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

2016
Annual Report

* For identification purpose only

Contents

Chairman's Statement

Dear Shareholders,

In 2016, Datang Renewable conducted exploration continuously and forged ahead resolutely. Facing opportunities and challenges for the development of renewable energy, we have always upheld the ideas of green development and optimised development. In addition to putting more efforts on optimisation of asset structure, we continued to enhance development quality. The gradual normalisation of management system and mechanism and continued enhancement of professional capacity promoted the benign and healthy development of the Company, laying a solid foundation for the new leaping development in the "Thirteenth Five Year" period.

At present, the world economic situation is complicated and changing and domestic economy has entered a new normal, and global climate governance has been propelled in an accelerated way. With the formal effectiveness of the Paris Agreement and the expedited implementation of renewable energy quota and assessment mechanism, and policies on guaranteed acquisition and promotion of consumption, the National Carbon Emissions Trading Market will be officially put into operation and the accelerated implementation of "Go Global" strategy for energy will provide powerful policy guarantee for the development of new energy industry. Furthermore, competition in the industry has been intensifying with the deepening of the power system reform, bringing new challenges to the new energy industry.

Confronted with opportunities and challenges, we will speed up the adjustment to industrial structure and optimisation of regional layout. Continued efforts will be exerted for building a first rate enterprise in accordance with standards. We will vigorously improve development quality, economic benefits and management, and continued to enhance the Company's sustainable development capacity and comprehensive competitiveness to create more enterprise value for shareholders, staff and society.

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
Chen Feihu

Message from the President

Dear Shareholders,

In 2016, the Board of the Company, with the great support from all shareholders, insisted on the development concept of "value-based, efficiency-oriented", adopted prior planning and scientific layout, and proactively coped with the changes in the internal and external situation of the industry. While speeding up project development and adjustment to regional structure, the Company thoroughly implemented various measures for quality and efficiency enhancement and innovative development, giving rise to rapid increase in the size of installed capacity and significant promotion of economic benefit as well as continuous enhancement of sustainable development capacity and corporate soft power. The accumulated approved capacity throughout the year was 868.5 MW, and new grid connection capacity and capacity qualified for grid connection was 1,350 MW. The accumulated installed capacity exceeded 8,500 MW, hitting a new historic record again. The utilization hours of wind power generation units were 1,755 hours, representing a year-on-year increase of 10 hours, and electricity generation amounted to 12,297 GWh, representing a year-on-year increase of 1,536 GWh. With significant improvement of profitability, competitiveness and sustainable development capacity, the Company has witnessed a good opening of the Thirteenth Five-Year Plan period.

At present, the Chinese economy is in a critical period for economic transformation and upgrading and the existing electric power pattern is confronted with new reform. With the effectiveness of the Paris Agreement, there will be more certainties with the energy and climate policies in the PRC, and renewable energy enterprises will enter a new period of development.

In 2017, the Company will pay more attention to policy developments, and proactively cope with power system reform and challenges in the market. The Company will increase efforts for optimised development, proactively implement new development initiatives and reinforce management in accordance with the standards of first-rate companies, aiming at promoting new leaping development of the Company by leveraging opportunities and initiating a new situation for all kinds of work.

In the end, we would 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 achieve better development of the Company in the longer term through building up our confidence.

President
Zhou Kewen

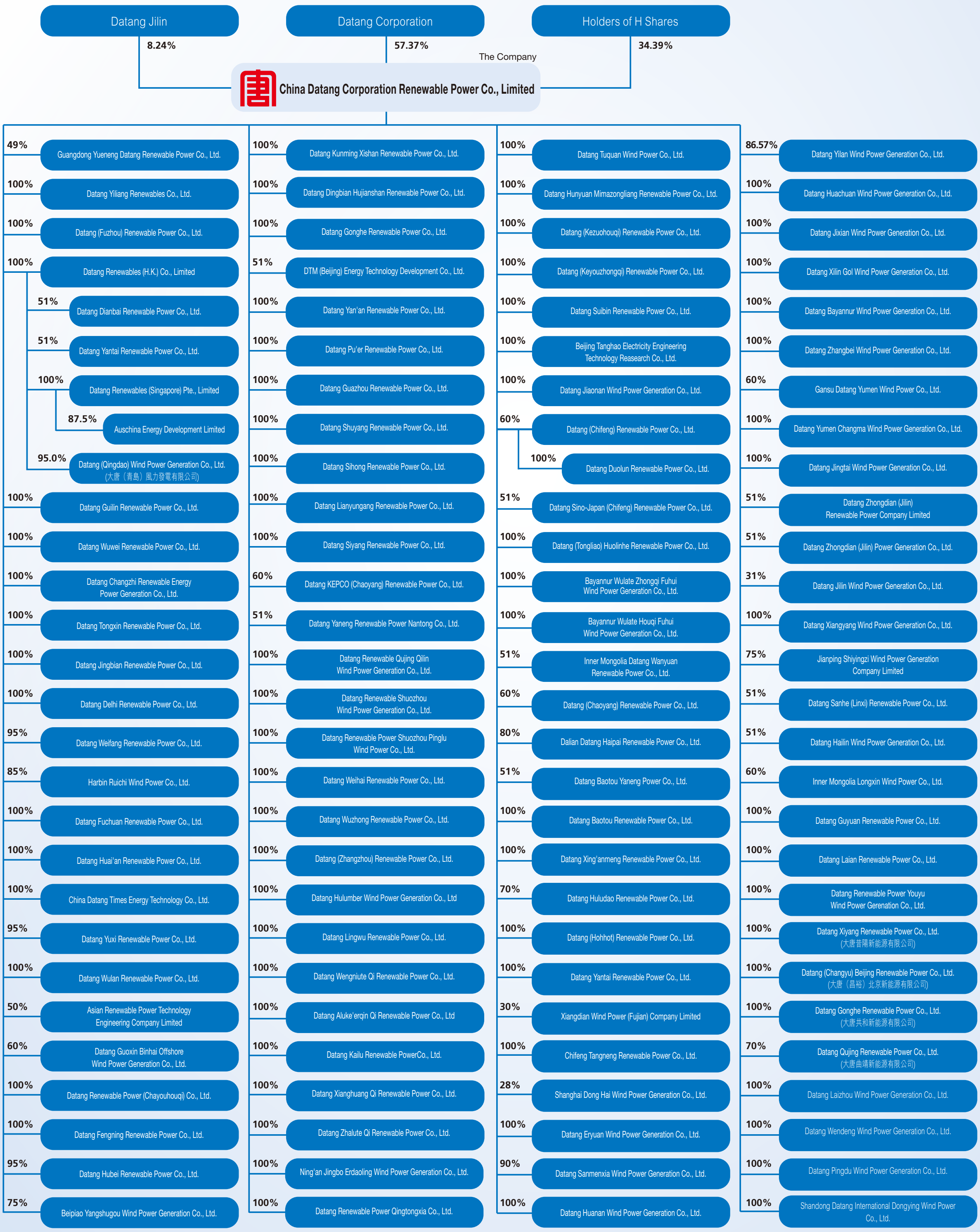
Company Profile

The predecessor of China Datang Corporation Renewable Power Co., Limited (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 23 September 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 19 March 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 17 December 2010. As at 31 December 2016, the Company had a total of 7,273,701,000 issued shares, among which the Company's controlling shareholder 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.

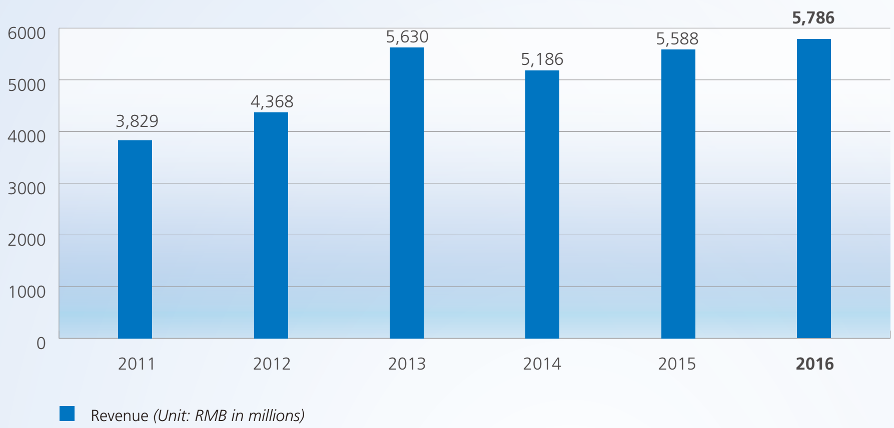
The Group is actively engaged in the renewable sources business including wind power, solar power and biomass. As at 31 December 2016, the Group's consolidated installed capacity amounted to 8,497.92 MW, including 8,345.45 MW of wind power installed capacity.

Corporate Structure: As at 31 December 2016, the Company's major corporate structure was as follows:

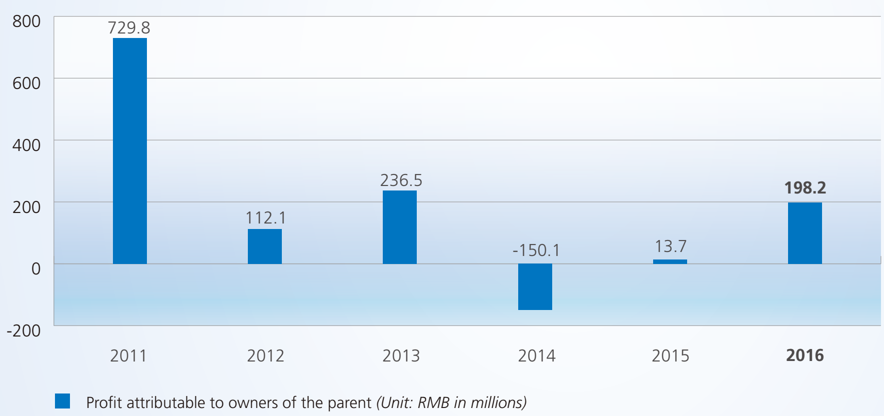


Key Operating and Financial Data

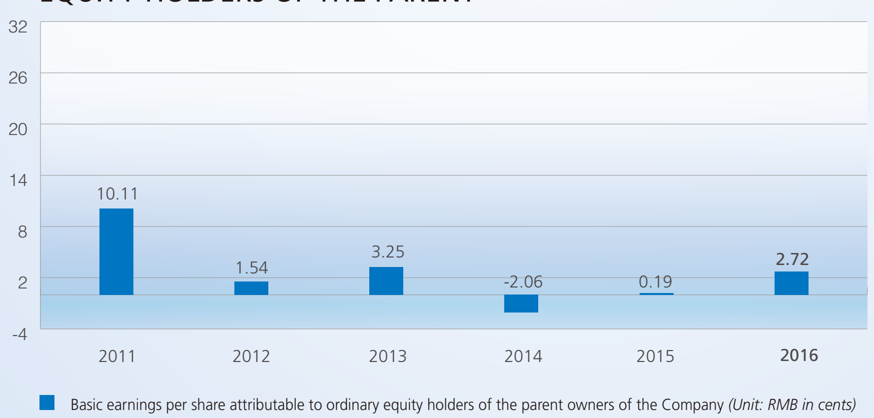
1. REVENUE



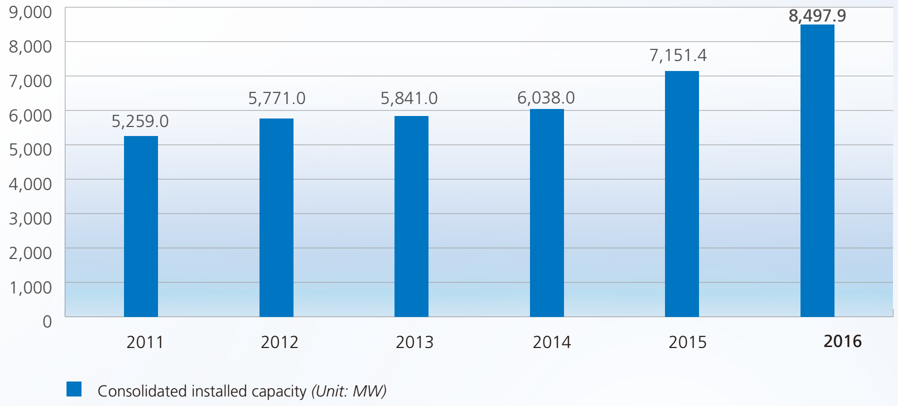
2. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT



3. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT



4. CONSOLIDATED INSTALLED CAPACITY



Financial Highlights

	Year ended 31 December				
	2016	2015	2014	2013	2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**5,786,126**	5,588,265	5,185,960	5,630,285	4,368,015
Other income and other gains, net	**189,246**	116,846	230,946	126,198	277,394
Operating expenses	**(3,860,542)**	(3,620,625)	(3,293,229)	(3,298,497)	(2,530,991)
Operating profit	**2,114,830**	2,084,486	2,123,677	2,457,986	2,114,418
Profit before taxation	**401,089**	155,290	(61,662)	360,439	176,337
Income tax (expense)/benefit	**(108,315)**	(92,276)	(65,900)	(53,074)	10,217
Profit for the year	**292,774**	63,014	(127,562)	307,365	186,554
Total other comprehensive income/(loss)	**29,941**	(50,149)	(180,867)	241,534	(98,144)
Total comprehensive income for the year	**322,715**	12,865	(308,429)	548,899	88,410
Profit attributable to:					
– Owners of the parent	**198,199**	13,711	(150,115)	236,500	112,148
– Non-controlling interests	**94,575**	49,303	22,553	70,865	74,406
	292,774	63,014	(127,562)	307,365	186,554
Total comprehensive income attributable to:					
– Owners of the parent	**227,984**	(36,265)	(330,740)	478,783	14,447
– Non-controlling interests	**94,731**	49,130	22,311	70,116	73,963
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB per share)*	**0.0272**	0.0019	(0.0206)	0.0325	0.0154

Financial Highlights *(Continued)*

	As at 31 December				
	2016	2015	2014	2013	2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**63,161,481**	57,205,464	53,427,082	50,476,748	49,010,536
Total current assets	**5,630,508**	3,609,047	6,682,878	5,911,565	7,372,131
Total assets	**68,791,989**	60,814,511	60,109,960	56,388,313	56,382,667
Equity attributable to owners of the parent	**10,879,315**	10,765,462	10,918,363	9,291,985	8,815,729
Non-controlling interests	**2,826,481**	2,813,602	2,729,918	2,570,961	2,680,917
Total equity	**13,705,796**	13,579,064	13,648,281	11,862,946	11,496,646
Total non-current liabilities	**34,575,589**	30,173,150	35,510,392	34,254,965	32,922,165
Total current liabilities	**20,510,604**	17,062,297	10,951,287	10,270,402	11,963,856
Total liabilities	**55,086,193**	47,235,447	46,461,679	44,525,367	44,886,021
Total equity and liabilities	**68,791,989**	60,814,511	60,109,960	56,388,313	56,382,667

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

In 2016, the national electricity consumption was 5,919.8 billion kWh, representing a year-on-year increase of 5.0%. Supply-side structural reform in the PRC is moving ahead. Industrial structure adjustment and transformation and upgrading continued achieving satisfactory results, and continuous adjustments were made to the power consumption structure.

In 2016, the capacity of national power generation equipment on a fully operational basis was 1,645.75 million kW, representing a year-on-year increase of 8.2%, while the growth rate was 2.2 percentage points lower than that of 2015. In 2016, national power new production capacity (officially put into operation) amounted to 120.61 million kW, including newly-added installed capacity of wind power of 23.37 million kW, contributing to the total installed capacity of wind power of 169 million kW; and thermal power of 48.36 million kW, 15.64 million kW lower than that of the last year. The relevant national policies on control of coal power construction have obtained achievements.

In 2016, the wind power generation capacity in the PRC was 241.0 billion kWh, representing a year-on-year increase of 30.1%; and solar power generation capacity was 66.2 billion kWh, representing a year-on-year increase of 72.0%. The clean energy power generation capacity in the PRC kept rapid growth. In 2016, the consumption proportion of clean energy including hydropower, wind power, nuclear power and natural gas was 1.6 percentage points higher than that of the last year.

In 2016, the State issued the "Thirteenth Five-Year" Plan for Power Development (《電力發展「十三五」規劃》), which sets out that, by 2020, the national wind power installed capacity will be above 210 million kW, the offshore wind power will reach approximately 5 million kW, and the installed solar power capacity will be over 110 million kW. It is expected that the annual increase in new energy will be over 20 million kW and the new energy industry including wind power and solar power will continue to grow. The national "Thirteenth Five-Year" Plan for Wind Power Development (《風電發展「十三五」規劃》) states that the large scale development of onshore wind power will be accelerated in Central Eastern and Southern China. By 2020, the accumulated grid connection capacity in the provinces and cities in Central Eastern and Southern China will be over 70 million kW. Meanwhile, the problem of wind curtailment will be effectively solved, and further efforts will be exerted to scale up trans-provincial and trans-regional power transmission. The "Three Northern" regions will completely meet the requirement on minimum guaranteed purchase of utilization hours. In the meantime, the "Thirteenth Five-Year" Plan for Solar Power Development 《太陽能發展「十三五」規劃》 proposes to promote diversified application of photovoltaic power generation, and thus the solar power market will see explosive growth.

Subsequent to the issuance of the Several Opinions of the Central Committee of the Communist Party of China and State Council on Further Deepening the Reform of the Electric Power System (《中共中央國務院關於進一步深化電力體制改革的若干意見》), the Notice of the National Development and Reform Commission and National Energy Administration on Printing and Distributing Supporting Documents for Power System Reform (《國家發展改革委國家能源局關於印發電力體制改革配套文件的通知》) and other policy documents in 2015, the power system reform was further accelerated and substantive breakthrough was achieved in the power market. On 1 March 2016, Beijing Electricity Trading Center and Guangzhou Electricity Trading Center were established. Later, provincial electricity trading centers were successively set up. On 8 October 2016, the National Development and Reform Commission and National Energy Administration issued the notice on printing and distributing the Measures for Administration of Access and Exit of Electricity Sales Company (《售電公司准入與退出管理辦法》) and the Measures for Administration of Orderly Release of Power Distribution Network Business (《有序放開配電網業務管理辦法》), marking a new level of power system reform in the PRC. The electricity sales side market will be comprehensively launched.

II. BUSINESS REVIEW

As at 31 December 2016, the Group's consolidated installed capacity amounted to 8,497.92 MW, representing an increase of 18.83% over the same period in last year. Electricity generation throughout the year amounted to 12,297 GWh, representing a year-on-year increase of 14.27%. The average on-grid tariff (tax inclusive) of the Group was RMB576.27/MWh. Profit attributable to owners of the parent amounted to RMB198.20 million.

1. Stable pattern in safe production maintained

In 2016, the Group deepened risk control assessment and carried out special activities including inspection of production safety to continuously consolidate its management foundation. It continued to pay much attention to equipment management, resulting in a substantial drop in the equipment failure rate, and the availability of wind turbine maintained at a relatively high level. Due to the proactive technological transformation for improving the efficiency of wind turbines, the power generation capacity of projects improved obviously.

For the year of 2016, the power generation capacity totaled 12,297 GWh, recording a year-on-year rise of 14.27%. The wind power generation capacity reached 12,077 GWh, recording a year-on-year rise of 14.46%. The wind power curtailment ratio increased from 19.73% in 2015 to 21.19%. The utilisation hours of wind power throughout the year reached 1,755 hours, increasing by 10 hours compared with that of last year.

As at 31 December 2016, the consolidated power generation of the Group by geographical area was as follows:

Region	Consolidated power generation as at the end of 2016 *(GWh)*	Consolidated power generation as at the end of 2015 *(GWh)*	Rate of change in consolidated power generation *(%)*
Total	**12,297**	10,761	14.27%
Wind power	**12,077**	10,551	14.46%
Inner Mongolia	**4,783**	4,646	2.95%
Heilongjiang	**754**	612	23.20%
Jilin	**926**	967	-4.24%
Liaoning	**624**	534	16.85%
Gansu	**863**	685	25.99%
Ningxia	**673**	413	62.95%
Shaanxi	**188**	170	10.59%
Shanxi	**588**	458	28.38%
Hebei	**224**	96	133.33%
Henan	**225**	240	-6.25%
Hubei	**40**	–	–
Anhui	**77**	67	14.93%
Guangxi	**137**	44	211.36%
Guizhou	**11**	–	–
Yunnan	**424**	324	30.86%
Chongqing	**21**	–	–
Guangdong	**92**	76	21.05%
Shandong	**955**	878	8.77%
Shanghai	**470**	341	37.83%
Photovoltaic	**191**	181	5.52%
Jiangsu	**18**	17	5.88%
Ningxia	**71**	72	-1.39%
Qinghai	**85**	92	-7.61%
Shanxi	**17**	–	–
Gas	**29**	28	3.57%
Shanxi	**29**	28	3.57%

As at 31 December 2016, the average utilisation hours of the Group by region were as follows:

Region	Average utilisation hours in 2016 *(hours)*	Average utilisation hours in 2015 *(hours)*	Year-on-year change in average utilisation hours *(hours)*
Total	**1,753**	1,745	8
Wind power	**1,755**	1,745	10
Inner Mongolia	**1,869**	1,931	-62
Heilongjiang	**1,742**	1,527	215
Jilin	**1,429**	1,492	-63
Liaoning	**1,915**	1,640	275
Gansu	**1,161**	1,174	-13
Ningxia	**1,643**	1,550	93
Shaanxi	**1,901**	1,719	182
Shanxi	**1,981**	1,860	121
Hebei	**2,263**	1,726	537
Henan	**2,228**	2,383	-155
Hubei	**2,121**	–	–
Anhui	**1,614**	1,392	222
Guangxi	**1,920**	1,987	-67
Guizhou	**2,206**	–	–
Yunnan	**2,123**	2,364	-241
Chongqing	**2,325**	–	–
Guangdong	**1,854**	1,532	322
Shandong	**1,702**	1,653	49
Shanghai	**2,304**	2,782	-478
Photovoltaic	**1,476**	1,544	-68
Jiangsu	**990**	925	65
Ningxia	**1,445**	1,467	-22
Qinghai	**1,607**	1,849	-242
Shanxi	**1,665**	–	–
Gas	**5,822**	5,617	205
Shanxi	**5,822**	5,617	205

2. New breakthrough in early stage development

In 2016, the Group focused on the development requirement of optimisation and adjustment, continuously optimizing regional structure and industrial structure. The capacity of approved new projects was 868.5 MW, among which the proportion of approved project in regions not subject to electricity limitation was 80%. As at 31 December 2016, the Group had accumulated approved reserves of wind power of 3,685.7 MW in aggregate.

Region	Capacity approved but not put into production *(MW)*	Cumulative approved capacity in 2016 *(MW)*
Inner Mongolia	499.0	–
Heilongjiang	287.0	49.5
Jilin	49.5	–
Liaoning	281.5	106.0
Hebei	447.0	99.0
Gansu	200.0	200.0
Ningxia	297.5	–
Henan	42.0	85.0
Chongqing	49.5	–
Shanxi	249.0	–
Shaanxi	150.0	100.0
Yunnan	97.5	–
Shandong	193.5	49.5
Jiangsu	300.0	–
Anhui	193.0	–
Fujian	48.0	–
Guangxi	148.5	49.5
Guizhou	48.0	–
Qinghai	49.5	20.0
Beijing	49.7	20.0
Hainan	6.0	–
Tianjin	–	40.0
Tibet	–	50.0
Total	3,685.7	868.5

In 2016, the Group initiated solar power and other businesses while focusing on development of wind power business. As at 31 December 2016, the approved capacity of the Group's solar power but not put into production was 280 MW.

3. Rapid growth of installed capacity

In 2016, the new grid connection capacity and capacity qualified for grid connection of the Group was 1,346.50 MW and the accumulated installed capacity exceeded 8,497.92 MW, hitting a new historic record.

