary electricity
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including electricity sales, auxiliary electricity and electricity generated during the construction and testing period
"Group" or "we" or "us"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司) and its subsidiaries
"GW"	unit of power, gigawatt. 1 GW=1,000 MW
"GWh"	unit of energy, gigawatt-hour. 1 GWh=1 million kWh
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"installed capacity"	the capacity of those wind power projects in which the wind turbines have been completely assembled and erected
"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
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Loan Agreement"	the loan agreement dated 12 June 2014 entered into by the Company and Datang Guazhou

Glossary of Terms *(Continued)*

"MW"	unit of energy and unit of power, megawatt. 1MW=1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh=1,000 kWh
"on-grid tariff"	the price of electricity per kWh for which a power project could sell the electricity it generated to the power grid companies. On-grid tariff includes (1) benchmark or approved on-grid tariff; (2) tariff premiums for wind power companies to compensate the costs of transmission lines that wind power companies constructed and owned (if applicable); and/or (3) discretionary tariff subsidies granted by the local government (if applicable)
"operating projects" or "projects in operation"	projects in which the wind turbines have been completely assembled and erected
"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
"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

Glossary of Terms *(Continued)*

"prospective capacity"	the capacity of pipeline projects reserved for future development
"renewable energy sources"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, sunlight or water (based on industry consensus, hydro power less than 50 MW is categorized as renewable energy, which is encouraged by the Renewable Energy Law)
"RMB"	Renminbi, the 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
"total installed capacity," "total generating capacity" or "total constructing capacity"	the aggregate amount of installed capacity, generating capacity or constructing capacity of our projects that we fully consolidate in our consolidated financial statements
"USD"	United States dollars, the current lawful currency of the United States
"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

Room 149, Building 1,
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Shijingshan District, Beijing, the PRC

HEAD OFFICE IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Wang Yeping

AUTHORIZED REPRESENTATIVES

Ms. Mok Ming Wai

Mr. Zhang Chunlei

* *For identification purpose only*

Corporate Information *(Continued)*

JOINT COMPANY SECRETARIES

Mr. Chen Yong

Ms. Mok Ming Wai

COMMITTEES UNDER THE BOARD

AUDIT COMMITTEE

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

Mr. Guo Shuping *(Non-executive Director)*

Mr. Yu Shunkun *(Independent 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)*

REMUNERATION AND ASSESSMENT COMMITTEE

Mr. Yu Shunkun *(Independent non-executive Director) (Chairman)*

Mr. Zhang Chunlei *(Executive Director)*

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

Corporate Information *(Continued)*

STRATEGIC COMMITTEE

Mr. Zhang Chunlei *(Executive Director) (Chairman)*

Mr. An Hongguang *(Non-executive Director)*

Mr. Hu Guodong *(Executive Director)*

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As to the PRC law

Zhong Lun Law Firm

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Corporate Information *(Continued)*

PRINCIPAL BANKS

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- Bank of Communications Co., Ltd. Beijing Branch

  No. 33 Financial Street, Xicheng District, Beijing, the PRC

- China Development Bank Co., Ltd.

  No. 29 Fuchengmenwai Avenue, Xicheng District, Beijing, the PRC

- Standard Chartered Bank (China) Limited

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Corporate Information *(Continued)*

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中国大唐集团新能源股份有限公司
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