As at 31 December 2016, the consolidated installed capacity of the Group by region was as follows:

Region	**Consolidated installed capacity as at the end of 2016** *(MW)*	Consolidated installed capacity as at the end of 2015 *(MW)*	Rate of change in consolidated installed capacity *(%)*
Total	**8,497.92**	7,151.42	18.83%
Wind power	**8,345.45**	7,028.95	18.73%
Inner Mongolia	**2,754.05**	2,605.55	5.70%
Eastern Inner Mongolia	**1,949.75**	1,801.25	8.24%
Western Inner Mongolia	**804.30**	804.30	0.00%
Northeast China	**1,522.90**	1,374.90	10.76%
Heilongjiang	**501.00**	401.00	24.94%
Jilin	**648.10**	648.10	0.00%
Liaoning	**373.80**	325.80	14.73%

Region	Consolidated installed capacity as at the end of 2016 (MW)	Consolidated installed capacity as at the end of 2015 (MW)	Rate of change in consolidated installed capacity (%)
Central and Western China	2,906.30	2,233.80	30.11%
Gansu	845.80	845.80	0.00%
Ningxia	497.50	497.50	0.00%
Shaanxi	149.00	99.00	50.51%
Shanxi	576.00	297.00	93.94%
Hebei	99.00	99.00	0.00%
Henan	100.75	100.75	0.00%
Hubei	48.00	–	–
Anhui	48.00	48.00	0.00%
Guangxi	148.00	49.50	198.99%
Guizhou	48.00	–	–
Yunnan	296.25	197.25	50.19%
Chongqing	50.00	–	–
South-East Coastal Areas	1,162.20	814.70	42.65%
Guangdong	49.50	49.50	0.00%
Shandong	860.50	561.00	53.39%
Fujian	48.00	–	–
Shanghai	204.20	204.20	0.00%
Photovoltaic Power Generation	147.47	117.47	25.54%
Jiangsu	18.47	18.47	0.00%
Ningxia	49.00	49.00	0.00%
Qinghai	60.00	50.00	20.00%
Shanxi	20.00	–	–
Gas Power Generation	5.00	5.00	0.00%
Shanxi	5.00	5.00	0.00%

4. Significant enhancement of profitability

The Company continuously strengthened the region structure adjustment, actively promoting the development of project resource in central and eastern regions which are not subject to electricity restriction. The acceleration in respect of putting new project into production significantly improved the Company's profitability. Due to the strict control over equipment management, the availability rate of utilizable wind turbines was continuously enhanced. The Company proactively conducted efficiency improvement and technological transformation for wind turbines, giving rise to obvious improvement of power generation capacity of equipment. In addition, more efforts were exerted for comprehensive budget management, and the controllable cost therefore decreased constantly. The Company proactively broadened its financing channels and fully exerted the national policies on interest rate to make financing arrangements, giving rise to continued reduction in financing costs.

5. Management innovation deepened thoroughly

Management innovation was deepened. A joint innovation center was established through cooperation with Huawei to jointly build an "informationized, intelligent, professional and international" platform for innovation in terms of technology and management, which set an example for giving play to technological support and leading effects for the development of new energy industry in the PRC and promoted upgrade and transformation of the platform for management and control of production safety. The Company proactively conducted innovation in respect of independent maintenance model in the warranty period of wind turbines, contributing to year-on-year increase in equipment availability and power generation.

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 announcement and other sections therein.

1. Overview

The Group's profit for 2016 amounted to RMB292.77 million, representing an increase of RMB229.76 million as compared that of RMB63.01 million in 2015. Profit attributable to the owners of the parent amounted to RMB198.20 million.

2. Revenue

The Group's revenue increased by 3.54% to RMB5,786.13 million in 2016 compared with RMB5,588.27 million in 2015, primarily due to increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 8.62% to RMB5,717.85 million in 2016 compared to RMB5,263.99 million in 2015, primarily due to the increase in capacity put into operation.

3. Other income and other gains, net

The Group's other income and other gains, net increased by 61.96% to RMB189.25 million in 2016 compared to RMB116.85 million in 2015, primarily due to the year-on-year increase in government grants obtained for the current period.

The Group's government grants increased by 68.31% to RMB175.99 million in 2016 compared to RMB104.56 million in 2015, primarily due to the increase in value-added tax refund obtained.

4. Operating expenses

The Group's operating expenses (excluding service concession construction costs) increased by 14.27% to RMB3,854.85 million in 2016 compared to RMB3,373.38 million in 2015, mainly due to the increase in depreciation and amortisation charges as a result of higher installed capacity.

The Group's depreciation and amortisation charges increased by 12.26% to RMB2,829.60 million in 2016 compared to RMB2,520.66 million in 2015, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 7.81% to RMB448.85 million in 2016 compared to RMB416.33 million in 2015, primarily due to the increase in expensed labour cost as a result of increase in capacity put into operation.

The Group's other operating expenses increased by 27.80% to RMB331.84 million in 2016 compared to RMB259.65 million in 2015, primarily due to the increase in expensed administrative costs as a result of increase in capacity put into operation.

5. Operating profit

The Group's operating profit increased by 1.46% to RMB2,114.83 million in 2016 compared to RMB2,084.49 million in 2015, mainly due to the increase in electricity sales revenue as a result of increase in installed capacity.

6. Finance expenses, net

The Group's net finance expenses decreased by 10.50% to RMB1,735.25 million compared with RMB1,938.76 million in 2015, primarily due to the combined residual effects of interest rate reduction by the People's Bank of China and debt restructuring by the Group.

7. Share of profits of associates and joint ventures

The Group recorded a profit of RMB21.51 million in share of profit of associates and joint ventures in 2016 as compared with RMB9.56 million in 2015, primarily due to the enhanced operating results of associates and joint ventures.

8. Income tax expense

The Group's income tax expense was RMB108.32 million in 2016, representing an increase by 17.38% from RMB92.28 million in 2015. This was mainly due to the fluctuation in profits, together with the mixed commencement and expiration of tax reliefs for certain subsidiaries of the Company located in regions with preferential income tax rates.

9. Profit for the year

The Group's profit for the year increased by RMB229.76 million to RMB292.77 million in 2016 compared to the profit of RMB63.01 million in 2015. For the year ended 31 December 2016, the Group's profit for the year as a percentage of its total revenue (excluding revenue from provision of services under concession arrangements) increased to 5.06% as compared with that of 1.18% in 2015.

10. Profit attributable to the owners of the parent

The profit attributable to the owners of the parent increased by RMB184.49 million to RMB198.20 million in 2016 compared to the profit of RMB13.71 million in 2015.

11. Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group increased by 91.82% to RMB94.58 million in 2016 compared to RMB49.30 million in 2015.

12. Liquidity and capital sources

As at 31 December 2016, the Group's cash and cash equivalents increased by 8.20% to RMB1,166.21 million compared to RMB1,077.79 million as at 31 December 2015. The main sources of the Group's operating capital are revenue from the sales of electricity.

As at 31 December 2016, the Group's borrowings increased by 10.00% to RMB44,326.24 million compared to RMB40,298.01 million as at 31 December 2015. In particular, RMB10,166.30 million (including RMB3,145.48 million of long-term borrowings due within one year) was short-term borrowings, and RMB34,159.94 million was long-term borrowings. The above borrowings include borrowings of RMB44,232.43 million denominated in RMB and borrowings of RMB93.81 million denominated in USD.

As at 31 December 2016, the Group has unutilised financing facilities amounting to approximately RMB64,004.45 million, of which approximately RMB36,248.02 million are not subject to renewal in 12 months from the approval of financial statements of the Group.

13. Capital expenditure

The Group's capital expenditure increased by 28.22% to RMB8,525.33 million in 2016 compared to RMB6,649.21 million in 2015. 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

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 75.90% in 2016, 1.62 percentage points higher than 74.28% as in 2015.

15. Significant investment

In 2016, the Group made no significant investment.

16. Material acquisition and disposal

In 2016, the Group had no material acquisition or disposal.

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 31 December 2016, net carrying value of the pledged assets amounted to RMB6,610.10 million.

18. Contingent liabilities

As at 31 December 2016, 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 favourable policies will be altered or repealed without any prior notice. In addition, the Chinese government has recently been continuously deepening the reform of electric power system, and the competition mechanism among power-generation enterprises, including renewable energy, is taking shape at a fast pace. On 22 December 2015, the National Development and Reform Commission issued the Notice on Improving the Benchmark Feed-in Tariff Policy for Grid Connection of Onshore Wind Power and PV Power《關於完善陸上風電、光伏發電上網標桿電價政策的通知》, the electricity price of future new energy projects will be gradually reduced and hence has an indefinite influence on the income of the Company.

2. Grid curtailment risk

As the wind farm construction progress in certain regions did not match with the progress of grid construction and regional consumption capacity, it is difficult to consume and 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, the slow increase in social power consumption and the rapid increase in generation capacity might result in the failure of full consumption of energy output from the Group's power generating projects operating at full load.

3. Technological risk

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

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. Risks related to geographical concentration of wind power projects

The Group's wind power projects are principally located in "Three Northern" regions. Although these regions offer abundant wind resources for developing wind power projects, the electricity output of the 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 "Three Northern" regions could reduce the electricity we generate and have an adverse impact on our power generation 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.

6. Climate risk

The commercial viability and profitability of the Group's wind farms are highly dependent on suitable wind resources and weather conditions. The Group's investment decisions for each wind power project are based on the findings of feasibility studies conducted on site before starting construction. The material deviation of actual climatic conditions, particularly the wind resource conditions at the project site, from the findings of these feasibility studies may adversely affect forecasted profitability of projects.

7. Project construction risk

Amid the Group's expansion of areas of wind power projects in the southern coastal regions, where the number of regions difficult for wind farm construction and the cost of land and labor for farm construction further 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.

8. 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. With the increase of hazard sources and dangerous points, the 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.

9. Risks related to exchange rate and interest rate

Income risk may result from fluctuations in exchange rate and bank loan rate. Such exchange rate and interest rate changes will have impact on the Company's capital expenditure and will eventually affect our operating results. As the Group highly relies on external financing in order to obtain investment capital to expand wind power business, we are particularly sensitive to the capital cost in securing such loans.

10. 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. To cope with this, the Group will monitor the market dynamics timely 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 FUTURE DEVELOPMENT

1. Opportunities faced by the Group

In respect of national policy, with the formal effectiveness of Paris Agreement, the goal of achieving the share of non-fossil energy in the total primary energy consumption of 15% and 20% in 2020 and 2030, respectively, will become the statutory obligation and binding indicator that must be accomplished by governments at all levels in the PRC. To achieve this goal, the state will accelerate the implementation of renewable energy quota and assessment mechanism, and policies on guaranteed acquisition and promotion of consumption. The National Carbon Emissions Trading Market will be officially put into operation and the accelerated implementation of "Go Global" strategy for energy will provide powerful policy guarantee for the development of new energy industry.

Regarding national industry policy, as domestic new technologies including large impeller, mixed tower and flexible tower become mature continuously, the wind power generation units will be further enhanced, providing significant technical support for the development of wind power in the regions with a low wind speed. In virtue of technological progress, the conversion efficiency of solar modules will be constantly promoted, and the prices will stay at a low level. In particular, the rapid progress of new energy grid connection technology and energy storage and micro-grid technologies and the innovative application of "Internet Plus" smart energy technology have resulted in reform of the development model of new energy industry and provided strong power for the development of new energy industry.

In terms of financial situation, it was proposed at the Central Economic Work Conference to further implement proactive fiscal policy and prudent monetary policy, to reduce taxes imposed on enterprises, and capital cost is still at a low level. The state vigorously builds green financial systems and all government departments have successively promulgated policies and regulations to support development of green finance. The emergence of green development fund, green bonds, carbon finance and other diversified ways of financing will provide strong financial support for the development of new energy industry.

From the view of internal situation of the Company, due to the accelerated quality and efficiency enhancement in recent years, the regional distribution of the Company has been gradually optimised, operating results have been continuously enhanced and the management foundation has also been consolidated. In addition to the continuous enhancement of the awareness of development, overall situation, responsibility and innovation of the teams at all levels, the self-confidence and cohesiveness of staff team has also been further enhanced. With a down-to-earth attitude and with a view to be first rate, the staff have presented a brand new positive situation of flourishing, and provided powerful spiritual impetus for the Company to become stronger and better.

MAIN TASKS IN 2017

The Company's overall working frames in 2017 are as follows: firmly grasping the opportunities for development in the national new energy industry and fully implementing the spirits of the 2017 work conference of the Group, we will take the structural adjustment and efficiency enhancement as the mainstreams, driven by comprehensive reinforcement of innovation and guaranteed by reinforcement of Party building, team building and culture building, and devote more efforts to elevating the development, construction and marketing level in the early stage, with a view to realizing comprehensive upgrading of the scale, efficiency and management level, thus laying solid foundation for accelerating the building into a first-class new energy listed company.

In 2017, we will focus on the following matters:

(I) To take the structural adjustment and efficiency enhancement as the mainstreams, we must unswervingly stick to the development philosophy, put more efforts into accelerating the project approval and construction and enhance the quality and efficiency of development.

We will rigidly implement the approval and commissioning targets through accelerating the acquisition and exploitation of wind power resources in Central Eastern China and Southern China, lift the proportion of photovoltaic projects and quicken the development of offshore and overseas projects. Moreover, we will actively expand the dispersed layout of photovoltaic projects and projects of heat-supplying using idle wind power units, and focus on lifting the qualities in terms of pre-feasibility research, preliminary design, optimal design, installation and commissioning and transfer production, in order to achieve synchronous upgrading of scale, layout, efficiency and management.

(II) To take the comprehensive reinforcement of innovation as the driving force, we must fully implement the innovation-driven strategy and establish the innovation awareness.

According to the innovation and development strategy, we will design various development modes, such as self-construction, cooperative development and project acquisitions. We will intensify financial innovation and proactively expand financing channels, so as to provide funds for the Company's development. To strengthen technological innovation, we will actively carry out the research on power generation technology in low-wind-speed regions, upgrading efficiency of wind turbines, Internet Plus and intelligent and integrated power energy control technology, so as to expedite the improvement on efficiency of the Company's turbines, as well as create a new profit growth point. To speed up innovations in management systems and endeavor to promote the production management upgrade, we will build industry-leading management standards and modes and enhance the influence in the industry.

(III) To elevate the development, construction and marketing level in the early stage.

Seizing on the historic opportunity for development, we will speed up project approval and resource reserves, further deepen the management of project approval process and continuously improve the speed and quality at the early stage of development, so as to comprehensively enhance our capacity for sustainable development. The management of project commissioning progress, quality, safety and pricing will be expedited, in order to lift the procedural, strict and standardized management level of engineering construction, create top-quality projects with short construction period, low cost, excellent quality and high profitability, and increase the economies of scale in all aspects. We will focus on strengthening the marketing awareness and seize on new opportunities in the electricity market, with a view to building the systems and operating modes adapted to the complex market competition, accelerating the transition from a productive enterprise to an operating one and thus increasing the overall probability.

Major Events in 2016

In January 2016, the Company held the third conference of the first session of the employee representative meeting and the 2016 work conference to present an overall summary of the work done in 2015, analyzed the current situation and set work arrangement for 2016.

In February 2016, the Company held the work conference for 2016 development planning, at which the development plans and work objectives for 2016 and the "Thirteenth Five-Year Plan" period were determined and the key tasks for 2016 were laid out.

In March 2016, the Company successfully issued the 2016 first tranche of ultra-short-term debentures with an aggregate amount of RMB2 billion.

In March 2016, the nineteenth meeting of the second session of the Board of Directors and the eighth meeting of the second session of the Supervisory Committee were held.

In March 2016, the Company's 2015 annual results briefing was held successfully in Hong Kong.

In April 2016, the second meeting of the working group for international standards of the IEEE P1834 Technical Supervision Procedures for Wind Rotor System of Wind Power Generating Units was held at the Company.

In June 2016, the 2015 annual general meeting of the Company was held, at which 14 resolutions were considered and approved, including the working report of the Board of Directors, the working report of the Supervisory Committee, the financial report, the financial budget report and the investment plan of the Company and the appointments of Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun as non-executive Directors of the Company.

In July 2016, the Company held the 2016 half-year work conference to analyze the current situation and tasks and set work arrangement for the second half year so as to ensure accomplishment of its annual tasks and objectives.

In August 2016, the twenty-second meeting of the second session of the Board of the Company was held.

In August 2016, the Company's 2016 interim results briefing was held successfully in Hong Kong.

In September 2016, the Company successfully issued the second tranche of ultra-short-term debentures with an aggregate amount of RMB2 billion.

In September 2016, the Company completed the non-public issue of five-year green corporate bonds with a size of RMB1 billion; and the public issue of the first tranche of five-year green corporate bonds with a size of RMB500 million.

In October 2016, the Company completed the public issue of the second tranche of five-year green corporate bonds with a size of RMB500 million.

In December 2016, the 2016 first extraordinary general meeting of the Company, the first meeting of the third session of the Board and the first meeting of the third session of the Supervisory Committee were held.

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; develop, 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 31 and 15 to the consolidated financial statements respectively.

II. RESULTS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 111 to 112 of this annual report. The financial position of the Group as at 31 December 2016 is set out in the consolidated statement of financial position on pages 113 to 115 of this annual report. The cash flows of the Group for the year ended 31 December 2016 are set out in the consolidated statement of cash flows on pages 118 to 120 of this annual report.

The description of relationship between the Group and employees is set out in Human Resources on pages 102 to 103 of this annual report. The indemnity provisions of the Company are set out in the directors' liability insurance under the Corporate Governance Report on page 72 of this annual report. The aforementioned sections form part of the Report of Directors.

III. BUSINESS REVIEW

In 2016, the Group conscientiously implemented the Electricity Law of the People's Republic of China (《中華人民共和國電力法》), the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》) and thoroughly implemented various measures for quality and efficiency enhancement and innovative development, which resulted in fast increase in installed capacity, significant enhancement of economic benefits, great improvement of main indicators and continuous reinforcement of sustainable development capacity and corporate soft power.

A discussion and analysis of the Group's business review, performance, key factors of its results and financial performance during the year, the risk factors and risk management and the prospect for future development are set out in the Management Discussion and Analysis on pages 10 to 27 of this annual report.

IV SOCIAL RESPONSIBILITIES

In 2016, the Group has complied with the Electricity Law of the People's Republic of China (《中華人民共和國電力法》), the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》), and the "Thirteenth Five-year" Plan for Power Development (《電力發展"十三五"規劃》), the Measures for Administration of Access and Exit of Electricity Sales Company (《售電公司准入與退出管理辦法》) and the Measures for Administration of Orderly Release of Power Distribution Network Business (《有序放開配電網業務管理辦法》) issued by the NDRC and National Energy Administration, the Notice on Benchmark Feed-in Tariff Policy for Grid Connection of Solar Thermal Power Generation (《關於太陽能熱發電標杆上網電價政策的通知》) issued by the NDRC and the Notice of the National Energy Administration on Construction of Demonstration Projects of Solar Thermal Power Generation (《國家能源局關於建設太陽能熱發電示範項目的通知》) issued by the National Energy Administration in 2016. The Group has strictly complied with the relevant laws and regulations.

In 2016, the Group recorded annual electricity generation of 12,297 GWh, leading to an annual saving of 3.8 million tons of standard coal and reduction in carbon dioxide emissions of 9.96 million tons, which demonstrated that we have well performed our corporate mission and social responsibilities of energy conservation and emission reduction. During the course of production of green energy, the Group has made an effort to build a cleaning development mechanism, to promote the ecology environment protection. The Company organized and participated in various programmes and activities for biological protection, and won the respect from the local government and people in the place of business operation. Datang (Chifeng) Renewable Power Co., Ltd. (大唐(赤峰)新能源有限公司), a member of the Group, organised young volunteers to conduct cleanness and maintenance for the public bicycles and buses in the city to create good trip conditions for citizens. Datang Shandong Renewable Power Co., Ltd. carried out the activity themed by "Learning-from-Leifeng", in which a gravel road with a length of approximately 1,200m was built for Liuhejia Village, Yunshan Town, to facilitate villagers' trip. For more details, please refer to the sections headed Management Discussion and Analysis and Human Resources.

V. PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group and of the Company as at 31 December 2016 are set out in Note 12 to the consolidated financial statements.

VI. SHARE CAPITAL

As at 31 December 2016, the total share capital of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each. Details of the changes in share capital of the Company during the year ended 31 December 2016 are set out in Note 25 to the consolidated financial statements.

VII. PRE-EMPTIVE RIGHTS

As at 31 December 2016, there were no provisions for pre-emptive rights under the Articles of Association of the Company or the relevant PRC laws, which require the Company to offer new shares to existing shareholders in proportion to their shareholdings.

VIII. THE ISSUANCE OF DEBENTURES

As at 31 December 2016, in order to broaden the financing channels and reduce the finance costs, the Company issued RMB2 billion of corporate green bonds, of which RMB1 billion was issued by public offering by two installments at interest rates of 3.15% and 3.10%, respectively, and RMB1 billion was issued by non-public offering at an interest rate of 3.50%. The raised funds were all used for construction of wind power projects. As at 31 December 2016, the Company had issued three tranches of ultra-short-term notes with a par value of RMB100. The aggregate amount of each tranche amounted to RMB2 billion. The annual coupon rate and effective interest rate of these notes were in the range of 2.60% to 2.94% and the term varied from 162 days to 240 days. The first tranche of notes amounting to RMB2 billion was fully settled in September 2016 and the remaining RMB4 billion will be settled in 2017.

IX. RESERVES

Changes in reserves of the Group and of the Company during the year are set out in Notes 27 and 37 to the consolidated financial statements.

X. 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 31 December 2016, the distributable reserves of the Company were approximately RMB171.27 million (31 December 2015: RMB-68.6 million) according to the Company's financial statements prepared in accordance with CAS.

XI. DISTRIBUTION PLAN AND POLICY FOR FINAL DIVIDEND

Final Dividend

The Board has proposed to distribute 2016 final dividend to the domestic shareholders and H shareholders (the"**Shareholders**") whose names appear on the register of members of the Company on the record date specified in the notice of 2016 annual general meeting to be published by the Company in due course, with a cash dividend of RMB0.012 (tax inclusive) per share (2015: Nil). The 2016 final dividend to be distributed will be denominated and announced in RMB, of which domestic shareholders will be paid in RMB and H shareholders will be paid in HK dollars. The exchange rate of HK dollars will be calculated in accordance with the average of the median price published by PBOC of the five working days before the day the dividend distribution announcement is made. Such final dividend is expected to be distributed on 17 July 2017. The above profit distribution plan is subject to approval at the 2016 annual general meeting of the Company.

Withholding and Payment of Final Dividend Income Tax on behalf of Overseas Shareholders

Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-Resident Enterprise Shareholders

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules and the requirements under the Notice on the Issues Concerning Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) issued by the State Administration of Taxation (國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes the final dividend to overseas non-resident enterprise holders of H Shares (including any H Shares of the Company registered in the name of Hong Kong Securities Clearing Company Nominees Limited, but excluding any H Shares of the Company registered in the name of Hong Kong Securities Clearing Company Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee shareholder on behalf of investors who invest in the H Shares of the Company through Shanghai-Hong Kong Stock Connect).

Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholder

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementing rules, the Tax Notice (《稅收通知》), the Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws, regulations and requirements under normative documents, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H shareholder.

- For individual H shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the final dividend;

- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the final dividend. If relevant individual H shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax preferential treatments under relevant tax treaties according to the Tax Notice. Qualified Shareholders please submit in time a letter of entrustment and all application materials as required under the Tax Notice to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited. The Company will then submit the above documents to the competent tax authorities and, after their examination and if and when approved, the Company will assist in refunding the excess amount of tax withheld and paid;

- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H shareholders in the distribution of the final dividend; and

- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H shareholders in the distribution of the final dividend.

The Company will withhold payment of the enterprise and individual income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and based on the Company's register of members of H Shares on the record date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding of enterprise income tax. The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

XII. PURCHASE, REPURCHASE OR SALE OF LISTED SECURITIES

As at 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

XIII. MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, the amount of purchase from the five largest suppliers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 30% of that of the Company's total purchase for the year.

For the year ended 31 December 2016, the sales to the five largest customers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 64.88% of the Company's total sales for the year, in which, the sales to the largest customer in aggregate accounted for not more than 26.83% of the total sales of the Company for the year. All of the five largest customers of the Company are subsidiaries of the State Grid Corporation of China.

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 interest in the five largest suppliers or customers of the Company during the year.

The Group maintained stable development relationship with each of the suppliers and customers by keep communication with them via regular or irregular visits, telephone, email or other correspondence methods. The operation of the Group has not relied on any individual suppliers. All customers of the Group were the provincial grid companies where the companies under the Group operated in, and those grid companies were owned or controlled, directly or indirectly, by the government of the PRC, and would not make significant affect to the Group.

XIV. BANK LOANS AND OTHER BORROWINGS

The details of bank loans and other borrowings of the Group as at 31 December 2016 are set out in Note 24 to the consolidated financial statements.

XV. DONATIONS

As at 31 December 2016, the Company had no donations that should be reported.

XVI. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following table sets forth certain information concerning the Directors, supervisors and senior management during the year and as at the Latest Practicable Date.

Name	Position in the Company	Date of appointment
Directors		
Chen Feihu	Chairman of the Board and Non-executive Director	18 April 2017
Zhang Chunlei	Vice Chairman of the Board and Executive Director	6 January 2015
Liu Guangming	Non-executive Director	30 June 2016
Liang Yongpan	Non-executive Director	30 June 2016
Liu Baojun	Non-executive Director	30 June 2016
Jiao Jianqing	Executive Director	18 April 2017
Liu Chaoan	Independent Non-executive Director	1 July 2010
Lo Mun Lam, Raymond	Independent Non-executive Director	20 August 2013
Yu Shunkun	Independent Non-executive Director	27 March 2015
Kou Bing'en	Former Non-executive Director	Resigned as Non-executive Director on 19 May 2016
An Hongguang	Former Non-executive Director	Resigned as Non-executive Director on 19 May 2016
Guo Shuping	Former Non-executive Director	Resigned as Non-executive Director on 8 June 2016
Wang Yeping	Former Chairman of the Board and Non-executive Director	Resigned as Chairman of the Board and Non-executive Director on 18 April 2017
Hu Guodong	Former Executive Director	Resigned as Executive Director on 18 April 2017

Name	Position in the Company	Date of appointment
Supervisors		
He Hua	Supervisor	6 June 2014
Chen Weiqing	Employee Representative Supervisor	17 December 2015
Tong Guofu	Supervisor	10 October 2014
Senior management		
Zhou Kewen	President	18 April 2017
Mi Keyan	Vice president	17 December 2015
Jiao Jianqing	Vice president	20 February 2014
Meng Lingbin	Vice president	1 July 2010
Chen Song	Chief accountant	20 February 2014
Zhao Zonglin	Vice president	9 December 2016
Bai Xuemei	Secretary of discipline inspection committee	14 December 2016
Liu Chundong	Chief engineer	14 December 2016
Zhang Chunlei	Former president	Resigned on 18 April 2017
Chen Yong	Former Board secretary and former joint company secretary	Resigned on 11 January 2017
Jia Hong	Joint company secretary	17 March 2017

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.

XVII. CHANGE OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, 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. Chen Feihu was appointed as chairman of the Board and a non-executive Director of the Company on 18 April 2017.

- Mr. Jiao Jianqing was appointed as an executive Director of the Company on 18 April 2017.

- Mr. Wang Yeping resigned as chairman of the Board and non-executive Director of the Company on 18 April 2017.

- Mr. Hu Guodong resigned as executive Director of the Company on 18 April 2017.

- Mr. Zhang Chunlei resigned as the President of the Company on 18 April 2017.

- Mr. Liu Guangming was appointed as a non-executive Director of the Company on 30 June 2016.

- Mr. Liang Yongpan was appointed as a non-executive Director of the Company on 30 June 2016.

- Mr. Liu Baojun was appointed as a non-executive Director of the Company on 30 June 2016.

- Mr. Kou Bing'en resigned as a non-executive Director of the Company on 19 May 2016.

- Mr. An Hongguang resigned as a non-executive Director of the Company on 19 May 2016.

- Mr. Guo Shuping resigned as a non-executive Director of the Company on 8 June 2016.

XVIII. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, supervisors and senior management are set out on pages 90 to 101 of this annual report.

XIX. 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, and 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.

XX. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors, supervisors and senior management are set out in Note 11 to the consolidated financial statements.

XXI. INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

As at 31 December 2016, no contract of significance to which the Company was involved in its establishment either directly or indirectly, in which a Director or supervisor had material interests, and with which the Company's business is connected, subsisted during the year or at the end of the year.

XXII. INSURANCE OF DIRECTORS

The Company did not purchase insurance for directors from 1 January 2016 to the date of this annual report.

XXIII. SIGNIFICANT SUBSEQUENT EVENT

There was no any significant subsequent event occurred from 1 January 2017 to the date of this annual report.

XXIV. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at 31 December 2016, save as disclosed below, none of the Directors or their associates had any competing interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Company:

Name of Director	Position in the Company	Other Interests
Mr. Wang Yeping	Chairman of the Board and non-executive Director	Vice Chairman and General Manager of Datang Corporation
Mr. Liu Guangming	Non-executive Director	Director of Capital Operation and Property Management Department of Datang Corporation/Director of Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司), Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) and Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司)
Mr. Liang Yongpan	Non-executive Director	Director of Operation Safety Department of Datang Corporation
Mr. Liu Baojun	Non-executive Director	Vice General Manager of Datang Jilin

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

As at 31 December 2016, none of the Directors, supervisors or senior management of the Company had any interest or short position 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 10 of the Listing Rules.

XXVI. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2016, to the best of the Directors' knowledge, having made all reasonable enquiry, the following persons (other than the Directors, senior management or supervisors) 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%
National Council for Social Security Fund	H shares	Beneficial owner	214,261,000 (Long position)	8.57%	2.95%

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 in total.

XXVII. MANAGEMENT CONTRACTS

As at and during the year ended 31 December 2016, 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.

XXVIII. CONNECTED TRANSACTIONS

Details of connected transactions of the Group during 2016 are as follows:

(I) Non-exempt one-off connected transaction

The Group did not enter into any non-exempt one-off connected transaction during the year.

(II) 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 categories 1 and 2 as stated below, their respective annual caps for 2016–2018 were approved at the 2015 second extraordinary general meeting of the Company held on 18 December 2015. In terms of the non-exempt continuing connected transactions of category 3 as stated below, their respective annual caps for 2016–2018 were approved at the 2012 first extraordinary general meeting held on 27 December 2012. In terms of the non-exempt continuing connected transactions of categories 4 and 5 as stated below, their respective annual caps for 2016–2017 were approved at the 2014 annual general meeting held on 30 June 2015. In terms of the non-exempt continuing connected transactions of category 6 as stated below, their respective annual caps for 2016–2017 were approved at the 2015 first extraordinary general meeting held on 27 March 2015. In terms of the non-exempt continuing connected transactions of category 7 as stated below, their respective annual caps for 2016–2017 were approved at the 2015 second extraordinary general meeting held on 18 December 2015.

The table below set out the annual caps and the actual transaction amount of such connected transactions for 2016:

Connected Transactions	Connected Person	Annual Cap for 2016	Actual Transaction Amount for 2016
1. Provision of products and services by the Group	Datang Corporation	RMB60 million	RMB6.21 million
2. Provision of products and services to the Group	Datang Corporation	RMB3,600 million	RMB3,328.56 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: USD13.60 million Interest payable: USD1.10 million	The balance of the principal of the loan: USD13.52 million Interest paid: USD0.86 million
4. Provision of financial services to the Group – Cash depository service	Datang Finance	Highest daily balance of cash deposit held during 2016: RMB1 billion	Daily balance of cash deposit held during 2016: Less than RMB1 billion
5. Provision of financial services to the Group – Financial leasing service	Datang Financial Leasing	Annual cap of financial leasing amount of the Group from Datang Financial Leasing: RMB3.5 billion Annual cap of financial leasing amount of Datang Financial Leasing from the Group: RMB200 million	The actual amount of the Group from Datang Financial Leasing: Nil The actual amount of Datang Financial Leasing from the Group: Nil
6. Provision of operation and management services to the Group	Datang Jilin	RMB5 million	Nil

Connected Transactions		Connected Person	Annual Cap for 2016	Actual Transaction Amount for 2016
7.	Provision of financial leasing service to the Group	Shanghai Leasing Company	Annual cap of equipment sold to Shanghai Leasing Company by the Group: RMB1 billion	The actual amount of equipment sold to Shanghai Leasing Company by the Group: Nil
			Annual cap of equipment sold to the Group by Shanghai Leasing Company: RMB100 million	The actual amount of equipment sold to the Group by Shanghai Leasing Company: Nil

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

As the master agreement on mutual supply of raw materials, products and services entered into between the Group and Datang Corporation on 6 November 2012 have expired on 31 December 2015, the Company renewed the Datang master agreement on 12 October 2015 (the "New Master Agreement") in relation to provision of products and services to Datang Corporation by the Group for a term of three years from 1 January 2016. Pursuant to the agreement, the Group provides, among others, spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and CDM-related services to Datang Corporation.

Principal terms of the agreement are set out as follows:

- the goods to be mutually supplied by each party include: spare parts, accessories, equipment, water, power, gas, heat, raw materials, fuels and minerals, etc.;
- the services to be mutually supplied by each party include: design consulting services, maintenance services, technical consulting services, construction services, operation management services, CDM consulting services, bidding agency services, logistics services, communication services, property services and other related or similar services;

- if the terms and conditions of similar products and services offered by an independent third party are no better than those offered by one party, the other party shall give priority in sourcing the requisite products and services from such 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 pricing of the agreed products will be determined based on the following mechanism: (1) government authorities (such as the National Development and Reform Commission) may from time to time publish prescribed prices or guidance prices on the agreed products, where such prescribed price or guidance price is available, such price will be adopted for the agreed products; (2) where a government-prescribed price or guidance price is not available, a market price as determined through a bidding process will be adopted. The bidding process will adhere to the relevant laws and regulations including the *Bidding Law of the People's Republic of China*; and (3) where a bidding process is impractical, the price will be determined through arm's length negotiation process between the relevant parties, in such case, the Company would make reference to the historical prices and price trends of the relevant products and ensure that such price would be fair and reasonable to the Company based on the principle of cost plus a reasonable profit. A profit is considered to be reasonable if it would fall within the budget of the Company and allow the Company to meet its profit targets;

- the pricing of the agreed services will be determined based on the following pricing mechanism: (1) prices will be determined through a bidding process. The bidding process will adhere to the relevant laws and regulations including the *Bidding Law of the People's Republic of China*; and (2) where a bidding process is impractical, the price will be determined through arm's length negotiation process between the relevant parties, in such case, the Company would make reference to the historical prices and price trends of the relevant services and ensure that such price would be fair and reasonable to the Company based on the principle of cost plus a reasonable profit. A profit is considered to be reasonable if it would fall within the budget of the Company and allow the Company to meet its profit targets; and

- the agreement is for a term of three years commencing on 1 January 2016 and ending on 31 December 2018. 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 2016 was RMB60 million and the actual transaction amount was RMB6.21 million.

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

As the master agreement on mutual supply of raw materials, products and services entered into between the Group and Datang Corporation on 6 November 2012 have expired on 31 December 2015, the Company renewed the Datang master agreement with Datang Corporation on 12 October 2015 in relation to provision of products and services to the Group by Datang Corporation for a term of three years commencing on 1 January 2016. 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 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 2016 was RMB3,600 million and the actual transaction amount was RMB3,328.56 million.

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

3.1 Datang (Chifeng) Renewable Power Co., Limited (大唐（赤峰）新能源有限公司) entered into a loan agreement (as amended by the supplemental agreement dated 6 November 2012) with KEPCO International Hong Kong Ltd. ("KEPCO Hong Kong") on 22 November 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 Datang (Chifeng) Renewable Power Co., Limited. The loan was for a term of three years and was expired on 21 November 2013.

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

Principal terms of the agreement are set out as follows:

- KEPCO Hong Kong granted to Datang (Chifeng) Renewable Power Co., Limited a loan facility to finance the construction and development of wind farms. As at 6 November 2012, the outstanding principal of the loan facility was 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;

- the principal of the loan facility is repayable in 12 equal instalments every six months commencing in 2013 and ending in 2018;
- the term for the loan facility is from 6 November 2012 to 18 September 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 PBOC on each interest determination date;
- Datang (Chifeng) Renewable Power Co., Limited 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 Datang (Chifeng) Renewable Power Co., Limited.

KEPCO Hong Kong is an associate of Neimenggu KEPCO International Limited (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 Co., 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 2016 was USD13.60 million. The annual cap of accrued interests was USD1.10 million. The actual closing balance of the principal as at the end of the year was USD13.52 million and the actual interests paid for the year was USD0.86 million.

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

The financial services agreement entered into by and between the Company and Datang Finance on 20 January 2014 expired on 31 December 2014. A new financial services agreement (the "New Financial Services Agreement") was signed on 27 March 2015, pursuant to which Datang Finance would provide financial services for the Group. The term for the agreement is from the date of agreement to 31 December 2017. 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, and provide the Company with underwriting services, guarantee trust services and insurance agent services concerning the issuance of bonds.

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 New Financial Services Agreement, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for the years ending 31 December 2015, 2016 and 2017, respectively.

- In respect of the provision of the deposit services under the New Financial Services Agreement, the amount of the highest daily deposit balance (including any interest accrued thereon) for the Group's deposits with Datang Finance shall be RMB1 billion for the years ended 31 December 2015, 2016 and 2017, respectively.

- The term of the New Financial Services Agreement shall commence from 27 March 2015 and end on 31 December 2017.

Datang Finance has undertaken to provide the aforementioned financial services to the Group based on the following pricing principles: (1) the benchmark deposit interest rates prescribed for same type of deposits of the same period and announced by the PBOC; and (2) deposit interest rates with same type of deposits of the same period provided by main independent commercial banks to the Group.

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

During the reporting period, the annual cap of the daily deposit balance of deposit service of this continuing connected transaction for 2016 was RMB1 billion and the actual maximum amount of daily deposit balance was less than RMB1 billion.

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

As the finance lease framework agreement entered into between the Company and Datang Financial Leasing on 9 May 2013 (on 27 March 2014, the Company and Datang Financial Leasing entered into a supplementary agreement, renewing the annual cap regarding the financial leasing services provided by Datang Financial Leasing to the Group in 2014) expired on 31 December 2014, the Company signed a finance lease framework agreement (the "New Finance Lease Framework Agreement") with Datang Financial Leasing on 27 March 2015 in relation to the provision of financial leasing services to the Group by Datang Financial Leasing for a term commencing from the date of entering into the agreement and ending on 31 December 2017. With respect to each finance lease, the relevant lessor and lessee will enter into separate written contract(s) subject to the provisions of the New Finance Lease Framework Agreement.

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

- the term for New Finance Lease Framework Agreement is from the date of agreement to 31 December 2017;

- the lease methods include 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 lease period for each finance lease will be determined by the following factors, including but not limited to, the useful life of the relevant leasing equipment, the financial needs of the lessee and the funding availability of the lessor, which in general should not exceed the useful life of such leasing equipment;

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

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

- the legal title and all rights of the leasing equipment shall vest in the lessor throughout the lease period; and

- subject to the lessee having performed all its obligations under, and upon the expiry of the lease period of the separate written contract(s) under the agreement, the lessee shall have an option to purchase the relevant leasing equipment at a nominal price.

Datang Corporation is a controlling shareholder of the Company, which together with its subsidiaries holds approximately 65.61% of the issued share capital of the Company. Datang Finance Lease is a subsidiary of Datang Corporation. Accordingly, Datang Finance Lease is a connected person of the Company.

In determining the annual caps, the Company has considered, among other things: (1) historical amount for the year ended 31 December 2014; (2) current conditions in financing market (including interest level and the level of similar services provided by independent third parties) and the possibility of future adjustment on the three-year term annual loan interests denominated in RMB by PBOC; (3) historical cash flow, constantly increasing financing needs and future development prospects of the Group for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014; (4) the useful lives of leasing assets; (5) further improvement of the business relationship between the Group and Datang Finance Lease as well as the constantly increasing financing needs of the Group; and (6) the natures and amounts of the assets of finance lease of the Group.

Within the reporting period, in regards to the continuing connected transaction, the annual cap of financial leasing of the Group from Datang Financial Leasing was RMB3.5 billion in 2016, and the annual cap of financial leasing amount of Datang Financial Leasing from the Group was RMB200 million in 2016. However, the actual transaction amount regarding the financial leasing of the Group from Datang Financial Leasing was RMB0.00 and that of Datang Financial Leasing from the Group was RMB0.00.

6. *Provision of operation and management services by Datang Jilin to the Group*

The Company and Datang Jilin entered into the operation and management service agreement (the "Operation and Management Service Agreement") on 4 December 2014. According to the agreement, Datang Jilin provides the operation and management services regarding: (1) operation and assessment management services for early-stage matters, investment and stock assets of the project companies; (2) management services for human resources, financial management and assets management of the project companies; (3) management services for material affairs of the project companies; (4) services for safety production of the project companies; and (5) other operation and management services (if applicable) as authorized by the board of the project companies.

Principal terms of the agreement are set out as follows:

- the term of the Operation and Management Service Agreement shall commence from the date on which the approval is obtained from independent shareholders and to 31 December 2017;

- in terms of the service fee (1) where, for each year during 2015–2017, all annual total net profits of the project companies (excluding the factor of an increase in profits caused by a decrease in finance costs of the project companies) exceed the average total net profits of all project companies for the preceding three years (i.e. 2012–2014), Datang Jilin shall be entitled to 10% of the above-said excess part as the service fee for the provision of operation and management services for such year but such service fee shall not exceed RMB5 million; or (2) where, for each year during 2015–2017, annual total net profits of all project companies (excluding the factor of an increase in profits caused by a decrease in finance costs of the project companies) do not reach the average net profits for the three years preceding (i.e. 2012–2014), Datang Jilin shall be entitled to a service fee for the provision of operation and management services of RMB500,000 for such year provided that Datang Jilin has made its best efforts to perform the obligations under the agreement and fulfill all terms thereunder;

- the Company's rights and obligations are given as follows: (1) To be provided with relevant services under the agreement. (2) To be entitled to dispose of its equity interests and assets in the project companies. (3) To be entitled to supervise the operation and management of Datang Jilin through the board of the project companies. If Datang Jilin conducts any activity that may affect the image or operation of the Company, or may infringe the legal rights and interests of the Company, the Company shall have the right to prohibit such activity and terminate the provision of operation and management services provided by Datang Jilin. (4) To perform each of the obligations under the agreement in accordance with the agreement. (5) To respect, support and assist Datang Jilin in conducting the normal operation and management services as stated in the agreement. (6) (as a professional company) To fully make use of its advantages and provide management services for the safety production of Datang Jilin. (7) To accommodate Datang Jilin in developing the early-stage work for the wind power project in Jilin area. (8) (as the commissioning party for management services) To take an important role in supporting professional technology management, which mainly includes improvement and measures on technology, management on fixed amount for checking and repairing, etc.. (9) To draft, negotiate and sign the newly created Articles of Association of the Company and to approve relevant agreements. (10) To be responsible for the management of the general meeting, board of directors and supervisory board ("three meetings") of the project companies and the standardization of the operation of the "three meetings" of the project companies at its sole discretion in order to coordinate the relationship between shareholders. (11) To supervise the connected transactions, external guarantees, entrusted loans, substantial external investments of the project companies;

- the rights and obligations of Datang Jilin are given as follows: (1) To collect the service fee for the provision of operation and management as stipulated in the agreement. (2) To coordinate relevant local governmental authorities and relevant enterprises, such as power grid companies. (3) Except for the operation and management services as stipulated in the agreement, Datang Jilin shall not participate in any wind power-related investment activity within Jilin area. If Datang Jilin has the opportunity to engage in any new wind power related business within Jilin area, it shall refer such new business opportunity to the Company. (4) To be responsible for the engineering construction of the project companies. (5) To implement the annual early-stage plan on the wind power project of the project companies and the service fee plan thereof. (6) To be responsible for the daily operation and management of the project companies, implement the production and operation plan phase by phase, investment plan for large-to-medium scale infrastructure, financial budget and plans on technology improvement, checking and repairing, maintenance, small-scale infrastructure and the implementation of informationalized construction. To bear the liability arised from safety and environmental accidents. (7) To be fully responsible for the planning and management of the operation of the project companies and responsible for the planning and management of the wind power capacity of the project companies and to secure wind power generation plans from regional power grid companies. (8) To be fully responsible for the human resources management, such as key personnel management, departments setting, allocation of human resources, labor disputes and remuneration and social insurance of the project companies. All key personnel, employees and retired employees of the project companies shall be managed by Datang Jilin. Datang Jilin shall be responsible for the reasonable allocation of human resources of the project companies in the area. (9) To be fully responsible for the financial management, preparation and implementation of financial budget and financial accounts of the project companies. To supervise and procure the project companies to submit financial statements to the Company on a monthly basis within the designated timeframe. (10) To be responsible for the safety production management of the project companies and bear the liability on safety and environmental issues for the project companies in accordance with relevant requirements on safety production management and environment protection supervision as required by the state and group companies. (11) (as to matters such as connected transactions, external guarantees, entrusted loans and substantial external investments) To be responsible for formulating proposals according to the articles of association of the project companies, the regulatory laws and regulations for listing and relevant regulations of the Company, and reporting to the Company for relevant decision-making procedures, which shall be executed upon approval. (12) Any litigation and arbitration against the project companies arising from various disputes shall be reported to Datang Jilin immediately according to the relevant rules of Datang Jilin and relevant works of such litigation and arbitration shall be handled and undertaken according to the rules of Datang Jilin, and the progress shall be reported to the Company simultaneously. Any losses incurred due to the negligence of Datang Jilin shall be borne by Datang Jilin; and

- if either party violates any term of the agreement (hereinafter the "Defaulting Party"), the other party (hereinafter the "Observant Party") can notify it in written form about the breach, and require the Defaulting Party to remedy the breach within a reasonable term. If the Defaulting Party fails to make any remedy for the breach within the above term, the observant party shall be entitled to terminate the agreement immediately.

The annual caps are determined after arm's length negotiations between the Company and Datang Jilin with reference to the average total net profits of the project companies for the past three years (i.e. 2012 to 2014).

Datang Jilin is a wholly-owned subsidiary of Datang Corporation. As Datang Corporation is a controlling shareholder of the Company, Datang Jilin, being the second largest shareholder of the Company, as well as a subsidiary of Datang Corporation, is a connected person to the Company.

Within the reporting period, the annual cap of the continuing connected transaction, for 2016 was RMB5 million, and the actual transaction amount was RMB0.00.

7. *Provision of finance leasing services by Shanghai Leasing Company to the Group*

On 12 October 2015, the Company entered into the finance lease framework agreement ("Finance Lease Framework Agreement") with Shanghai Leasing Company for a term from 1 January 2016 to 31 December 2017. Pursuant to this agreement, Shanghai Leasing Company will provide lease or sale and lease-back of turbines to the Company.

The major terms and conditions of the Finance Lease Framework Agreement are set out below:

- term of the Finance Lease Framework Agreement is from 1 January 2016 to 31 December 2017;

- the lease methods include (1) sale and lease-back 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 (2) direct finance lease arrangement involving leasing of leasing equipment newly acquired by the lessor as per the specifications and requirements of the lessee;

- the lease period for each finance lease will be determined by taking into account, inter alia, the useful life of the relevant leasing equipment, the financial needs of the lessee and the funding availability of the lessor, which in general shall not exceed the useful life of such leasing equipment;

- the lease payments charged by the lessor will include the purchase price (in the case of direct leasing) or the value of the leasing equipment (in the case of sale and lease-back) and the interest thereon charged on terms no less favourable to the lessee than those offered by independent third parties and at a rate which shall be 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 others, 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 by the lessor on terms no less favourable to the lessee than those offered by independent third parties to 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 these kinds of services from time to time, and will be set out in the relevant written contract(s);

- the legal ownership and all rights of the leasing equipment will be held by the lessor throughout the lease period; and

- in respect of the sale and lease back arrangement, 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 Finance Lease Framework Agreement, the Lessee shall have an option to purchase the relevant Leasing Equipment at a nominal price.

Datang Finance Leasing, Datang Corporation, China Datang Overseas (Hong Kong) Co., Ltd. and China Datang Group Capital Controlling Co., Ltd. respectively hold 35%, 30%, 25% and 10% of interests in Shanghai Leasing Company. Since Datang Corporation directly and indirectly holds approximately 65.61% of total issued share capital of the Company and Shanghai Leasing Company is a subsidiary indirectly-owned by Datang Corporation, Shanghai Leasing Company is a connected person of the Company.

In determining the annual caps, the Company has considered, among other things: (1) current conditions in financing market (including interest level and the level of similar services provided by independent third parties) and the possibility of future adjustment on the annual loan interests denominated in RMB by PBOC; (2) historical cash flow for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014; (3) constantly increasing financing needs and future development prospects of the Group; (4) the useful life of leasing equipment; (5) further improvement of the business relationship between the Group and Shanghai Leasing Company as well as the constantly increasing financing needs of the Group; and (6) the nature and value of the leasing equipment.

During the reporting period, with regard to such continuing connected transaction, annual cap of equipment sold to Shanghai Leasing Company by the Group for 2016 was RMB1 billion; annual cap of equipment sold to the Group by Shanghai Leasing Company for 2016 was RMB100 million. In 2016, the actual transaction amount of equipment sold to Shanghai Leasing Company by the Group was RMB0.00; the actual transaction amount of equipment sold to the Group by Shanghai Leasing Company was RMB0.00.

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

(1) generated from the ordinary business operation, and would facilitate the normal development of the business and bring about certain benefit for the Company;

(2) in accordance with normal commercial terms, being fair and reasonable; and

(3) in the interests of the Company and its shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditors of the Company to go through certain fact-finding procedures 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 auditors have reported their conclusion to the Board, stating that:

(1) Nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board.

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

(3) Nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

(4) With respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have exceeded the maximum annual caps of each of the above disclosed continuing connected transactions set by the Company.

Please refer to Note 28 to the consolidated financial statements prepared in accordance with the International Financial Reporting Standards for details of the significant related party transactions entered into by the Group during the reporting period. The connected transactions and continuing connected transactions pursuant to the requirements of Listing Rules are set out in this section. Save as the above mentioned connected transactions disclosed in the report, none of the related party transactions as disclosed in note 28 to the consolidated financial statements constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules which were required to comply with the disclosure requirements under Chapter 14A of the Listing Rules.

XXIX. COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company entered into the Non-Competition Agreement with Datang Corporation on 30 July 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 wind, solar and biomass power business of the Company. Datang Corporation has also granted the Company an option and pre-emptive right to acquire certain interests retained by Datang Corporation following the reorganization and certain future businesses.

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

XXX. RETIREMENT AND EMPLOYEES BENEFIT SCHEME

Details of the Company's retirement and employees benefit scheme are set out in Note 6 to the consolidated financial statements.

XXXI. 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 63 to 85 of this annual report for details.

XXXII. 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.

XXXIII. MATERIAL LITIGATION

As at 31 December 2016, 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.

XXXIV. AUDIT COMMITTEE

The Company's 2016 annual results and the financial statements for the year ended 31 December 2016 prepared in accordance with the International Financial Reporting Standards have been reviewed by the audit committee of the Board.

XXXV. AUDITORS

According to the relevant regulations issued by the Ministry of Finance and the State-owned Assets Supervision and Administration Commission of the State Council, there are restrictions in respect of the years of services of the auditors which continuously undertake financial auditing work in respect of a state-owned enterprise and its subsidiaries. Due to the aforesaid requirements, the Company already ceased to reappoint PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the auditors with respect to 2015 annual report of the Company. PricewaterhouseCoopers confirmed that there were no matters in respect of their retirement that needed to be brought to the attention of the shareholders. The Board confirmed that, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers (both are retired domestic and overseas auditors) had no disagreement with the Company and there was no matter relating to their retirement that needed to be brought to the attention of the shareholders.

On 30 June 2016, Ernst & Young Hua Ming LLP and Ernst & Young were appointed as the domestic and overseas auditors for 2016 of the Company at the annual general meeting of 2015 of the Company, with a term until the forthcoming annual general meeting.

Ernst & Young and Ernst & Young Hua Ming LLP were appointed as auditors to audit the financial statements for the year ended 31 December 2016 prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprise, respectively.

XXXVI. 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 8 to 9 of this annual report.

XXXVII. CHANGES IN ACCOUNTING POLICIES

Details of the changes in accounting policies are set out in Note 2.2 to the consolidated financial statements.

XXXVIII. 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.

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 comprised of a number of independently operated bodies including the general meeting, the Board, the supervisory committee and the senior management in order to provide an effective check and balance. The Company has also adopted the Code as its own corporate governance practices. As of 31 December 2016, 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 or her duties. 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.

For the year ended 31 December 2016, save as disclosed above, the Company has been in strict compliance with the principles and code provisions contained in the Code, 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 interests of the Company and its shareholders. It reports the work and is held accountable to the general meeting, and implements the resolutions thereof.

(1) Composition of the Board

As at 31 December 2016, 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 the essential elements in supporting the attainment of its strategic objectives and its sustainable development, therefore, the Company formulated Board Diversity Policy in August 2014 which ensures that when 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 terms, and finally make decisions based on the value of candidates and contributions they can bring to the Board. All proposals brought 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 in 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 approval.

The biographical details of the Directors as of the Latest Practicable Date are set out on pages 90 to 101 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.

In 2016, 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.

The qualifications of the Company's three independent non-executive Directors are in full compliance with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. In addition, the Company has received annual confirmations dispatched by each independent non-executive Director in accordance with Rule 3.13 of the Listing Rules as to their respective independence. Therefore, the Company is of the view that each independent non-executive Director is independent as provided in the Listing Rules.

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

Name	Date of birth	Position	Date of appointment
Chen Feihu	1962.07	Chairman of the Board and non-executive Director	18 April 2017
Zhang Chunlei	1962.01	Executive Director	6 January 2015
		Vice chairman of the Board	4 March 2015
Liu Guangming	1971.12	Non-executive Director	30 June 2016
Liang Yongpan	1966.03	Non-executive Director	30 June 2016
Liu Baojun	1961.04	Non-executive Director	30 June 2016
Jiao Jianqing	1963.05	Executive Director	18 April 2017
Liu Chaoan	1956.03	Independent non-executive Director	1 July 2010
Lo Mun Lam, Raymond	1953.09	Independent non-executive Director	20 August 2014
Yu Shunkun	1963.05	Independent non-executive Director	27 March 2015

(2) Board meetings

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

Notices of regular Board meetings shall be dispatched at least 14 days in advance including 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 or her 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 reference by Directors.

In 2016, the Board held six meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Attendance/ number of meetings held	Attendance rate
Wang Yeping (Note 1)	Former chairman of the Board and non-executive Director	6/6	100%
Zhang Chunlei	Vice chairman of the Board, executive Director and former president	6/6	100%
Liu Guangming (Note 2)	Non-executive Director	3/3	100%
Liang Yongpan (Note 3)	Non-executive Director	3/3	100%
Liu Baojun (Note 4)	Non-executive Director	3/3	100%
Hu Guodong (Note 5)	Former executive Director and vise president	6/6	100%
Liu Chaoan	Independent non-executive Director	6/6	100%
Lo Mun Lam, Raymond	Independent non-executive Director	6/6	100%
Yu Shunkun	Independent non-executive Director	6/6	100%
Kou Bing'en (Note 6)	Former non-executive Director	3/3	100%
An Hongguang (Note 7)	Former non-executive Director	3/3	100%
Guo Shuping (Note 8)	Former non-executive Director	3/3	100%

Note:

1 Mr. Wang Yeping resigned as chairman of the Board and non-executive Director of the Company on 18 April 2017.

2. Mr. Liu Guangming was appointed as a non-executive Director of the Company on 30 June 2016. For the year ended 31 December 2016, three Board meetings were held since his appointment.

3. Mr. Liang Yongpan was appointed as a non-executive Director of the Company on 30 June 2016. For the year ended 31 December 2016, three Board meetings were held since his appointment.

4. Mr. Liu Baojun was appointed as a non-executive Director of the Company on 30 June 2016. For the year ended 31 December 2016, three Board meetings were held since his appointment.

5. Mr. Hu Guodong resigned as executive Director of the Company on 18 April 2017.

6. Mr. Kou Bing'en resigned as a non-executive Director of the Company on 19 May 2016. As of 30 June 2016, three Board meetings were held before his resignation.

7. Mr. An Hongguang resigned as a non-executive Director of the Company on 19 May 2016. As of 30 June 2016, three Board meetings were held before his resignation.

8. Mr. Guo Shuping resigned as a non-executive Director of the Company on 8 June 2016. As of 30 June 2016, three Board meetings were held before his resignation.

In particular, Mr. Wang Yeping, former 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 2016 and August 2016, respectively.

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

The powers and responsibilities of the Board and the management have been specified in the Articles of Association, providing a sufficient restrainted and balanced mechanism for corporate governance and internal control. The Board is responsible for corporate governance. The Company has formulated its corporate governance policy pursuant to the requirements of Appendix 14 to the Listing Rules. As of 31 December 2016, 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 2016, 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 the Company's day-to-day operation and management .

(4) *Chairman and president*

The positions of the chairman and the president (i.e., chief executive officer under the terms of the Listing Rules) of the Group are held by different persons in order to ensure independence and accountability of their respective functions and balanced distribution of power and authority between them. Mr. Wang Yeping and Mr. Zhang Chunlei served as the chairman and the president respectively, whose powers and responsibilities were clearly divided.

In 2016, the chairman, 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 of its shareholders. In 2016, the president Mr. Zhang Chunlei was mainly in charge of the Company's day-to-day operation and 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 meeting 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 firstly discussed by the Nomination Committee which then submits its recommendation to the Board, and is subject to approval via the election in shareholders' general meetings.

The Company has entered into service contracts with all of its Directors (including non-executive Directors) for a term commencing from the date of appointment 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.

(6) *Remuneration of Directors*

Remuneration of Directors is determined by the Board based on criteria such as working experience, working performance, positions and market conditions, taking into account of their educational background and working experience and the recommendation of the remuneration and assessment committee (the "Remuneration and Assessment Committee"), and is subject to the approval by the 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 2016, they were 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 development conditions in the Listing Rules and other applicable regulatory regulations from time to time, to make sure that they were able to keep making contributions 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 or she will have a deeper understanding of the Group's businesses, strategies, major risks and problems and future development plan.

For the year ended 31 December 2016, the Company carried out various trainings for the Directors and management of the Company on the following topics:

1. Internal business consultation; and

2. the Code and relevant amendments to the Listing Rules.

In 2016, all Directors attended the continuous professional development programmes, developed and refreshed their knowledge and skills to ensure that they could continue contributing to the Board with complete information and as needed.

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

Name	Position	Training topics
Chen Feihu	Chairman of the Board and non-executive Director	Business management and corporate governance
Zhang Chunlei	Vice chairman of the Board, executive Director and former president	Business management and corporate governance
Liu Guangming	Non-executive Director	Business management and corporate governance
Liang Yongpan	Non-executive Director	Business management and corporate governance
Liu Baojun	Non-executive Director	Business management and corporate governance
Jiao Jianqing	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	Independent non-executive Director	Business management and corporate governance
Wang Yeping	Former chairman of the Board and non-executive Director	Business management and corporate governance
Hu Guodong	Former executive Director	Business management and corporate governance

(B) Training for joint company secretaries

The Company appointed Mr. Chen Yong as a joint company secretary of the Company on 10 June 2014, and Mr. Chen Yong resigned on 11 January 2017. Mr. Jia Hong was appointed as a joint company secretary on 17 March 2017. In compliance with Rule 3.29 of the Listing Rules, Mr. Chen Yong, the joint company secretary of the Company, undertook relevant profession trainings of not less than 15 hours during the year ended 31 December 2016.

The Company appointed Ms. Kwong Yin Ping Yvonne (the vice president of SW Corporate Services Group Limited) as one of its joint company secretaries on 12 July 2015. In compliance with Rule 3.29 of the Listing Rules, Ms. Kwong, the joint company secretary, undertook no less than 15 hours of relevant profession training during the year ended 31 December 2016. Her primary contact person in the Company is Mr. Chen Yong, a joint company secretary of the Company.

(8) *Directors' liability insurance*

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. As of 31 December 2016, 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 or her duties. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Director shall take responsibility. Therefore, the Company confirmed that no liability insurance was arranged for Directors.

2. Four Professional Committees under the Board

There are four professional committees under the Board, including the audit committee (the "Audit Committee"), Nomination Committee, Remuneration and Assessment Committee and strategic committee (the "Strategic Committee").

(1) *Audit Committee*

As of 31 December 2016, the Audit Committee of the Company consists of three Directors, i.e. Mr. Lo Mun Lam, Raymond (independent non-executive Director), Mr. Liu Baojun (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 as of 31 December 2016.

The primary responsibilities of the Audit Committee are to monitor the Company's financial reporting system, risk management and internal control systems, and to review and assess the matters, which include, among other things:

- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget and expenditure of the Company's accounting, internal audit and financial reporting functions;

- assessing whether there exists significant control mistakes or weakness in the Company's internal control; reviewing and monitoring the scope, effectiveness and results of internal audit and risk management functions to ensure that the internal audit function is independent, that the internal and external auditors are well coordinated, and that the internal audit function has sufficient resources and is well-positioned within the Group;

- assessing the changes, since the last annual review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;

- discussing with the management about the risk management and internal control systems to ensure the management's fulfillment of duties in establishing such systems. The content to be discussed shall include: the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

- considering major investigation findings on risk management and internal control matters and management's response to these findings as delegated by the Board or on its own initiative; and

- establishing procedures for the treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, potential violations of law and suspicious 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 seventh meeting of the second session of the Audit Committee of the Board was held in March 2016, for the main purpose of considering and approving the 2015 annual results announcement and annual report of the Company, the 2015 financial report of the Company, the profit distribution plan of the Company for 2015, and the 2015 report on internal control of the Company.

- The eighth meeting of the second session of the Audit Committee of the Board was held in August 2016, for the main purpose of considering and approving the 2016 interim results announcement and interim report of the Company, and the proposal in relation to change in member of the Audit Committee.

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)	1/1
Yu Shunkun	2/2
Liu Baojun (Note 2)	1/1

Notes:

1 Mr. Guo Shuping resigned as a non-executive Director of the Company on 8 June 2016. As of 30 June 2016, the Audit Committee held one meeting before his resignation.

2 Mr. Liu Baojun was appointed as a non-executive Director and a member of the Audit Committee of the Company on 30 June 2016. The Audit Committee held one meeting for the year ended 31 December 2016 after his appointment.

(2) Nomination Committee

As of 31 December 2016, the Nomination Committee of the Company consists of three Directors, i.e. Mr. Liang Yongpan (non-executive Director), Mr. Liu Chaoan (independent non-executive Director) and Mr. Lo Mun Lam, Raymond (independent non-executive Director) with Mr. Liu Chaoan serving as the chairman of the Nomination Committee.

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

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

- The fifth meeting of the second session of the Nomination Committee of the Board was held in March 2016, 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 sixth meeting of the second session of the Nomination Committee of the Board was held in June 2016, for the main purpose of reviewing the proposal in relation to change in member of the Nomination Committee.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Kou Bing'en (Note 1)	1/1
Liu Chaoan *(Chairman of the committee)*	2/2
Lo Mun Lam, Raymond	2/2
Liang Yongpan (Note 2)	1/1

Notes:

1. Mr. Kou Bing'en resigned as a non-executive Director and the member of the Nomination Committee of the Company on 19 May 2016. The Nomination Committee held one meeting as of 30 June 2016 before his resignation.

2. Mr. Liang Yongpan was appointed as a non-executive Director and the member of the Nomination Committee of the Company on 30 June 2016. The Nomination Committee held one meeting for the year ended 31 December 2016 after his appointment.

(3) Remuneration and Assessment Committee

As of 31 December 2016, 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 formulate the remuneration schemes for the Directors and senior management and make recommendations to the Board in respect thereof, including, among other things:

- drawing up the overall remuneration package for the Directors and senior management, evaluating the performance of the senior management and approving the remuneration to be paid to the senior management;

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

- reviewing the remuneration 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 third meeting of the second session of the Remuneration and Assessment Committee of the Board of Directors was held in March 2016, at which the proposal of assessment and incentive for the work of operation management team in 2015 was considered.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Zhang Chunlei	1/1
Liu Chaoan	1/1
Yu Shunkun *(Chairman of the committee)*	1/1

(4) *Strategic Committee*

As of 31 December 2016, the Strategic Committee of the Company consists of Mr. Zhang Chunlei (executive Director), Mr. Liu Guangming (non-executive Director) and Mr. Hu Guodong (former executive Director) who resigned as the member of the Strategic Committee on 18 April 2017. Mr. Jiao Jianqing was appointed as a member of the Strategic Committee on 18 April 2017. Mr. Zhang Chunlei served as the chairman of the Strategic Committee.

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

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

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

- The fourth meeting of the second session of the Strategic Committee of the Board was held in March 2016, at which the report of the operation and investment plans of the Company for 2016 was considered.
- The fifth meeting of the second session of the Strategic Committee of the Board was held in August 2016, at which the report of adjusting the operation and investment plans of the Company for 2016 and the proposal in relation to change in member of the Strategic Committee were considered.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Mr. Zhang Chunlei	2/2
Mr. An Hongguang (Note 1)	1/1
Mr. Hu Guodong (Note 2)	2/2
Mr. Liu Guangming	1/1

Notes:

1 Mr. An Hongguang resigned as a member of the Strategic Committee of the Company on 19 May 2016. As of 30 June 2016, the Strategic Committee held one meeting before his resignation.

2 Mr. Hu Guodong resigned as a member of the Strategic Committee of the Company on 18 April 2017. As of 31 December 2016, the Strategic Committee held two meetings before his resignation.

3. Directors' Responsibility for the Financial Statements

The Board has acknowledged its responsibility for preparing the financial statements of the Group for the year ended 31 December 2016. The Board is responsible for presenting a clear and understandable assessment of the annual and interim reports, inside information, sensitive information of equity price and other discloseable information 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 status of the Group as well as giving consideration and 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 Model Code for Dealing in the Securities of the Company by Its Directors, Supervisors and Relevant Employees

The Group 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, 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. Risk Management and Internal Control

The Company has exerted greater efforts to the establishment of the internal control and risk systems and a sound corporate organizational structure and has formed the scientific system for decision-making and effective control. It also standardizes the corporate actions to guarantee legal and compliant operation and management of the Company. The Company improves the corporate operation efficiency aiming to push forward the achievement of the corporate development strategies. In addition, the Company has established a favourable information exchange mechanism to guarantee the truthfulness, accuracy and completeness of relevant information disclosure.

When establishing and implementing the internal control and risk management systems, the Company has taken into comprehensive account the five fundamental elements, i.e., the internal environment, risk assessment, control endeavors, information and communication as well as internal monitoring. Attaching importance to the internal environmental governance, the Company upholds the concept of "People foremost, harmony supreme and efficiency first" to unremittingly optimize the corporate organizational structure and improve management efficiency.

In light of the business characteristics, the Company has established in the headquarters the President Office Department, Development Planning Department, Planning and Marketing Department, Human Resources Department, Financial Management Department, Capital Operation and Property Right Management Department, Operation Safety Department, Project Management Department, International Business Department (Technology Information Department), Political Work Department (Corporate Culture Development), and Supervision and Audit Department (Office of Discipline

Inspection Panel). The functional departments condition and superintend within their respective specific terms of reference. Besides, the Company has set up a special internal control department to specifically carry out routine monitoring and inspection over the truthfulness of the assets, liabilities as well as gains and losses of the Company, the compliance of financial revenues and expenditures, profitability of material investments, material connected transactions of the Company, and the corporate internal control so as to ensure the implementation of the internal control systems and the normal production and operation of the Company. 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. 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.

In consistent response to the development needs, the Company further establishes and consummates the comprehensive responsibility management systems in addition to the work target-related accountability system. The Company has formulated the performance standards stressing on both motivations and regulations with subdivided work assignments and specified performance target for each post so as to evaluate the performance of the staff impersonally and accurately and inspire the potentials and passions for work of the staff.

In 2016, the Company further deepened the risk control and guaranteed effective risk control over management of organizational decisions, strategic investments, production and operation, finance and accounting, human resources, securities matters and legal affairs.

The Audit Committee under the Board is responsible for reviewing the internal control of the Company, supervising the effective execution of internal control and the self-assessment of internal control and coordinating the audit of internal control and other relevant matters. The Company has formulated the Measures on Internal Control (《內部控制管理辦法》) to pinpoint the terms of reference of the Supervision and Audit Department in internal supervision and standardize the procedures, methods and requirements of internal supervision. In 2016, the Company timely precluded risks by way of close supervision and inspection and gave play to internal audit in the supervision and inspection of internal control. Thanks to effective internal supervision, the Company made progress in compliance operation and standard management and achieved ongoing increase in vigilance against risks and market competitiveness, thus ensuring the safe operation and sound development of the operation and management of the Company.

In terms of inside information disclosure, the Company has established standard control procedures for the collection, classification, reviewing and disclosure of information. The Company guarantees the absolute confidentiality of relevant information prior to full disclosure to the public. The Company will make corresponding information disclosure timely with regard to information that is unlikely to maintain confidentiality so as to ensure effective protection of the rights and interests of investors and stakeholders.

In view of the foregoing, in regard of internal control and risk management, the Company has developed a well-balanced internal corporate business environment and normative production and operation order, improved the Company's capability in fending against various risks, and guaranteed the normal operation and management of the Company. Besides, the internal control and risk management of the Company has also exerted effective effects on the supervision, control and instruction of the production and operation of the Company and laid a solid foundation for the healthy development of the Company in the long run. The Company has conducted the self-assessment on the effectiveness and implementation of the internal control systems of the Company for the year, according to which, the Company opined that the internal control of the Company has covered each aspect and each component of the operation and management of the Company. During the reporting period, the Company recorded full coverage and effective implementation of internal control and risk management and did not have any material defects regarding the design or implementation of internal control of the Company.

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

6. Auditors' Remuneration

Ernst & Young and Ernst & Young Hua Ming LLP (collectively, "External Auditors") were appointed as international and domestic auditors to audit the financial statements for the year ended 31 December 2016 prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises, respectively. Aggregate remuneration in respect of audit and audit-related services provided by the External Auditors payable by the Company during the year ended 31 December 2016 were RMB7.15 million.

During the year, fees charged by the external auditors for their non-audit services provided to the Company in respect of corporate green bonds and ultra-short-term notes issued by the Company amounted to RMB180,000.

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 11 to the consolidated financial statements of the annual report. For the year ended 31 December 2016, 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	0
501–1,000	10

Note:

Numbers disclosed above include the senior management of the Company and those who are executive Directors.

8. Change of constitutional documents

During the year ended 31 December 2016, there was no material change in the Company's constitutional documents.

9. Articles of Association and Amendments Thereto

The Board proposed to include the information on the Party committee and general counsel in the Articles of Association. For details of the amendments, please refer to the announcements dated 17 March 2017 and 18 April 2017 of the Company, and such amendments are subject to consideration and approval at the 2016 annual general meeting of the Company.

10. Shareholders' General Meeting

In 2016, 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	Former chairman of the Board and non-executive Director	2/2	100%
Zhang Chunlei	Vice chairman of the Board, executive Director and former president	2/2	100%
Kou Bing'en	Former non-executive Director	0/0	0%
An Hongguang	Former non-executive Director	0/0	0%
Guo Shuping	Former non-executive Director	0/0	0%
Hu Guodong	Former 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	Independent non-executive Director	2/2	100%
Liu Guangming	Non-executive Director	2/2	100%
Liang Yongpan	Non-executive Director	2/2	100%
Liu Baojun	Non-executive Director	2/2	100%

11. Communication with Shareholders

The Company highly appreciates shareholders' opinions and advice, actively organises various investor relations activities to maintain connections with shareholders and makes 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 shareholders' general meetings are dispatched to all shareholders at least 45 clear days prior to the meeting.

The Company's shareholders' 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 are 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 meeting shall be held within 2 months after the requisition is presented.

Shareholders who wish to put forward suggestions during the shareholders' 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 shall respond to the questions and suggestions from shareholders.

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

The Board encourages shareholders to attend annual general meetings to communicate directly any concern(s) 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 shareholders' 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: (i) 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; (ii) with definite topics to discuss and specific matters to resolve; and (iii) submitted or served to the Board in writing ten (10) days prior to the date of the shareholders' general meeting.

In 2016, the Company held the 2015 annual general meeting and 2016 first extraordinary general meeting.

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

(2) Shareholders' inquiries

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

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

(3) Investor relations and communications

The Company has set up a website at www.cdt-re.com, as a channel to promote effective communications, 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.

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2016

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 of the end of 2016, the Company had adequate communications and exchange of ideas with investors and analysts from a number of institutions via meetings, telephone calls, emails and WeChat.

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 indepth communication with important global investors.

3. Results Briefings

During the reporting period, the Group published its 2015 annual results and 2016 interim results in due course. In March 2016, the management of the Company visited Hong Kong to hold a road show for 2015 annual results, organised a press conference, an analysts conference and 17 one-on-one meetings with investors. In August 2016, the management of the Company hosted a road show for 2016 interim results in Hong Kong, organised a press conference, an analysts conference and 12 one-on-one meetings with investors.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2017

In 2017, the Group will focus more 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 provide the public more timely access to more complete business information.

Report of the Supervisory Committee

In 2016, 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 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 25 March 2016, the Company held the eighth meeting of the second session of the supervisory committee in Beijing, at which the following proposals were considered and approved: the Work Report of the Supervisory Committee of the Company for 2015, Annual Results Announcement and Annual Report of the Company for 2015, the Final Financial Report of the Company for 2015, the Financial Budget Plan of the Company for 2016 and the Profit Distribution Plan of the Company for 2015.

2. On 19 August 2016, the Company held the ninth meeting of the second session of the supervisory committee in Beijing, at which the proposal regarding the consideration and approval of the 2016 Interim Results Announcement and Interim Report of the Company was considered and approved.

3. On 5 December 2016, the Company held the first meeting of the third session of the supervisory committee in Beijing, at which the proposal regarding election of the chairman of the supervisory committee was considered and approved.

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2016

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 2016 first extraordinary general meeting and attended the 22nd and 23rd meetings of the second session of the Board and the first meeting of the third session of the Board, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

3. The supervisory committee made no objection to the reports and motions tabled at the shareholders' general meetings and were convinced that the Board had faithfully implemented the resolutions approved by the general meeting.

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

1. Operation and Management of the Company

During the reporting period, the Company made conspicuous achievements in terms of production and operation, internal management, structural adjustment, project construction, efficiency enhancement relying on science and technology, etc.. The management of the Company attached great importance to finalize the safe production responsibilities and systems and further equipmented specific project control with a return of comprehensive improvement of equipment health level; continuously optimized regional and industrial structures with new progress made in the early-stage development; made a breakthrough in the capacity put into operation and obtained achievements in the construction of quality projects; enhanced overall budget management, which was returned by a dramatic cost-lower efficiency and significant operational improvement; strengthened the mechanism and system reform to facilitate the building of "Standardized Good Behavior Enterprise" (標準化良好行為企業); stepped forward in reliance with scientific and technological progress, leadership and support. The management of the Company faithfully fulfilled its 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.

The supervisory committee reviewed the standard unqualified audit opinion issued by Ernst & Young and Ernst & Young Hua Ming LLP in respect of the consolidated financial statements of the Group for the year ended 31 December 2016 prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises 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 Shareholders' General Meetings

The Supervisory Committee considered that the Board earnestly implemented the resolutions approved by the general meeting.

In 2017, the Supervisory Committee will continue carrying 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 strengthening 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, 17 March 2017

Profile of Directors, Supervisors and Senior Management

I. NON-EXECUTIVE DIRECTORS

Mr. Chen Feihu, born in July 1962, has been a director and president of China Datang Corporation since December 2016. He has been a director, president of China Guodian Corporation and chairman of GD Power Development Co., Ltd. He served as the vice president of China Huadian Corporation and vice chairman of Huadian Power International Corporation Limited*. He served as chief economist and head of the office for structural reform of State Power Corporation, deputy head, head of the general manager service department (office) and head of the structural reform office of State Power Corporation and deputy head of the Department of finance and asset operation in State Power Corporation. He served as the deputy director of economic adjustment department of the Ministry of Electric Power Industry, the assistant to the director of Fujian Provincial Bureau of Electricity Industry. Mr. Chen Feihu started his career since August 1981, and has worked in the Ministry of Electric Power Industry, the Ministry of Water Resources and Electric Power, the Ministry of Energy and China Electricity Council. Mr. Chen Feihu graduated from Renmin University of China and obtained a bachelor's degree in industrial economics. He is currently a senior accountant.

Mr. Liu Guangming, born in December 1971, a post graduate, a member of the Party and a senior engineer. Mr. Liu began his career in September 1993, and had served as the assistant to the director of the Power Transformation Segment, the deputy head of Party committee, the head of administration office and of the Party committee Office of Baoding Electric Power Bureau, a member of directors' and supervisors' office of the personnel and director management department of the State Power Corporation, the deputy head of administration office of leading cadres of human resources department, the head of directors' and supervisors' office, the head of division 2 of administration office of leading cadres of China Huadian Corporation, the assistant to the president of China Huadian Capital Holdings Company Limited, the assistant to the president, vice president and member of Party committee of China Huadian Finance Corporation Limited, the president and deputy head of Party committee of China Datang Finance Co., Ltd. He currently serves as the director of the capital operation and asset management department of China Datang Corporation , a director of Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600236) and Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600744), and a non-executive director of Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 1272).

Mr. Liang Yongpan, born in March 1966, a post graduate, a member of the Party and a senior engineer. Mr. Liang began his career in August 1988, and had served as the deputy division head and deputy plant head of the production division of Lanzhou No. 2 Thermal Power Factory, president and member of Party committee of Lanzhou Xigu Thermal Power Co., Ltd., member of Party committee, vice president and chairman of the labour union of Datang Gansu Power Generation Co., Ltd., deputy head of planning, investment and financing department of China Datang Corporation, as well as the secretary of Party committee and president of Datang Gansu Power Generation Co., Ltd.. He served as the head of planning and marketing department of China Datang Corporation. He has served as the head of safety and production department of China Datang Corporation since March 2016. Mr. Liang is currently serving as a non-executive director of Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 1272)), Datang Huayin Electric Power Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600744)), Guangxi Guiguan Electric Power Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600236)) and Datang International Power Generation Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 601991), the Hong Kong Stock Exchange (stock code: 00991) and London Stock Exchange (stock code: DAT), respectively).

Mr. Liu Baojun, born in April 1961, is a CPC member and senior accountant with a bachelor's degree. Mr. Liu started to work in September 1981 and successively worked as a tester in the testing laboratory and an accountant in the finance division in Baicheng Electric Power Bureau from September 1981 to July 1983. From July 1983 to July 1986, he was released from regular work and studied industrial accounting in the Department of Economics of Jilin Radio and TV University. From July 1986 to November 2004, he successively served in Changshan Thermal Power Plant as an accountant in the finance division, a clerk in the planning division, the deputy chief of the finance division, the head and the chief accountant in the finance department. From November 2004 to November 2006, Mr. Liu successively served as the director of the finance department and the vice chief accountant in Datang Jilin Power Generation Company Limited. From November 2006 to December 2013, he served as the chief accountant in Datang Heilongjiang Power Generation Co., Ltd. From December 2013 to January 2015, he served as the vice director of the capital operation and property management department in China Datang Corporation. Mr. Liu served as the vice president, the chief accountant and a member of the Party committee in Datang Jilin Power Generation Company Limited since January 2015.

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 president and subsequently as the president 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 vice director of Zhangjiakou Power Generation Plant (張家口發電廠) from March 2004 to June 2005. Mr. Zhang served as the vice president, 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, vice 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).

Mr. Jiao Jianqing, born in May 1963, has been a Party committee member and a vice president of the Company since December 2013. He has been a party committee member and a vice president of Shanxi Branch of Datang Corporation from April 2008 to December 2013, director of the equipment management division of the operation safety department of Datang Corporation from January 2005 to April 2008, vice 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 Datang Corporation from January 2003 to December 2003, and vice president and chief engineer of Beijing Jingfeng Thermal Power Co., Ltd. from June 2001 to January 2003. From October 1998 to June 2001, he served as the deputy head and chief engineer of No. 3 Thermal Power Plant of Beijing. From July 1995 to October 1998, he served as the chief engineer of No. 3 Thermal Power Plant of Beijing. From February to July 1995, he served as the deputy chief engineer of Beijing Shijingshan Power Plant. From April 1993 to February 1995, he served as the deputy director of the Power Generation Division of Beijing Shijingshan Power Plant. From September 1991 to April 1993, he served as a professional turbine engineer at the Production Office of Beijing Shijingshan Power Plant. From September 1986 to September 1991, he served as a professional turbine engineer at the Production Technology Section of Beijing Shijingshan Power Plant. From May 1984 to September 1986, he was a technician of the speed governing shift under the turbine team of and a technician of the turbine team of the Maintenance Division of Beijing Shijingshan Power Plant. From August 1983 to May 1984, he was a worker with the turbine team of Jingxi Power Station of Beijing Shijingshan Power Plant. Mr. Jiao Jianqing studied in Huazhong College of Science and Technology from September 1979 to July 1983 and obtained a bachelor's degree in thermal power of power plant. From September 2000 to July 2003, he studied in North China Electric Power University and obtained a bachelor's degree in management engineering. He is currently a senior engineer.

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 (Former China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源有限責任公司)) 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 (Former Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰塞罕壩風力發電有限公司)) 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, joined the Company as an independent non-executive Director 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 a technician in Beijing Electric Power Design Institute in 1980 and successively worked as the professional section chief, deputy division chief, assistant to president of North China Electric Power Design Institute (predecessor of NCPE). Mr. Liu also formerly served as an independent non-executive director (resigned in December 2016) of Beijing Jingneng Clean Energy Electricity Corporation Limited (北京京能清潔能源電力股份有限公司, stock code: 00579). 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).

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 the member of International Bar Association. Mr. Lo is now pursuing a doctorate in law in the University of California and is 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 independent non-executive director (resigned in August 2013) of Luk Fook Holdings (International) Limited (stock code: 00590), the former vice chairman and a non-executive director of The Asian Capital Resources (Holdings) Limited (stock code: 08025), a former non-executive director and the chairman of audit committee (resigned in 2014) of Guangshen Railway Co., Ltd. (stock code: 00525), and a former independent non-executive director of Shanghai Zendai Property Limited (stock code: 00755) (resigned in June 2015). Mr. Lo graduated from the University of Wisconsin-Madison in business administration and obtained a master degree in law from 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).

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 the visiting research fellow of Chinese Academy of Personnel Science (中國人事科學研究院客座研究員).

IV. SUPERVISORS

Mr. He Hua, born in May 1957, has been the chairman of the supervisory committee of the Group since June 2014. Mr. He served as the director of the audit department of China Datang Corporation from December 2013 to December 2016, the secretary of Party leadership group and the vice president from March 2012 to December 2013 and the secretary of general branch of committee of the Party of China and vice president of China Datang Financial Co., Ltd. (中國大唐集團財務有限公司) from December 2005 to March 2012. 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 Company 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, 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).

Mr. Chen Weiqing, born in January 1977, has been the employee representative supervisor of the Group since December 2015. He was a Party committee member and head of the Party discipline inspection team of the Company from October 2015 to December 2016, and the deputy chief economist of the Company and president of the Datang Shandong Renewable Power Co., Ltd. from October 2014 to October 2015. From March 2009 to October 2014, Mr. Chen successively served as vice director and director of the financial and property management department, director of planning and investment financing department, deputy chief economist and director of Datang Shandong Wind Power Generation Co., Ltd.. Mr. Chen served as vice president as well as member of the Party committee of Shandong Huangdao Power Corporation from February 2008 to March 2009. Mr. Chen successively served as operator of the workshop, secretary and vice director of the office, vice director of the office and general duty office, director of the administrative office, vice director of the factory as well as director of the office, and vice director of the factory of Huangdao Power Plant from August 1999 to February 2008. Mr. Chen obtained his bachelor of business administration degree from Harbin Institute of Technology. He is currently an engineer.

V. SENIOR MANAGEMENT

Mr. Zhou Kewen, born in April 1968, joined the Company in March 2017 as the deputy Party chief of the Company and has been the president of the Company since April 2017. From August 2016 to March 2017, he was the deputy director of human resources department of China Datang Corporation. From January 2015 to August 2016, he served as a deputy director of the supervision department of China Datang Corporation. He was the vice president, a Party committee member, head of the Party discipline inspection team and chairman of the trade union of Datang Jilin Power Generation Company Limited from December 2013 to January 2015, the head of Datang Huichun Power Plant (大唐琿春發電廠) from April 2009 to December 2013, and the director of the planning and marketing department of Datang Jilin Power Generation Company Limited from July 2008 to April 2009. From August 2007 to July 2008, he served as the deputy director of Datang Hulunbeier Project Preparation Division (大唐呼倫貝爾項目籌建處) and the vice president (in charge) of Datang Hulunbeier Chemical Fertiliser Co., Ltd. (大唐呼倫貝爾化肥有限公司), and the vice president (in charge) of Datang Hulunbeier Energy Development Co., Ltd. (大唐呼倫貝爾能源開發有限公司). Mr. Zhou Kewen obtained a bachelor's degree in industrial management engineering from the school of management of Jilin University of Technology (吉林工業大學) in July 1990, and he is currently a senior accountant.

Ms. Mi Keyan, born in April 1966, joined the Group in December 2013. She was the Secretary of Party Committee and the vice president of the Group from December 2015 to date. She served as the employee representative supervisor of the Group from June 2014 to December 2015. She has been a Party committee member and leader of discipline inspection team of the Group from February 2015 to October 2015. She was a Party committee member and leader of discipline inspection team of the Party committee and chairman of the trade union of the Group from December 2013 to February 2015. She was a Party committee member and 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 vice 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).

For biographical details of Mr. Jiao Jianqing, please refer to the section headed "Profile of Directors, Supervisors and Senior Management – II. EXECUTIVE DIRECTORS" of this 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 Party committee member and vice president of the Group from January 2007 to February 2015. Prior to joining the Group, Mr. Meng successively worked as deputy chief 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).

Mr. Chen Song, born in May 1968, has been a Party committee member and the chief accountant (chief financial officer) of the Group 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 president 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, vice president and vice 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 vice 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 vice president of the Group since December 2016. He served as the chief engineer of the Group from January 2014 to December 2016, 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).

Ms. Bai Xuemei, born in February 1969, joined the Group as a member of the Party committee and the secretary of discipline inspection committee in December 2016. Ms. Bai served as the chief of the Division of Talents Development (Talents Assessment Center) of the Human Resources Department of Datang Corporation from June 2014 to December 2016, the chief of the Division of Remuneration and Insurance (Social Insurance Center) of the Human Resources Department of Datang Corporation from August 2011 to June 2014, the chief of the Division of Insurance of the Human Resources Department of Datang Corporation from January 2009 to August 2011 and the chief of the Division of Remuneration and Insurance of the Human Resources Department of Datang Corporation from April 2006 to January 2009. From March 2003 to April 2006, she was a level 1 staff with the Division of Division of Remuneration and Insurance of the Human Resources Department of Datang Corporation. She was engaged in wage fund control in the Human Resources Department of North China Electric Power Group Corporation from March 1999 to March 2003 and wage management in the Division of Personnel and Labour of North China Electric Power Materials Corporation from September 1996 to March 1999.

Mr. Liu Chundong, born in February 1970, joined the Group in March 2011. Mr. Liu has served as the chief engineer of the Group since December 2016. He served as the dean of Datang Renewable Energy Test and Research Institute (大唐新能源試驗研究院) from October 2015 to December 2016, the director of President Office Department from August 2013 to October 2015 and the deputy director of Technology and Information Department of the Group from January 2012 to August 2013. Mr. Liu served as a deputy president of Beijing Maintenance Company of the Group from March 2011 to December 2011, Tongliao Shengfa Thermoelectricity Co., Ltd. (通遼盛發熱電有限責任公司) from October 2010 to March 2011 and Yuanbaoshan Power Generation Co., Ltd. (元寶山發電有限責任公司) from November 2008 to October 2010. He served as the deputy director of the Tender and Bid Management Center of CPI East Inner Mongolia Energy (中電投蒙古族東能源) from October 2008 to November 2008 and the Safety Division of the Power Generation Department of CPI East Inner Mongolia Energy from May 2008 to October 2008. He was the deputy president of Tongliao No. 2 Power Generation Co., Ltd. from January 2007 to May 2008, and served as the senior engineering supervisor of the Power Generation Management Department of CPI Holingol Coal (中電霍煤) and the deputy president of Tongliao No. 2 Power Generation Co., Ltd. from May 2005 to January 2007. From January 2005 to May 2005, he was the senior engineering supervisor of the Power Generation Management Department of CPI Holingol Coal. Mr. Liu worked as the director of the Electric Branch of Tongliao Power Generation Plant (通遼發電總廠) from November 2002 to January 2005, the shift supervisor of the Production Technology Department of Tongliao Power Generation Plant from July 2001 to November 2002, and a specialist engineer in electric operation and maintenance of the Electric Branch of Tongliao Power Generation Plant from July 1997 to July 2001. From January 1996 to July 1997, he was a specialist engineer in operation of the Electric Branch of Tongliao Power Generation Plant. From July 1995 to January 1996, he served as a deputy shift leader of the Electric Branch of Tongliao Power Generation Plant. Mr. Liu served as the chief watch of operation from September 1993 to July 1995 and a watch of operation from July 1991 to September 1993 in the Electric Branch of Tongliao Power Generation Plant.

Mr. Jia Hong, born in April 1965, has been the Director of capital operation and equity management department of the Company since January 2017. Mr. Jia Hong served successively as the chief financial officer and director of the audit department, board secretary of China Power Media Group Co., Ltd. (中國電力傳媒集團有限公司) and executive director and president of China Power Media Group Wuhan Company (中電傳媒（武漢）有限公司) from October 2013 to December 2016. He served successively as deputy director and director of the finance department and chief financial officer at China Power Media Corporation Limited (中電傳媒股份有限公司) from November 2007 to September 2013, chief accountant at Tongxin Certified Public Accountants (同新會計師事務所) from October 2003 to November 2007, audit manager at Zhongruihua Certified Public Accountants (中瑞華會計師事務所) from January 2000 to September 2003, accountant and director of the finance department of Keyu Pump Plant of China Institute of Water Resources and Hydropower Research (中國水利水電科學研究院科禹泵廠) from September 1990 to January 2000, worker at the Instrument Factory of China Institute of Water Resources and Hydropower Research (中國水利水電科學研究院儀器工廠) from July 1983 to August 1990. From September 2005 to January 2008, Mr. Jia Hong studied in accounting (top-up degree programme) at the School of Continuing Education of Renmin University of China (中國人民大學繼續教育學院) and obtained his bachelor's degree in January 2008. Mr. Jia Hong has obtained qualifications of PRC Certified Public Accountant, PRC Certified Public Valuer and PRC Registered Tax Agent.

Human Resources

I. PROFILE OF HUMAN RESOURCES

As of 31 December 2016, the Group had 2,884 employees in total, with average age of the employees of 34.4, including 962 employees aged 29 or below, representing 33.3% of the total; 1,207 employees aged from 30 to 40, representing 41.9% of the total number of employees; 536 employees aged from 41 to 50, representing 18.6% of the total number of employees; and 179 employees aged 51 and above, representing 6.2% of the total number of employees.

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, the Group could assess each employee's performance of his or her 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 Group was able to stimulate employees' potential, arise their enthusiasm and make clear its approach of stressing on both motivations and regulations, which has laid a solid foundation for staff career development.

III. STAFF REMUNERATION POLICY

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

IV. STAFF TRAINING

Guided by the concept of "value-based, efficiency-oriented", the Company 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. It aimed to gradually establish and improve the talents cultivation system with its characteristics through "fostering, selecting, motivating and utilizing" talents, thus enabling the talents to play important roles in the development of the Company.

In 2016, the Group provided 926 training programmes on business management, professional techniques and production skills for a total of 20,708 persons/times, with 100% employees attending the trainings.

V. GUARANTEE OF STAFF RIGHTS

The Group strictly complies with the Labour Law of the PRC and the Labour Contract Law of the PRC 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.

EY 安永

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

OPINION

We have audited the consolidated financial statements of China Datang Corporation Renewable Power Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 111 to 251, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with Hong Kong Institute of Certified Public Accountants' ("HKICPA") *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment	
Certain wind farms in production of the Company suffered continuous losses in recent years as a result of the wind curtailment arising from the lack of local electricity demand and electricity transmission capacity in Northeastern China, Inner Mongolia, Gansu and Ningxia provinces, and certain wind and energy management projects under development or construction have been suspended. Impairment indicators were identified for the Group's property, plant and equipment. The Group performed impairment tests for the relevant cash-generating units ("CGUs"), for which impairment indicators were identified. The carrying amount of the property, plant and equipment under the relevant CGUs as of 31 December 2016 was material to the consolidated financial statements. The assessment of the CGUs' value-in-use is complex and involves significant management's judgement, subjective assumptions and estimation uncertainty. The Group's disclosures about impairment of property, plant and equipment are included in Notes 3(c) and 12 to the consolidated financial statements.	We performed audit procedures on the key assumptions and methodologies used by management. We evaluated the forecasted cash flows made by management with reference to the long-term strategic plans that were approved by management and assessed the key assumptions adopted, such as the production capacity and operating costs by comparing historical information and adjustment factors, and electricity prices by checking to the approval from the National Development and Reform Commission on the on-grid price of the wind power industry in the region. Our assessment was also based on our understanding of the current market conditions and the latest government policy. We also involved our internal valuation specialists to assess the methodologies and discount rate applied in the cash flow forecast.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Collectability of long-aged receivables	
Certain long-aged receivables which aged over three years mainly comprise receivables from Clean Development Mechanism ("CDM") projects, equipment sales and proceeds from disposals of projects. The balance of these long-aged receivables as of 31 December 2016 was material to the consolidated financial statements and the assessment on the collectability of the long-aged receivables involved significant management's judgement and estimation. The Group's disclosures about the collectability of long-aged receivables are included in Notes 3(d) and 18 to the consolidated financial statements.	We reviewed settlement agreements, obtained direct confirmations from some debtors, and reviewed subsequent cash receipt evidence on a sampling basis. We evaluated the assumptions used by management in calculating the impairment amount of the receivables for the current year, by evaluating the credit status, financial conditions and reputation of the debtors, history of payments by the debtors and the enforceability of the underlying contracts, and subsequent arrangements with the debtors.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the Management Discussion and Analysis in pages 10 to 27, which we obtained prior to the date of this auditor's report, and the other sections of the Annual Report, not including the consolidated financial statements and our auditor's report thereon, (the "Other Sections"), which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate with the Audit Committee.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs 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.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tong Ka Yan Augustine.

Ernst & Young
Certified Public Accountants

22/F, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong
17 March 2017

Consolidated Statement of Profit or Loss

Year ended 31 December 2016
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2016	2015
Revenue	4	**5,786,126**	5,588,265
Other income and other gains, net	5	**189,246**	116,846
Depreciation and amortisation charges	6	**(2,829,597)**	(2,520,664)
Employee benefit expenses	6	**(448,851)**	(416,334)
Material costs		**(40,075)**	(39,059)
Repairs and maintenance expenses		**(204,494)**	(137,670)
Service concession construction costs		**(5,688)**	(247,244)
Other operating expenses		**(331,837)**	(259,654)
		(3,860,542)	(3,620,625)
Operating profit		**2,114,830**	2,084,486
Finance income	7	**17,792**	45,716
Finance expenses	7	**(1,753,044)**	(1,984,476)
Finance expenses, net	7	**(1,735,252)**	(1,938,760)
Share of profits and losses of associates and joint ventures	15	**21,511**	9,564
Profit from continuing operations and profit before taxation		**401,089**	155,290
Income tax expense	8	**(108,315)**	(92,276)
Profit for the year		**292,774**	63,014
Profit attributable to:			
Owners of the parent		**198,199**	13,711
Non-controlling interests		**94,575**	49,303
		292,774	63,014
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB per share)*	9	**0.0272**	0.0019

Consolidated Statement of Comprehensive Income

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
Profit for the year		**292,774**	63,014
Other comprehensive income/(loss):			
Other comprehensive income/(loss) to be reclassified to profit or loss in the subsequent periods:			
Exchange differences on translation of foreign operations		**1,705**	(1,547)
Other comprehensive income/(loss) not to be reclassified to profit or loss in the subsequent periods:			
Profit/(loss) arising on revaluation of financial assets at fair value through other comprehensive income	16	**28,236**	(48,602)
Total other comprehensive income/(loss) for the year		**29,941**	(50,149)
Total comprehensive income for the year		**322,715**	12,865
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		**227,984**	(36,265)
Non-controlling interests		**94,731**	49,130
		322,715	12,865

Consolidated Statement of Financial Position

31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment	12	**57,914,108**	52,523,459
Investment properties		**20,766**	–
Intangible assets	13	**806,932**	812,249
Land use rights	14	**476,800**	456,285
Investments in associates and joint ventures	15	**686,129**	660,418
Financial assets at fair value through other comprehensive income	16	**384,876**	356,640
Financial assets at fair value through profit or loss		**8,900**	8,900
Deferred tax assets	17	**34,330**	34,542
Prepayments and other receivables	18	**2,828,640**	2,352,971
Total non-current assets		**63,161,481**	57,205,464
Current assets			
Inventories	19	**114,480**	48,208
Trade and bills receivables	20	**2,800,515**	1,336,866
Prepayments and other receivables	18	**1,536,919**	1,141,460
Restricted cash	21	**12,385**	4,725
Cash and cash equivalents	21	**1,166,209**	1,077,788
Total current assets		**5,630,508**	3,609,047
Total assets		**68,791,989**	60,814,511

Consolidated Statement of Financial Position *(Continued)*

31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2016	2015
LIABILITIES			
Current liabilities			
Trade and bills payables	22	**2,362,155**	1,318,303
Accruals and other payables	23	**7,928,370**	5,142,376
Interest-bearing bank and other borrowings	24(b)	**10,166,305**	10,573,986
Current income tax liabilities		**53,774**	27,632
Total current liabilities		**20,510,604**	17,062,297
Net current liabilities		**(14,880,096)**	(13,453,250)
Non-current liabilities			
Interest-bearing bank and other borrowings	24(a)	**34,159,937**	29,724,025
Deferred income tax liabilities	17	**24,159**	26,285
Accruals and other payables	23	**391,493**	422,840
Total non-current liabilities		**34,575,589**	30,173,150
Total liabilities		**55,086,193**	47,235,447
Net assets		**13,705,796**	13,579,064

31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
EQUITY			
Equity attributable to owners of the parent			
Share capital	25	**7,273,701**	7,273,701
Share premium	25	**2,080,969**	2,080,969
Perpetual notes payable	26	**1,979,325**	1,979,325
Retained earnings		**964,067**	913,443
Other reserves	27	**(1,418,747)**	(1,481,976)
		10,879,315	10,765,462
Non-controlling interests		**2,826,481**	2,813,602
Total equity		**13,705,796**	13,579,064

Zhang Chunlei	**Chen Song**	**Zhang Lingyun**
Director	*Chief Financial Officer*	*Financial Controller*

Consolidated Statement of Changes in Equity

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital	Share premium	Perpetual notes payable	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
	(Note 25)	*(Note 25)*	*(Note 26)*		*(Note 27)*			
At 1 January 2016	7,273,701	2,080,969	1,979,325	913,443	(1,481,976)	10,765,462	2,813,602	13,579,064
Comprehensive income for the year								
Profit for the year	–	–	–	198,199	–	198,199	94,575	292,774
Other comprehensive income								
Gains arising on revaluation of financial assets at fair value through other comprehensive income *(Note 16)*	–	–	–	–	28,236	28,236	–	28,236
Exchange differences related to foreign operations	–	–	–	–	1,553	1,553	152	1,705
Total comprehensive income for the year	–	–	–	198,199	29,789	227,988	94,727	322,715
Capital contributions	–	–	–	–	–	–	21,152	21,152
Disposal of subsidiaries *(Note 33)*	–	–	–	–	–	–	(150)	(150)
Share of reserves of investments in associates and joint ventures	–	–	–	–	1,865	1,865	–	1,865
Appropriation to perpetual notes holders *(Note 26)*	–	–	–	(116,000)	–	(116,000)	–	(116,000)
Transfer from retained earnings	–	–	–	(31,575)	31,575	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	–	(102,850)	(102,850)
	–	–	–	(147,575)	33,440	(114,135)	(81,848)	(195,983)
At 31 December 2016	7,273,701	2,080,969	1,979,325	964,067	(1,418,747)	10,879,315	2,826,481	13,705,796

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital	Share premium	Perpetual notes payable	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
	(Note 25)	*(Note 25)*	*(Note 26)*		*(Note 27)*			
At 1 January 2015	7,273,701	2,080,969	1,979,325	1,015,732	(1,431,364)	10,918,363	2,729,918	13,648,281
Comprehensive income for the year								
Profit for the year	–	–	–	13,711	–	13,711	49,303	63,014
Other comprehensive loss								
Losses arising on revaluation of financial assets at fair value through other comprehensive income *(Note 16)*	–	–	–	–	(48,602)	(48,602)	–	(48,602)
Exchange differences related to foreign operations	–	–	–	–	(1,374)	(1,374)	(173)	(1,547)
Total comprehensive income/(loss) for the year	–	–	–	13,711	(49,976)	(36,265)	49,130	12,865
Capital contributions	–	–	–	–	–	–	117,807	117,807
Disposal of subsidiaries *(Note 33)*	–	–	–	–	–	–	(250)	(250)
Acquisition of non-controlling interests	–	–	–	–	(636)	(636)	(9,800)	(10,436)
Appropriation to perpetual notes holders *(Note 26)*	–	–	–	(116,000)	–	(116,000)	–	(116,000)
Dividends to non-controlling interests	–	–	–	–	–	–	(73,203)	(73,203)
	–	–	–	(116,000)	(636)	(116,636)	34,554	(82,082)
At 31 December 2015	7,273,701	2,080,969	1,979,325	913,443	(1,481,976)	10,765,462	2,813,602	13,579,064

Consolidated Statement of Cash Flows

Year ended 31 December 2016
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2016	2015
Cash flows generated from operating activities			
Profit before income tax		**401,089**	155,290
Adjustments for:			
Depreciation of property, plant and equipment	6	**2,795,251**	2,500,643
Amortisation of deferred income and deferred losses	6	**(11,309)**	(11,317)
Amortisation of intangible assets, land use rights and long-term prepaid expenses	6	**45,655**	31,338
Loss on disposal of property, plant and equipment	5	**1,704**	232
Provision for impairment of receivables		**12,285**	6,503
Foreign exchange loss, net		**10,456**	14,406
Interest income		**(14,808)**	(42,488)
Interest expense		**1,741,878**	1,970,070
Share of profits and losses of associates and joint ventures	15	**(21,511)**	(9,564)
Others, net		**(14,285)**	595
Changes in working capital:			
Increase in inventories		**(66,272)**	(12,955)
(Increase)/decrease in trade and bills receivables		**(1,541,414)**	1,880,899
(Increase)/decrease in prepayments and other receivables		**(2,846,390)**	102,409
Increase in restricted cash		**(7,660)**	(4,725)
Increase in trade and bills payables		**1,043,852**	884,457
Increase/(decrease) in accruals and other payables		**2,468,555**	(56,313)
Cash generated from operations		**3,997,076**	7,409,480
Interest received		**13,640**	21,797
Income taxes paid		**(127,785)**	(71,751)
Net cash generated from operating activities		**3,882,931**	7,359,526

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		**(6,081,540)**	(5,218,167)
Proceeds from disposal of property, plant and equipment		**21,139**	13,019
Loans to related parties		**–**	(200,000)
Loan to a third party		**–**	(90,000)
Proceeds from repayments of loans from third parties		**65,000**	–
Proceeds from repayments of loans and Interest earned from related parties		**375,096**	26,897
Investments in associates	15(b)	**(20,335)**	–
Dividends received from financial assets at fair value through other comprehensive income		**3,348**	2,480
Asset-related government grants received		**–**	7,566
Proceeds from disposal of a subsidiary	33	**2,895**	4,750
Collection of receivables from disposal of a subsidiary		**–**	19,000
Decrease in time deposits		**–**	350,000
Dividends received from associates	15(b)	**18,000**	20,000
Others, net		**–**	5
Net cash used in investing activities		**(5,616,397)**	(5,064,450)

Consolidated Statement of Cash Flows *(Continued)*

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2016	2015
Cash flows from financing activities			
Cash proceeds from issuance of green corporate bonds, net of issuance costs		1,996,620	–
Cash proceeds from issuance of short-term bonds, net of issuance costs		5,990,333	4,080,406
Capital contributions from non-controlling interests		21,152	117,807
Proceeds from borrowings		18,169,407	7,626,799
Repayments of borrowings		(14,289,395)	(10,747,753)
Repayments of medium-term notes and short-term bonds		(8,200,000)	(4,115,078)
Loans from related parties		8,453,040	5,514,800
Repayments of loans from related parties		(8,147,237)	(3,313,341)
Dividends paid to perpetual note holders		(116,000)	(116,000)
Dividends paid to non-controlling interests		(136,759)	(196,157)
Interest paid		(1,901,645)	(2,234,639)
Repayments of working capital provided by related parties		(16,000)	(16,000)
Acquisition of non-controlling interests		–	(7,426)
Net cash generated from/(used in) financing activities		1,823,516	(3,406,582)
Net increase/(decrease) in cash and cash equivalents		90,050	(1,111,506)
Cash and cash equivalents at beginning of year		1,077,788	2,190,212
Exchange loss on cash and cash equivalents		(1,629)	(918)
Cash and cash equivalents at end of year		1,166,209	1,077,788
Analysis of balance of cash and cash equivalents:			
Cash and bank balances	21	1,166,209	1,077,788
Cash and cash equivalents as stated in the consolidated statement of cash flows		1,166,209	1,077,788

1. CORPORATE INFORMATION

China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (the "Company") was established as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 9 July 2010, as part of the reorganisation 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 established in the PRC and controlled by the PRC government. At 31 December 2016, in the opinion of the directors, the ultimate holding company of the Company is Datang Corporation.

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 (the "Hong Kong Stock Exchange") in December 2010.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these 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") (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

These financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(continued)*

2.1.1 Going concern

As at 31 December 2016, the Group's current liabilities exceeded its current assets by approximately RMB14,880.1 million (31 December 2015: RMB13,453.3 million). The Group meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks. The following are the Group's available sources of funds considered by the directors of the Company:

- The Group's expected net cash inflows from operating activities in 2017;
- Unutilised banking facilities of approximately RMB64,004.4 million (Note 30.1(c)) as at 31 December 2016, of which amounts in aggregate of RMB36,248.0 million are not subject to renewal during the next 12 months from the end of the reporting period. At the date of approval of these financial statements, the directors of the Company were of the opinion that such covenants of unutilised banking facilities have been complied with and are confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing; and
- Other available sources of financing from banks and other financial institutions given the Group's credit history.

The directors of the Company believe that the Group has adequate resources to continue operation and to repay its debts when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(continued)*

2.1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(continued)*

2.1.2 Basis of consolidation *(continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any resulting surplus or deficit in profit or loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised IFRSs (which include International Financial Reporting Standards, International Accounting Standards, and Interpretations and amendments) for the first time for the current year's financial statements:

Amendments to IFRS 10, IFRS 12 and IAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
IFRS 14	*Regulatory Deferral Accounts*
Amendments to IAS 1	*Disclosure Initiative*
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*
Amendments to IAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of IFRSs

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policies and disclosures *(Continued)*

Except for the amendments to IFRS 10, IFRS 12 and IAS 28 (2011), amendments to IFRS 11, IFRS 14, amendments to IAS 16 and IAS 41, amendments to IAS 27 (2011), and certain amendments included in the *Annual Improvements 2012–2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

Amendments to IAS 1

Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in IAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's consolidated financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Changes in accounting policies and disclosures *(Continued)*

Amendments to IAS 16 and IAS 38

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

Annual Improvements to IFRSs 2012–2014 Cycle

Annual Improvements to IFRSs 2012–2014 Cycle issued in October 2014 sets out amendments to a number of IFRSs. Details of the amendments are as follows:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in IFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively.

The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in these financial statements:

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
IFRS 9	*Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[2]
IFRS 16	*Leases*[3]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]

1 Effective for annual periods beginning on or after 1 January 2017

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for annual periods beginning on or after 1 January 2019

4 No mandatory effective date yet determined but available for adoption

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective International Financial Reporting Standards *(Continued)*

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 9 Financial Instruments

In September 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective International Financial Reporting Standards *(Continued)*

Amendments to IFRS 10 and IAS 28 (2011) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 and IAS 28 (2011) address an inconsistency between the requirements in IFRS 10 and in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 (2011) was removed by the IASB in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective International Financial Reporting Standards *(Continued)*

Amendments to IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In June 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018. During the year ended 31 December 2016, the Group performed a preliminary assessment on the impact of the adoption of IFRS 15.

The Group's principal activities consist of the generation and sale of wind power and other renewable power. The effect of adopting the new standard on the Group's total revenue and gross profit is not expected to be material. The Group also does not expect a material impact on the consolidated statement of the financial position.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective International Financial Reporting Standards *(Continued)*

IFRS 16 Leases

IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Agreement contains a Lease*, SIC-Int 15 *Operating Leases – Incentive* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective International Financial Reporting Standards *(Continued)*

Amendments to IAS 7 Disclosure Initiative

Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to IAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations and goodwill

(a) Common control business combinations

The consolidated financial statements incorporate 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 recognised 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 profit or loss includes profit or loss 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations and goodwill *(Continued)*

(b) 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 sum of 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. Acquisition related costs are expensed as incurred.

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 recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value.

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 remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations and goodwill *(Continued)*

(b) Other business combinations *(Continued)*

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Business combinations and goodwill *(Continued)*

(b) Other business combinations *(Continued)*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Investments in associates and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Group's share of the post-acquisition profit or loss is recognised in profit or loss. Any change in other comprehensive income of those investees is included in the Group's consolidated other comprehensive income. 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 recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Investments in associates and joint ventures *(Continued)*

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as "Share of profits and losses of associates and joint ventures" in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and the proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.6 Segment reporting

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has a significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Fair value measurement

The Group measures its financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Fair value measurement *(Continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Based on quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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 Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit and loss within "Finance expenses, net". All other foreign exchange gains and losses are presented in "Other income and other gains, net" in profit or loss.

Translation differences on non-monetary financial assets and liabilities such as financial assets at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as financial assets at fair value through other comprehensive income, are included in other comprehensive income.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Foreign currency translation *(Continued)*

(c) Group companies

The results and financial positions 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:

(i) assets and liabilities in each statement of financial position presented are translated at the closing rates at the end of the reporting period;

(ii) income and expenses in 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 rates at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income. Upon disposal of a foreign operation, the other comprehensive income related to the foreign operation is reclassified to profit or loss.

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 recognised in other comprehensive income.

(d) Disposal of a 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Foreign currency translation *(Continued)*

(d) Disposal of a foreign operation and partial disposal *(Continued)*

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 is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interests 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.

2.10 Property, plant and equipment (including construction in progress)

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Property, plant and equipment (including construction in progress) *(Continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life as follows:

Buildings	8–50 years
Electricity utility plants	
– Wind turbines	20 years
– Others	5–30 years
Transportation facilities	6 years
Office equipment and others	3–9 years

The assets' depreciation method, residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress ("CIP") represents buildings under construction, and plant and equipment pending for installation, and is stated at cost less any impairment losses. Cost comprises construction expenditures, other expenditures necessary for the purpose of preparing the CIP for its intended use and those borrowing costs incurred before the assets are ready for their intended use that are eligible for capitalisation. CIP is transferred to the appropriate category of property, plant and equipment when the CIP is completed and ready for its intended use.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to write off the cost to the residual value over the estimated useful life of an investment property. The estimated useful lives used for this purpose are as follows:

Buildings	50 years

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

(a) 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 the concession period, the Group is obliged either to hand over the infrastructure to the Grantor in a specified condition or dispose of it. The Group recognises a concession asset, included in intangible assets, 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 amortisation and accumulated impairment losses. Amortisation 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.

(b) Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring the specific software to use.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Intangible assets (other than goodwill) *(Continued)*

(c) Development costs

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

(i) It is technically feasible to complete the software product so that it will be available for use;

(ii) Management intends to complete the software product and use or sell it;

(iii) There is an ability to use or sell the software product;

(iv) It can be demonstrated how the software product will generate probable future economic benefits;

(v) Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

(vi) The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised 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 recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed nine years.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 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.

2.14 Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill is not subject to amortisation and is 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 recognised 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment in prior year is reviewed for possible reversal of the impairment at the end of each reporting period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.15 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 amortised cost. This classification depends on whether the financial asset is a debt or equity instrument.

Debt instruments

(i) Financial assets at amortised cost

A debt instrument is classified as "at amortised 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 the 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 is considered in determining whether the cash flows of the instrument are solely payments of principal and interest on the principal outstanding and are not accounted for separately.

(ii) Financial assets at fair value

If either of the two criteria above are not met, the debt instrument is classified as "at 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 recognise changes in fair value through other comprehensive income or profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.15 Financial assets *(Continued)*

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised 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.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation 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 unrealised and realised 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 recognised 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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.15 Financial assets *(Continued)*

(c) 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 recognised in profit or loss.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. 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.

2.17 Inventories

Inventories include materials and spare parts for maintenance, which are stated at the lower of cost and net realisable value. Cost is determined using the moving weighted average method. Costs of inventories include direct material cost and transportation expenses incurred in bringing them to the working locations. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses.

2.18 Trade and bills receivables and other receivables

Trade and bills receivables and other receivables are amounts due from customers for electricity sold or services provided in the ordinary course of business. If collection of these 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.

Trade and bills receivables and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments (including time deposits) with original maturities of three months or less. Bank overdrafts, if any, are shown as borrowings in current liabilities in the consolidated statement of financial position.

Time deposits and other cash investments with original maturities of more than three months are excluded from cash and cash equivalents.

2.20 Trade and bills payables and other payables

Payables primarily include trade and bills payable and other payables and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Payables are classified as current liabilities if they are 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.

2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan facilities to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 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 recognised in profit or loss in the period in which they are incurred.

2.23 Taxation

(a) Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Share of income tax expense of associates and joint ventures are included in "Share of profits and losses of associates and joint ventures". Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised 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 the reporting period in the countries where the Company and its subsidiaries 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Taxation *(Continued)*

(a) Current and deferred income tax *(Continued)*

(ii) Deferred income tax

Deferred income tax is recognised using the liability method on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; the deferred income tax is not accounted for if it arises from the 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 at the end of the reporting period and are expected to be applied when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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 recognised.

Deferred income tax assets are recognised 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 utilised.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Taxation *(Continued)*

(a) Current and deferred income tax *(Continued)*

(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 taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

Sales of goods and the provision of certain services of the Group are subject to VAT. VAT payable is determined by applying 6% to 17% on the taxable revenue arising from sales of goods or the provision of certain services after offsetting deductible input VAT of the period.

Pursuant to Cai Shui [2008] No. 156 and Cai Shui [2015] No. 74 issued by the Ministry of Finance and the State Administration of Taxation, wind power generation plants are entitled to a 50% refund of the VAT levied on electricity generated, which is recognised as government grant when there is reasonable assurance that the grant will be received.

Pursuant to Cai Shui [2013] No. 66 issued by the Ministry of Finance and the State Administration of Taxation, solar power generation plants are entitled to a 50% refund of the VAT levied on electricity generated during the period from 1 October 2013 to 31 December 2015, which is recognised as a government grant when there is reasonable assurance that the grant will be received.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Employee benefits

(a) Pension and other social obligations

The Group has 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 pays 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 recognised as labour costs when they are incurred.

(b) Housing benefits

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

2.25 Contingencies

Contingent liabilities are recognised in the consolidated financial statements when it is probable that a liability will be recognised. 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 recognised in the consolidated financial statements unless virtually certain but it should be disclosed when an inflow of economic benefits is probable.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.26 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised 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 can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised 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 recognised 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 recognised as interest expense.

2.27 Perpetual securities

Perpetual securities are classified as equity if it is 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 recognised as distributions within equity.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.28 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, 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) Sales of electricity

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

(b) Revenue under service concession arrangements

The Group, through certain subsidiaries, entered into service concession agreements with the Grantor to construct and operate wind/solar power plants during a concession period. The Group is responsible for the 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 Grantor at nil consideration. The Group has recognised 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 recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one type of service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.28 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 recognises the related revenue in the period in which the services are rendered, by reference to the stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided.

(d) Rental income from operating leases

Rental income receivable under operating leases is recognised 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.

2.29 Interest income

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

2.30 Dividend income

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.31 Government grants

Government grants are recognised when the Group fulfils the conditions attached to them and there is reasonable assurance that the grant will be received. When the government grant is in the form of monetary assets, it is measured at the actual amount received. When the grant is provided based on a pre-determined rate, it is measured at the fair value of the amount receivable.

Asset-related government grants are recognised when the government document designates that the government grants are used for constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are constructing or forming long-term assets. Otherwise, the government grants should be income-related.

Asset-related government grants are recognised as deferred income and are amortised evenly in profit or loss over the useful lives of the related assets.

Income-related government grants that are used to compensate subsequent related expenses or losses of the Group are recognised as deferred income and recorded in profit or loss when the expenses or losses are incurred. When the grant used to compensate expenses or losses that were already incurred, including VAT refund related to VAT paid, they are directly recognised in profit or loss for the current period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.32 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 the CDM Executive Board of the United Nations under the Kyoto Protocol. Income in relation to the CERs is recognised, after taking into account of any estimated discrepancy between the volumes of electricity transmitted and certified, when following conditions are met:

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

(ii) the counterparties have committed to purchase the CERs and prices have been agreed; and

(iii) the relevant electricity has been generated.

CERs are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.33 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.33 Leases *(Continued)*

The Group leases certain leasehold lands and property, plant and equipment. Leasehold lands and property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased leasehold land 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 long-term payables. The interest element of the finance costs 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 are 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 the finance lease.

2.34 Dividend distribution

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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) Going concern

As disclosed in Note 2.1.1, the ability of the Group to continue as a going concern basis is dependent upon the continuing net cash inflow from operations, and the availability of the banking facilities and other sources of financing in order to meet its day to day working capital requirements and its liabilities as they fall due. In the event that the Group is unable to obtain adequate funding, there is an uncertainty as to whether the Group will be able to continue as a going concern. The consolidated statement of financial position does 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.

(b) Useful lives of property, plant and equipment

The management of the Group determines 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 turbines 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Impairment of property, plant and equipment

The Group performs impairment test on property, plant and equipment whenever any impairment indication exists. In accordance with Note 2.14, impairment is recognised at the amount by which the asset's carrying amount exceeds its recoverable amount. Certain wind farms in production of the Company suffered continuous losses in recent years as a result of the wind curtailment arising from the lack of local electricity demand and electricity transmission capacity in Northeastern China, Inner Mongolia, Gansu and Ningxia provinces, and certain wind and energy management projects under development or construction have been suspended. These wind farms and developing projects are affected by the future market demand on wind electricity in its region, the progress of the grid connection system which transmits electricity from power generation companies and the project approvals from governmental authorities. The ready for use of the grid connection system upon completion, the expected progress and development of those subsidiaries and suspended projects and the utilisation 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 against profit or loss.

(d) Recoverability of CDM assets and long-aged receivables

The Group reviews its CDM assets and long-aged receivables 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 long-aged receivables 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 and long-aged receivables. It is reasonably possible that if there is a significant change in circumstances including the Group's business in relation to CDM projects, the status of and relationship with the debtors and the external environment, the financial performance within the next financial year would be significantly affected.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(e) The control assessment of Shanghai Dong Hai

The Group regards Shanghai Dong Hai Wind Power Generation Co., Ltd ("Shanghai Dong Hai") (details of which are included in Note 31) as a subsidiary. In determining whether the Group has control over this entity, the Group has taken into account its power through contractual arrangements with other shareholders of Shanghai Dong Hai over its financial and operating policies. In the opinion of the Company's directors, the Group has control over Shanghai Dong Hai even if the Group holds less than a majority of its equity interests.

(f) 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 has to make critical accounting judgements when calculating income tax expense for different regions. In the event that the finalised amounts recognised 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.

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

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

	Year ended 31 December	
	2016	2015
Sales of electricity	**5,717,847**	5,263,987
Provision of services under energy performance contracts	**40,846**	36,629
Provision of services under concession arrangements	**5,688**	247,244
Other revenues *(Note)*	**21,745**	40,405
	5,786,126	5,588,265

Note:

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

(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 businesses on a consolidated basis as all other renewable power businesses except the wind power business were relatively insignificant for the years ended 31 December 2016 and 2015. Therefore, the Group has one single reportable segment which is the wind power segment.

The Company is domiciled in the PRC. During the year ended 31 December 2016, substantially all (2015: substantially all) of the Group's revenue was derived from external customers in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information *(Continued)*

At 31 December 2016, substantially all (2015: substantially all) of the non-current assets were located in the PRC.

For the year ended 31 December 2016, all (2015: all) revenue from the sales of electricity was charged to the provincial power grid companies in which the group companies operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

5. OTHER INCOME AND OTHER GAINS, NET

	Year ended 31 December	
	2016	2015
Income/(loss) from CDM Projects:		
– Income during the year	–	3,784
– Foreign exchange losses, net	**710**	(1,483)
– Provision for impairment of receivables	**(10,765)**	(6,503)
	(10,055)	(4,202)
Government grants	**175,986**	104,558
Dividend from financial assets at fair value through other comprehensive income	**3,348**	2,480
Gain on disposal of subsidiaries	**45**	–
Compensation from a wind turbine supplier *(Note)*	**11,359**	20,545
Loss on disposal of property, plant and equipment	**(1,704)**	(232)
Others	**10,267**	(6,303)
	189,246	116,846

Note:

Compensation from a wind turbine supplier represents compensation for revenue losses incurred due to the delays of the provision of maintenance services and poor conditions of spare parts, within the relevant manufacturer warranty period.

(Amounts expressed in thousands of RMB unless otherwise stated)

6. PROFIT BEFORE INCOME TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 December	
	2016	2015
Employee benefit expenses		
– salaries and staff welfares	**361,392**	374,885
– retirement benefits – defined contribution plans *(Note (i))*	**73,467**	68,464
– staff housing benefits *(Note (ii))*	**32,169**	29,399
– other staff costs	**63,694**	60,309
	530,722	533,057
Less: Employee benefit expenses capitalised in property, plant and equipment and intangible assets	**(81,871)**	(116,723)
	448,851	416,334
Depreciation of property, plant and equipment *(Note 12)*	**2,795,251**	2,500,643
Amortisation of deferred income and deferred loss	**(11,309)**	(11,317)
Amortisation of intangible assets, land use rights *(Note 13 and Note 14)* and long-term prepaid expenses	**45,655**	31,338
Auditors' remuneration		
– audit and audit related services	**7,150**	6,600
– non-audit services	**180**	130
Provision for impairment of receivables *(Note 18(i))*	**12,285**	6,503
Operating lease expenses	**18,193**	20,334

6. PROFIT BEFORE INCOME TAX *(Continued)*

Notes:

(i) Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at rates ranging from 14% to 20% (2015: 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 specified contributions at rates ranging from 4% to 5% (2015: 4% to 5%) of the total salaries of qualified employees. These employees will receive the total contributions and any returns thereon upon their retirements.

(ii) Housing fund

In accordance with the PRC housing reform regulations, the Group is required to make contributions to the state-sponsored housing fund at a rate of 12% (2015: 12%) 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.

(Amounts expressed in thousands of RMB unless otherwise stated)

7. FINANCE INCOME/FINANCE COSTS

An analysis of finance income/finance costs is as follows:

	Year ended 31 December	
	2016	2015
Finance income		
Interest income on deposits with banks and other financial institutions	**13,640**	21,797
Interest income on loans	**1,168**	20,691
Interest income from finance lease receivables	**2,984**	3,228
	17,792	45,716
Finance expenses		
Interest expenses	**(1,907,936)**	(2,224,535)
Less: Interest expenses capitalised in property, plant and equipment and intangible assets	**166,058**	254,465
	(1,741,878)	(1,970,070)
Foreign exchange losses, net	**(11,166)**	(14,406)
	(1,753,044)	(1,984,476)
Finance expenses, net	**(1,735,252)**	(1,938,760)
Interest capitalisation rate	**4.41% to 6.00%**	4.17% to 5.55%

(Amounts expressed in thousands of RMB unless otherwise stated)

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2016	2015
Current tax		
PRC enterprise income tax	**99,590**	87,999
Underprovision for prior years	**10,639**	4,227
	110,229	92,226
Deferred tax		
(Reversal)/recognition of temporary differences	**(1,914)**	50
Income tax expense	**108,315**	92,276

For the year ended 31 December 2016, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 15% (2015: 7.5% to 15%), all other subsidiaries established in the PRC were subject to an income tax rate of 25% (2015: 25%). Tax 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 31 December 2016, the associates and joint ventures were subject to an income tax rate of 25% (2015: 25%), and the share of income tax expense of associates and joint ventures of nil (2015: Nil) and RMB5.4 million (2015: RMB2.4 million) respectively, was included in "Share of profits and losses of associates and joint ventures".

(Amounts expressed in thousands of RMB unless otherwise stated)

8. INCOME TAX EXPENSE *(Continued)*

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

	Year ended 31 December	
	2016	2015
Profit before taxation	401,089	155,290
Taxation calculated at the statutory tax rate	100,272	38,822
Income tax effects of:		
– Preferential income tax treatments	(105,167)	(84,067)
– Income not subject to tax	(2,480)	(2,054)
– Expenses not deductible for tax purposes	3,948	3,657
– Tax losses and temporary differences for which no deferred income tax asset was recognised	140,437	134,544
– Utilisation of previously unrecognised tax losses and temporary differences	(39,334)	(2,853)
– Underprovision for prior years	10,639	4,227
	108,315	92,276
Weighted average effective income tax rate	27%	59%

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in this year and were entitled to income tax exemption pursuant to the preferential regulation in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic

The basic earnings per share amount is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of shares in issue during the year.

	Year ended 31 December	
	2016	2015
Profit attributable to owners of the parent	**198,199**	13,711
Weighted average number of ordinary shares in issue *(thousands of shares)*	**7,273,701**	7,273,701
Basic earnings per share *(RMB)*	**0.0272**	0.0019

(b) Diluted

The diluted earnings per share amounts for the years ended 31 December 2016 and 2015 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

10. DIVIDENDS

	Year ended 31 December	
	2016	2015
Proposed final – RMB0.012 (2015: Nil) per ordinary share	**87,284**	–

The dividend paid by the Company in 2016 was nil (2015: Nil).

A dividend in respect of the year ended 31 December 2016 of RMB0.012 per ordinary share, amounted to a total dividend of RMB87.3 million, is subject to approval of the Company's shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

(Amounts expressed in thousands of RMB unless otherwise stated)

11. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

(a) Directors' and supervisors' remuneration

The aggregate amount of remuneration payables to directors and supervisors of the Company during the year is as follows:

	Year ended 31 December	
	2016	2015
Fees	**600**	600
Other emoluments:		
Salaries, allowances and benefits in kind	**1,017**	1,014
Discretionary bonuses	**668**	693
Pension scheme contributions	**144**	140
	1,829	1,847
	2,429	2,447

(Amounts expressed in thousands of RMB unless otherwise stated)

11. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION *(Continued)*

(a) Directors' and supervisors' remuneration *(Continued)*

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

	For the year ended 31 December 2016				
	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors					
– Mr. Zhang Chunlei (張春雷)	–	354	113	48	515
– Mr. Hu Guodong (胡國棟)	–	361	300	48	709
Non-executive directors					
– Mr. Wang Yeping (王野平)*	–	–	–	–	–
– Mr. Kou Bing'en (寇炳恩)* *(Note (i))*	–	–	–	–	–
– Mr. An Hongguang (安洪光)* *(Note (ii))*	–	–	–	–	–
– Mr. Guo Shuping (果樹平)* *(Note (iii))*	–	–	–	–	–
– Mr. Liu Guangming (劉光明)* *(Note (iv))*	–	–	–	–	–
– Mr. Liang Yongpan (梁永磐)* *(Note (v))*	–	–	–	–	–
– Mr. Liu Baojun (劉寶君)* *(Note (vi))*	–	–	–	–	–
Independent non-executive directors					
– Mr. Liu Chaoan (劉朝安)	200	–	–	–	200
– Mr. Lo Mun Lam (盧敏霖)	200	–	–	–	200
– Mr. Yu Shunkun (余順坤)	200	–	–	–	200
Supervisors					
– Mr. He Hua (賀華)*	–	–	–	–	–
– Mr. Tong Guofu (佟國福)*	–	–	–	–	–
– Mr. Chen Weiqing (陳偉慶)*	–	302	255	48	605
	600	1,017	668	144	2,429

11. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION *(Continued)*

(a) Directors' and supervisors' remuneration *(continued)*

Notes:

(i) Mr. Kou Bing'en has resigned as a non-executive director of the Company with effect from 19 May 2016.

(ii) Mr. An Hongguang has resigned as a non-executive director of the Company with effect from 19 May 2016.

(iii) Mr. Guo Shuping has resigned as a non-executive director of the Company with effect from 8 June 2016.

(iv) Mr. Liu Guangming has been appointed as a non-executive director of the Company with effect from 30 June 2016.

(v) Mr. Liang Yongpan has been appointed as a non-executive director of the Company with effect from 30 June 2016.

(vi) Mr. Liu Baojun has been appointed as a non-executive director of the Company with effect from 30 June 2016.

(Amounts expressed in thousands of RMB unless otherwise stated)

11. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION *(Continued)*

(a) Directors' and supervisors' remuneration *(continued)*

	For the year ended 31 December 2015				
	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors					
– Mr. Zhang Chunlei (張春雷) *(Note (i))*	–	310	–	41	351
– Mr. Hu Yongsheng (胡永生) *(Note (ii))*	–	28	255	3	286
– Mr. Hu Guodong (胡國棟)	–	310	205	44	559
Non-executive directors					
– Mr. Wang Yeping (王野平)*	–	–	–	–	–
– Mr. Kou Bing'en (寇炳恩)*	–	–	–	–	–
– Mr. An Hongguang (安洪光)* *(Note (iii))*	–	–	–	–	–
– Mr. Guo Shuping (果樹平)*	–	–	–	–	–
Independent non-executive directors					
– Mr. Liu Chaoan (劉朝安)	200	–	–	–	200
– Mr. Lo Mun Lam (盧敏霖)	200	–	–	–	200
– Mr. Yu Shunkun (余順坤) *(Note (iv))*	200	–	–	–	200
Supervisors					
– Mr. He Hua 賀華)*	–	–	–	–	–
– Mr. Tong Guofu (佟國福)*	–	–	–	–	–
– Mr. Chen Weiqing ((陳偉慶)* *(Note (v))*	–	52	–	8	60
– Ms. Mi Keyan (米克豔) *(Note (vi))*	–	314	233	44	591
	600	1,014	693	140	2,447

11. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION *(Continued)*

(a) Directors' and supervisors' remuneration *(continued)*

Notes:

(i) Mr. Zhang Chunlei is also the chief executive of the Company, who has been appointed as an executive director of the Company with effect from 6 January 2015, and subsequently resigned as a non-executive director of the Company. Mr. Zhang Chunlei has been appointed as the vice-president of the board of director of the Company with effect from 4 March 2015.

(ii) Mr. Hu Yongsheng has resigned as an executive director of the Company with effect from 27 March 2015.

(iii) Mr. An Hongguang has been appointed as a non-executive director of the Company with effect from 27 March 2015.

(iv) Mr. Yu Shunkun has been appointed as an independent non-executive director of the Company with effect from 27 March 2015.

(v) Mr. Chen Weiqing has been appointed as a supervisor of the Company with effect from 17 December 2015.

(vi) Ms. Mi Keyan has resigned as a supervisor of the Company with effect from 17 December 2015.

* These directors and supervisors of the Company receive emoluments from Datang Corporation. No apportionment of emoluments for their services to the Group has been made as the directors consider that it is impracticable to apportion these amounts between their services to the Group and their services to Datang Corporation.

During the year ended 31 December 2016, no emoluments were paid by the Group to any director or supervisor as an inducement to join or upon joining the Group or as compensation for loss of office (2015: Nil); and no director or supervisor waived or agreed to waive any emoluments (2015: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

11. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION *(Continued)*

(b) Five highest paid individuals

The number of directors and supervisors and non-director/supervisor employees included in the five highest paid individuals for the year ended 31 December 2016 is set forth below:

	Year ended 31 December	
	2016	2015
Directors or supervisors	**1**	1
Non-director or supervisor employees	**4**	4
	5	5

The emoluments of the directors and supervisors are disclosed in Note 11(a). The aggregate of the emoluments in respect of the remaining highest paid individuals is as follows:

	Year ended 31 December	
	2016	2015
Salaries and other emoluments	**1,406**	1,237
Discretionary bonuses	**1,213**	919
Retirement benefits – defined contribution plans	**190**	176
	2,809	2,332

The emoluments of the five highest paid individuals are within the following band:

	Number of individuals	
	2016	2015
Nil to HKD1,000,000	**5**	5

During the year ended 31 December 2016, 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 (2015: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Equipment	Others *(Note)*	Construction in progress	Total
Year ended 31 December 2016					
Opening net carrying amount	2,346,691	41,269,796	140,839	8,766,133	52,523,459
Additions	–	29,495	9,649	8,455,504	8,494,648
Transfer and reclassification	204,250	5,556,817	10,577	(6,052,496)	(280,852)
Other disposals	–	(15,956)	(418)	(927)	(17,301)
Depreciation	(132,371)	(2,641,602)	(31,873)	–	(2,805,846)
Closing net carrying amount	2,418,570	44,198,550	128,774	11,168,214	57,914,108
As at 31 December 2016					
Cost	2,961,245	58,037,521	359,277	11,168,214	72,526,257
Accumulated depreciation	(542,675)	(13,838,971)	(230,503)	–	(14,612,149)
Net carrying amount	2,418,570	44,198,550	128,774	11,168,214	57,914,108
Year ended 31 December 2015					
Opening net carrying amount	1,991,866	37,559,205	138,100	9,094,229	48,783,400
Additions	–	20,593	17,776	6,358,201	6,396,570
Transfer and reclassification	447,324	6,108,230	23,509	(6,622,784)	(43,721)
Deemed disposal of subsidiaries	–	–	(16)	(17,881)	(17,897)
Other disposals	(5,609)	(39,967)	(447)	(45,632)	(91,655)
Depreciation	(86,890)	(2,378,265)	(38,083)	–	(2,503,238)
Closing net carrying amount	2,346,691	41,269,796	140,839	8,766,133	52,523,459
As at 31 December 2015					
Cost	2,763,881	52,476,591	342,843	8,766,133	64,349,448
Accumulated depreciation	(417,190)	(11,206,795)	(202,004)	–	(11,825,989)
Net carrying amount	2,346,691	41,269,796	140,839	8,766,133	52,523,459

(Amounts expressed in thousands of RMB unless otherwise stated)

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

Note:

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

For the year ended 31 December 2016, depreciation expense is analysed as follows:

	2016	2015
Depreciation expense recognised in profit or loss *(Note 6)*	**2,795,251**	2,500,643
Capitalisation as construction in progress	**10,595**	2,595
	2,805,846	2,503,238

At 31 December 2016, certain property, plant and equipment with cost and accumulated depreciation amounting to RMB1,333.6 million (2015: RMB1,333.6 million) and RMB257.6 million (2015: RMB252.9 million), respectively, were under the finance lease framework agreement as set out in Note 24(a)(ii).

At 31 December 2016, certain property, plant and equipment were pledged as security for long-term loans and other loans of the Group as set out in Note 24(c).

Impairment tests for property, plant and equipment

When any indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each CGU. The CGU is an individual plant or entity. The carrying values of these individual plants or entities were compared to the recoverable amounts of the CGUs, which were based predominantly on value-in-use. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period, cash flows beyond the 5-year period are extrapolated using the same cash flows of the fifth year. Other key assumptions applied in the impairment tests include the expected electricity volume, demand for the electricity, cost and related expenses. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopts a pre-tax rate of 9.6% (2015: 9.3%) that reflects specific risks related to CGUs as the discount rate.

For the year ended 31 December 2016, no impairment losses were provided for property, plant and equipment of the Group (2015: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

13. INTANGIBLE ASSETS

	Goodwill *(Note (iii))*	Concession assets *(Note (i))*	Computer and software	Technologies and tools *(Note (ii))*	Total
Year ended 31 December 2016					
Opening net carrying amount	58,055	733,098	17,613	3,483	812,249
Additions	–	5,688	19,872	5,121	30,681
Transferred from CIP	–	–	1,667	–	1,667
Disposals	–	(11,405)	(411)	(3,451)	(15,267)
Amortisation charges	–	(16,610)	(5,788)	–	(22,398)
Closing net carrying amount	58,055	710,771	32,953	5,153	806,932
As at 31 December 2016					
Cost	58,055	833,691	67,149	5,153	964,048
Accumulated amortisation	–	(122,920)	(34,196)	–	(157,116)
Net carrying amount	58,055	710,771	32,953	5,153	806,932
Year ended 31 December 2015					
Opening net carrying amount	58,055	501,135	19,800	3,397	582,387
Additions	–	247,244	4,006	86	251,336
Transferred from CIP	–	–	589	–	589
Deemed disposal of subsidiaries	–	–	(1)	–	(1)
Amortisation charges	–	(15,281)	(6,781)	–	(22,062)
Closing net carrying amount	58,055	733,098	17,613	3,483	812,249
As at 31 December 2015					
Cost	58,055	839,409	46,583	3,483	947,530
Accumulated amortisation	–	(106,311)	(28,970)	–	(135,281)
Net carrying amount	58,055	733,098	17,613	3,483	812,249

(Amounts expressed in thousands of RMB unless otherwise stated)

13. 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 2.12(a)). The Group recognised the intangible assets at the fair value of the concession construction service. The concession assets are amortised over the original contracted operating period of the relevant service concession projects of 25 years.

(ii) At 31 December 2016, technologies and tools represented internal generated technologies and tools pertaining to certain wind farm performance optimisation technology amounting to RMB5.2 million (2015: RMB3.5 million).

(iii) Impairment test for goodwill

The Group allocates goodwill to cash-generating units ("CGU") that are determined by different operating entities. The Group completed its annual impairment test for goodwill allocated to the respective CGUs 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 9.6% (2015: 9.3%). 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 demand for 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 was no impairment loss on the goodwill of the Group as at 31 December 2016 (2015: Nil).

For the year ended 31 December 2016, the amortisation expense is analysed as follows:

	2016	2015
Amortisation charges recognised in profit or loss *(Note 6)*	**21,969**	21,500
Capitalisation as construction in progress	**429**	562
	22,398	22,062

At 31 December 2016 and 2015, certain concession assets were pledged as security for long-term bank loans and other loans of the Group (Note 24(c)).

(Amounts expressed in thousands of RMB unless otherwise stated)

14. LAND USE RIGHTS

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

The movements during the years presented are as follows:

	Year ended 31 December	
	2016	2015
At 1 January	**456,285**	433,410
Additions	**–**	1,308
Reclassification	**28,621**	(11,727)
Transferred from CIP	**2,481**	43,132
Amortisation charges	**(10,587)**	(9,838)
At 31 December	**476,800**	456,285

Amortisation charges for the year ended 31 December 2016 are analysed as follows:

	2016	2015
Amortisation charges recognised in profit or loss *(Note 6)*	**10,587**	9,838
Capitalised as construction in progress	**–**	–
	10,587	9,838

(Amounts expressed in thousands of RMB unless otherwise stated)

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Investments in joint ventures

Movements in investments in joint ventures are as follows:

	Year ended 31 December	
	2016	2015
As at 1 January	**87,894**	85,819
Share of net assets	**1,865**	–
Joint ventures obtained from deemed disposal of a subsidiary	–	2,000
Share of profit for the year	**73**	75
As at 31 December	**89,832**	87,894

At 31 December 2016, the Group did not have significant commitments relating to its joint ventures, and there were no contingent liabilities relating to the Group's interests in the joint ventures.

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

(Amounts expressed in thousands of RMB unless otherwise stated)

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(b) Investments in associates

Movements in investments in associates are as follows:

	Year ended 31 December	
	2016	2015
At 1 January	**572,524**	581,035
Capital injections	**20,335**	–
Associates obtained from deemed disposal of a subsidiary	**–**	2,000
Dividends received	**(18,000)**	(20,000)
Share of profit for the year	**21,438**	9,489
At 31 December	**596,297**	572,524

Set out below are the associates of the Group at 31 December 2016, which, in the opinion of the directors of the Company, are material to the Group. The associates listed below have share capital consisting of paid-in capital, which are held directly by the Group; the country of establishment or registration is also the principal place of business.

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(b) Investments in associates *(Continued)*

Name of entity	Place of business/ country of establishment	Percentage of ownership interest		Measurement method
Datang Financial Leasing Company Limited (大唐融資租賃有限公司) ("Datang Financial Leasing")	The PRC	20%	Note 1	Equity method
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 method

Note 1: Datang Financial Leasing, a limited liability company established in the PRC, and the Company are 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 24(a)(ii) for more details).

Note 2: Guangdong Yueneng, a limited liability company established 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 interests in the associates.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(b) Investments in associates *(continued)*

Summarised financial information of associates

Set out below is the summarised financial information of Datang Financial Leasing, Guangdong Yueneng, and other associates which are accounted for using the equity method.

Summarised information about the statements of financial position

	Datang Financial Leasing		Guangdong Yueneng		Other associates		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
Total current assets	**1,672,846**	1,361,043	**100,768**	83,500	**352,162**	215,076	**2,125,776**	1,659,619
Total current liabilities	**(15,555,639)**	(13,319,631)	**(10,144)**	(16,456)	**(791,617)**	(1,829,025)	**(16,357,400)**	(15,165,112)
Total non-current assets	**17,232,251**	16,571,449	**374,884**	397,676	**1,160,528**	2,420,238	**18,767,663**	19,389,363
Total non-current liabilities	**(981,141)**	(2,267,176)	**(328,145)**	(324,850)	**(392,764)**	(188,816)	**(1,702,050)**	(2,780,842)
Net assets	**2,368,317**	2,345,685	**137,363**	139,870	**328,309**	617,473	**2,833,989**	3,103,028

Summarised information about the statements of comprehensive income

	Datang Financial Leasing		Guangdong Yueneng		Other associates		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
Revenue	**855,275**	830,633	**49,479**	55,276	**157,048**	192,489	**1,061,802**	1,078,398
Profit/(loss) before tax	**163,269**	36,211	**(2,510)**	13,604	**(1,389)**	(10,124)	**159,370**	39,691
Net profit/(loss) for the year	**122,632**	31,634	**(2,510)**	13,604	**(2,701)**	(10,038)	**117,421**	35,200
Other comprehensive income	**–**	–	**–**	–	**–**	–	**–**	–
Total comprehensive income/(loss)	**122,632**	31,634	**(2,510)**	13,604	**(2,701)**	(10,038)	**117,421**	35,200
Dividends received from associates	**18,000**	20,000	**–**	–	**–**	–	**18,000**	20,000

(Amounts expressed in thousands of RMB unless otherwise stated)

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

(b) Investments in associates *(continued)*

Summarised financial information of associates *(continued)*

Summarised information about the statements of comprehensive income (continued)

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 the accounting policies between the Group and the associates.

During the year ended 31 December 2016, the Group's share of the other associates' loss amounted to RMB1.9 million (2015: RMB3.5 million), share of the other associates' other comprehensive income amounted to nil (2015: Nil) and share of the other associates' total comprehensive loss amounted to RMB1.9 million (2015: RMB3.5 million).

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

Summarised financial information:

	Datang Financial Leasing		Guangdong Yueneng		Other associates		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
Opening net assets	**2,345,685**	2,414,051	**139,870**	126,510	**617,473**	552,622	**3,103,028**	3,093,183
Capital withdraw	**–**	–	**–**	–	**(345,757)**	–	**(345,757)**	–
Capital contribution	**–**	–	**–**	–	**59,294**	72,889	**59,294**	72,889
Associates obtained from deemed disposal of a subsidiary	**–**	–	**–**	–	**–**	2,000	**–**	2,000
Profit/(loss) for the year	**122,632**	31,634	**(2,510)**	13,604	**(2,701)**	(10,038)	**117,421**	35,200
Distributions to shareholders	**(100,000)**	(100,000)	**–**	–	**–**	–	**(100,000)**	(100,000)
Others	**–**	–	**–**	(244)	**–**	–	**–**	(244)
Closing net assets	**2,368,317**	2,345,685	**137,360**	139,870	**328,309**	617,473	**2,833,986**	3,103,028
Percentage of ownership	**20%**	20%	**49%**	49%	**–**	–	**–**	–
Interests in associates	**473,663**	469,137	**67,306**	68,536	**45,346**	26,869	**586,315**	564,542
Goodwill and other adjustments	**4,255**	2,255	**5,597**	5,597	**130**	130	**9,982**	7,982
Carrying value of investments	**477,918**	471,392	**72,903**	74,133	**45,476**	26,999	**596,297**	572,524

(Amounts expressed in thousands of RMB unless otherwise stated)

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2016	2015
At 1 January	356,640	405,242
Net profit/(loss) transfer to other comprehensive income	28,236	(48,602)
At 31 December	384,876	356,640

At 31 December 2016, the Group's financial assets at fair value through other comprehensive income include the following:

	As at 31 December	
	2016	2015
Listed securities:		
– Equity securities – Hong Kong	331,709	303,473
Unlisted securities:		
– Equity securities – the PRC	53,167	53,167
	384,876	356,640

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

	As at 31 December	
	2016	2015
RMB	53,167	53,167
HKD	331,709	303,473
	384,876	356,640

At 31 December 2016 and 2015, the directors of the Company were of their opinion that the fair value of unlisted securities approximated to their cost as the relevant entities was at the development stage.

(Amounts expressed in thousands of RMB unless otherwise stated)

17. DEFERRED TAX

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

	As at 31 December	
	2016	2015
Deferred income tax assets	**34,330**	34,542
Deferred income tax liabilities	**(24,159)**	(26,285)
Deferred income tax assets, net	**10,171**	8,257

The net movements in the deferred income tax account are as follows:

	Year ended 31 December	
	2016	2015
At 1 January	**8,257**	8,307
Tax credited/(debited) to profit or loss *(Note 8)*	**1,914**	(50)
At 31 December	**10,171**	8,257

(Amounts expressed in thousands of RMB unless otherwise stated)

17. DEFERRED TAX *(Continued)*

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Movements in deferred income tax assets:

	Tax losses	Provision for impairment	Deferred revenue	Intra-group unrealised profits	Tax credit entitlement	Total
At 1 January 2015	800	6,787	1,556	2,681	25,888	37,712
Debited to profit or loss	(800)	(1,476)	(389)	(86)	(419)	(3,170)
At 31 December 2015 and 1 January 2016	–	5,311	1,167	2,595	25,469	34,542
Debited/(credited) to profit or loss	–	651	(778)	(85)	–	(212)
At 31 December 2016	**–**	**5,962**	**389**	**2,510**	**25,469**	**34,330**

Movements in deferred income tax liabilities:

	Asset revaluation	Others	Total
At 1 January 2015	(28,411)	(994)	(29,405)
Credited to profit or loss	2,126	994	3,120
At 31 December 2015 and 1 January 2016	(26,285)	–	(26,285)
Credited to profit or loss	2,126	–	2,126
At 31 December 2016	**(24,159)**	**–**	**(24,159)**

(Amounts expressed in thousands of RMB unless otherwise stated)

17. DEFERRED TAX *(Continued)*

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related income tax benefits through the future taxable profits is probable. The Group did not recognise deferred income tax assets in respect of certain losses that can be carried forward against future taxable income. The unrecognised deductible temporary tax differences and the expiry dates of the related tax losses are summarised as follows:

	As at 31 December	
	2016	2015
Tax losses	**2,205,251**	2,020,656
Other deductible temporary tax differences	**4,188**	138,169
	2,209,439	2,158,825

	As at 31 December	
	2016	2015
Year of expiry		
2016	**–**	145,822
2017	**254,964**	263,433
2018	**489,187**	496,652
2019	**553,630**	612,973
2020	**467,183**	501,776
2021	**440,287**	–
	2,205,251	2,020,656

(Amounts expressed in thousands of RMB unless otherwise stated)

18. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2016	2015
CDM assets/receivables	133,110	145,615
Less: Provision for impairment *(Note (i))*	(59,913)	(49,148)
	73,197	96,467
Prepayments/advances for plant constructions	12,765	26,135
Receivables from the provision of services *(Note (v))*	75,093	86,650
Proceed receivables from the disposal of subsidiaries *(Note (v))*	112,200	112,200
Receivable from the disposal of a wind farm project *(Note (v))*	22,968	27,457
Other loan due from a related party	–	170,000
Deposit for project investments	57,834	34,822
Deposit for borrowings *(Note 24(a)(i))*	48,705	48,705
Receivables under a lease arrangement *(Note (ii))*	63,395	68,061
Entrusted loan to a related party *(Note (iv))*	–	200,000
Other receivables	144,374	122,882
	537,334	896,912
Less: Provision for impairment	(1,520)	–
	609,011	993,379
Value-added tax recoverable	2,447,736	2,226,104
Current tax prepayments	19,164	26,390
Deferred loss on long-term borrowings *(Note 24(a)(ii))*	5,629	5,965
Other prepayments	1,284,019	242,593
	4,365,559	3,494,431
Less: Non-current portion of		
– Receivables from the provision of services	(11,673)	(28,001)
– Receivables under a lease arrangement *(Note (ii))*	(57,623)	(62,545)
– Deposit for borrowings	(48,705)	(48,705)
– Deferred loss on long-term borrowings	(5,302)	(5,629)
– Value-added tax recoverable	(1,729,728)	(2,098,913)
– Other prepayments	(975,609)	(109,178)
	(2,828,640)	(2,352,971)
Total current portion of prepayments and other receivables	1,536,919	1,141,460

(Amounts expressed in thousands of RMB unless otherwise stated)

18. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes:

(i) At 31 December 2016, except for certain CDM assets, substantially of the all other receivables (2015: 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 the counter parties have committed to purchase the CERs and prices have been agreed at the time of recognition. These relate to a number of independent customers of whom the Group is not aware of any significant financial difficulties. As at 31 December 2016, the carrying amount of CDM assets amounted to RMB133.1 million, based on their assessment, the directors of the Company concluded that a portion of these receivables may not be recoverable. Therefore, a provision for impairment of RMB59.9 million (2015: RMB49.1 million) has been made. Movements in the provision for impairment of CDM assets/receivables are as follows:

	Year ended 31 December	
	2016	2015
At 1 January	**49,148**	85,193
Provision for impairment	**10,765**	6,503
Write-off	**–**	(42,548)
At 31 December	**59,913**	49,148

At 31 December 2016, included in "CDM assets/receivables" were settlements of RMB67.9 million (2015: RMB69.0 million) collected by a fellow subsidiary of the Company on the Group's behalf.

(Amounts expressed in thousands of RMB unless otherwise stated)

18. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(ii) During the year ended 31 December 2016, 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 was determined at a monthly fixed amount plus contingent fee which was linked to coal price. The transaction was accounted for as a finance lease and the implied interest rate was 4.54% per annum.

	As at 31 December	
	2016	2015
Non-current receivables		
Finance lease – gross receivables	**68,000**	76,500
Unearned finance income from finance lease receivables	**(10,377)**	(13,955)
	57,623	62,545
Current receivables		
Finance lease – gross receivables	**8,500**	8,500
Unearned finance income from finance lease receivables	**(2,728)**	(2,984)
	5,772	5,516
Net investment in finance lease	**63,395**	68,061

(Amounts expressed in thousands of RMB unless otherwise stated)

18. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(ii) *(Continued)*

	As at 31 December	
	2016	2015
Gross receivables from the finance lease:		
– No later than 1 year	**8,500**	8,500
– Later than 1 year and no later than 5 years	**34,000**	34,000
– Later than 5 years	**34,000**	42,500
	76,500	85,000
Unearned future finance income from finance lease receivable	**(13,105)**	(16,939)
Net investment in finance lease	**63,395**	68,061
The net investment in finance lease is analysed as follows:		
– No later than 1 year	**5,772**	5,516
– Later than 1 year and no later than 5 years	**25,891**	24,744
– Later than 5 years	**31,732**	37,801
Total	**63,395**	68,061

No contingent income was recognised during the year ended 31 December 2016.

(Amounts expressed in thousands of RMB unless otherwise stated)

18. PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(iii) The carrying amounts of the Group's other receivables were denominated in the following currencies:

	As at 31 December	
	2016	2015
RMB	**560,216**	900,709
EUR	**25,827**	71,021
AUD	**22,968**	21,649
Total	**609,011**	993,379

(iv) At 16 January 2015, China Datang Corporation Finance Company Limited (中國大唐集團財務有限公司) ("Datang Finance") was entrusted by the Company to lend RMB200.0 million to Datang Financial Leasing. The due date was 15 January 2016. The interest rate was 6% per annum.

(v) At 31 December 2016 and 2015, the balance included receivables from equipment sales and proceeds for disposal of projects, which were over 3 years, with the aggregate carrying amount of RMB123.8 million (2015: RMB136.8 million). Management assessed the collectability of these long-aged receivables, and considered there is no significant uncertainty in the recovery of the receivables.

(vi) At 31 December 2016 and 2015, the fair values of the current loans and receivables approximated to their carrying amounts. The maximum exposure to credit risk at the reporting date was the carrying value of each class of the receivables. The Group does not hold any collateral as security.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. INVENTORIES

	As at 31 December	
	2016	2015
Finished goods	**1,572**	79
Spare parts	**112,908**	48,129
	114,480	48,208
Less: Provision for impairment of inventories	**–**	–
	114,480	48,208

As at 31 December 2016 and 31 December 2015, the Group had no pledged inventories for bank and other borrowings.

20. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2016	2015
Trade receivables	**2,655,311**	1,241,664
Bills receivable	**147,532**	97,530
	2,802,843	1,339,194
Less: Provision for doubtful debts	**(2,328)**	(2,328)
	2,800,515	1,336,866

20. TRADE AND BILLS RECEIVABLES *(Continued)*

Trade and bills receivables 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 receivables of the Group are all denominated in RMB. The fair values of the trade and bills receivables approximate to their carrying amounts.

For trade and bills receivables arising from tariff revenue, the Group usually grants credit periods 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.

Settlements 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 are 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 31 December 2016, most of the operating projects of the Group have been approved for the tariff premium and certain projects were in the process of applying for the approval. The directors are of the opinion that these trade and bills receivables 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.

(Amounts expressed in thousands of RMB unless otherwise stated)

20. TRADE AND BILLS RECEIVABLES *(Continued)*

An ageing analysis of trade and bills receivables based on the revenue recognition date was as follows:

	As at 31 December	
	2016	2015
Within 1 year	2,391,619	1,173,898
Between 1 and 2 years	328,412	126,833
Between 2 and 3 years	60,300	28,869
Over 3 years	22,512	9,594
	2,802,843	1,339,194

At 31 December 2016, trade and bills receivables of RMB408.9 million (2015: RMB163.0 million) were past due but not impaired. The ageing analysis of these trade and bills receivables is as follows:

	As at 31 December	
	2016	2015
Past due within 1 year	328,412	126,833
Past due over 1 year	80,484	36,135
	408,896	162,968

At 31 December 2016, a trade receivable of RMB2.3 million (2015: RMB2.3 million) was fully impaired, which represented a past due tariff receivable from a power grid company in dispute. It was assessed that the receivable was not recoverable.

At 31 December 2016 and 2015, the Group has pledged a portion of their tariff collection rights as security for certain bank and other loans (Note 24(c)).

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

(Amounts expressed in thousands of RMB unless otherwise stated)

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 31 December	
	2016	2015
Restricted cash	**12,385**	4,725
Cash and bank balances	**1,166,209**	1,077,788
Cash and cash equivalents and restricted cash	**1,178,594**	1,082,513

As at 31 December 2016, restricted cash mainly represented deposits held for use in land reclamation deposit.

Cash and cash equivalents and restricted cash of the Group were denominated in the following currencies:

	As at 31 December	
	2016	2015
RMB	**1,160,952**	1,046,992
HKD	**1,135**	19,332
EUR	**13,973**	12,722
USD	**1,135**	1,010
AUD	**1,399**	2,457
	1,178,594	1,082,513

(Amounts expressed in thousands of RMB unless otherwise stated)

22. TRADE AND BILLS PAYABLES

	As at 31 December	
	2016	2015
Trade payables	**147,793**	93,417
Bills payable	**2,214,362**	1,224,886
	2,362,155	1,318,303

At 31 December 2016 and 2015, substantially all of the trade and bills payables were aged within one year based on their invoice dates, and were denominated in RMB.

The fair values of the trade and bills payables approximate to their carrying amounts.

(Amounts expressed in thousands of RMB unless otherwise stated)

23. ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2016	2015
Payables for property, plant and equipment	**7,419,901**	4,593,248
Loans from related parties	**69,704**	116,915
Dividends payable	**24,032**	57,942
Interests payable	**123,277**	135,517
Accrued staff related costs	**57,182**	62,897
Payables for CDM projects	**6,517**	8,338
Payables for taxes other than income taxes	**54,246**	11,490
Asset retirement obligations *(Note)*	**76,048**	71,373
Amounts due to a non-controlling interest	**6,132**	6,132
Other payables	**195,678**	187,907
	8,032,717	5,251,759
Deferred government grants	**20,963**	25,073
Deferred income on long-term borrowings *(Note 24(a)(ii))*	**179,011**	190,656
Other accruals and deferrals	**87,172**	97,728
	8,319,863	5,565,216
Less: Non-current portion of		
– Loan from related parties	**(44,550)**	(60,550)
– Asset retirement obligations	**(76,048)**	(71,373)
– Deferred government grants	**(20,963)**	(25,073)
– Deferred income on long-term borrowings	**(167,370)**	(179,011)
– Other accruals and deferrals	**(82,562)**	(86,833)
	(391,493)	(422,840)
Current portion of accruals and other payables	**7,928,370**	5,142,376

(Amounts expressed in thousands of RMB unless otherwise stated)

23. ACCRUALS AND OTHER PAYABLES *(Continued)*

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 pieces of land during the construction of the relevant power plant facilities. In addition, the Group may have contractual obligations to dismantle the relevant facilities and rehabilitate the pieces of land occupied at the end of the concession periods for wind or solar farms operated under the relevant service concession agreements.

For the year ended 31 December 2016, the unwinding of discount of RMB4.7 million (2015: RMB4.6 million) was included in "Finance expenses" in the consolidated statement of profit or loss.

The carrying amounts of the Group's other payables denominated in the following currencies:

	As at 31 December	
	2016	2015
RMB	**8,029,172**	5,248,138
EUR	**3,400**	45
HKD	**–**	3,441
Other currencies	**145**	135
Total	**8,032,717**	5,251,759

(Amounts expressed in thousands of RMB unless otherwise stated)

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	As at 31 December	
	2016	2015
Bank loans		
– Unsecured	**18,602,201**	15,326,767
– Guaranteed *(Note 24 (c))*	**2,360,339**	2,593,597
– Secured	**5,665,831**	5,400,121
	26,628,371	23,320,485
Other loans		
– Unsecured	**3,039,969**	2,117,070
– Guaranteed *(Note (i))*	**3,000,000**	3,932,486
– Secured *(Note (ii))*	**2,640,099**	2,941,915
	8,680,068	8,991,471
Corporate bonds – unsecured *(Note (iii))*	**1,996,982**	4,195,638
Total long-term borrowings	**37,305,421**	36,507,594
Less: Current portion of long-term borrowings *(Note 24 (b))*		
– Bank loans	**(2,987,044)**	(2,371,509)
– Other loans	**(158,440)**	(216,422)
– Corporate bonds	**–**	(4,195,638)
	(3,145,484)	(6,783,569)
Total non-current portion of long-term borrowings	**34,159,937**	29,724,025

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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

Notes:

(i) At 31 December 2016, included in other loans, there was no borrowing from ICBC Financial Leasing Company Limited (工銀金融租賃有限公司) for the constructions of designated wind farms guaranteed by the Company (2015: RMB932.5 million). Pursuant to the related loan agreements, certain property, plant and equipment of relevant wind farms were pledged as security. Prior to the period before the pre-determined criteria were met, these borrowings were all guaranteed by the Company. At 31 December 2016, these borrowings were transferred into secured loans due to the pre-determined criteria were met; and cash amounting to RMB48.7 million (2015: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

In addition, at 31 December 2016, the borrowings from Pingan Assets Management Co., Ltd. amounting to RMB3 billion (2015: RMB3 billion) were guaranteed by Datang Corporation.

(ii) At 31 December 2016, included in secured other loans were borrowings amounting to RMB987.0 million (31 December 2015: RMB1,093.6 million) due to Datang Financial Leasing and RMB1,477.8 million (31 December 2015: RMB1,620.2 million) from ICBC Financial Leasing Company Limited, which allows certain subsidiaries of the Company sell and lease back certain property, plant and equipment to and from the lenders for periods 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 *SIC-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 12).

At 31 December 2016 and 2015, deferred loss and revenue recognised represented the adjustments for the present values of these borrowings, and were included in "Prepayments and other receivables" and "Accruals and other payables" in the consolidated statement of financial position, respectively.

(iii) The Company issued green corporate bonds amounting to RMB1,000 million, RMB500 million and RMB500 million with a unit par value of RMB100 each for cash on 14 September 2016, 28 September 2016 and 21 October 2016, respectively. The annual interest rates for these green corporate bonds were 3.50%, 3.15% and 3.10% respectively.

(Amounts expressed in thousands of RMB unless otherwise stated)

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

(b) Short-term borrowings

	As at 31 December	
	2016	2015
Bank loans		
– Unsecured	**2,100,000**	473,000
	2,100,000	473,000
Short-term bonds – Unsecured *(Note)*	**4,020,821**	2,017,417
Other loans – Unsecured	**900,000**	1,300,000
Current portion of long-term borrowings *(Note 24(a))*	**3,145,484**	6,783,569
	10,166,305	10,573,986

Note:

On 18 June 2015, the Company issued short-term bonds with a unit par value of RMB100 each for cash of RMB2,000.0 million, net of issuance cost of RMB3.0 million. These bonds had annual coupon rates of 4.90% and 5.25%, and are matured in September 2016.

On 15 March 2016, 13 September 2016 and 7 November 2016, the Company issued short-term bonds with a par value of RMB100 each for RMB2,000.0 million, net of issuance cost of RMB9.7 million. These bonds have annual coupon rates ranging from 2.60% to 2.94%. The first issued coupon RMB2,000.0 million has already matured in September 2016, and the remaining of RMB4,000.0 million will mature in 2017.

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

(Amounts expressed in thousands of RMB unless otherwise stated)

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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

At 31 December 2016, the effective interest rates per annum on borrowings are as follows:

	As at 31 December	
	2016	2015
Long-term		
Bank loans	**2.82%–6.00%**	4.17%–6.56%
Other loans	**4.41%–5.76%**	4.15%–7.21%
Corporate bonds	**3.10%–3.50%**	5.4%
Short-term		
Bank loans	**3.92%–4.41%**	3.92%–4.90%
Other loans	**4.41%–4.90%**	4.14%–4.59%
Short-term bonds	**2.60%–2.94%**	3.08%

At 31 December 2016, details of the Group's guaranteed borrowings are as follows:

	As at 31 December	
	2016	2015
Guarantor		
– The Company*	**1,982,685**	2,159,425
– Non-controlling interests of subsidiaries and ultimate holding companies of non-controlling interests	**377,654**	434,172
	2,360,339	2,593,597

* At 31 December 2016, guaranteed loans by the Company amounting to RMB42.0 million (2015: RMB50.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

(Amounts expressed in thousands of RMB unless otherwise stated)

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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

At 31 December 2016, the Group has pledged certain assets as collateral to certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	As at 31 December		As at 31 December	
	2016	2015	**2016**	2015
Property, plant and equipment	**2,427,917**	2,601,891	**3,390,397**	2,970,555
Concession assets	**245,214**	260,496	**–**	–
Tariff collection rights	**414,716**	181,384	**131,858**	63,196
	3,087,847	3,043,771	**3,522,255**	3,033,751

At 31 December 2016, long-term borrowings were repayable as follows:

	As at 31December	
	2016	2015
Within 1 year	**3,145,484**	6,783,569
After 1 year but within 2 years	**4,791,937**	2,763,218
After 2 years but within 5 years	**15,979,172**	10,819,383
After 5 years	**13,388,828**	16,141,424
	37,305,421	36,507,594

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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

At 31 December 2016, the carrying amounts of borrowings were denominated in the following currencies:

	As at 31 December	
	2016	2015
RMB	**44,232,427**	40,166,284
USD	**93,815**	131,727
	44,326,242	40,298,011

25. SHARE CAPITAL AND SHARE PREMIUM

As 31 December 2016, ordinary shares comprises of the following:

	31 December 2016	31 December 2015
	Number of shares *(in thousands)*	Number of shares *(in thousands)*
Domestic shares	**4,772,630**	4,772,630
H shares	**2,501,071**	2,501,071
	7,273,701	7,273,701

The total number of authorised ordinary shares is 7,273.7 million with a par value of RMB1.00 per share. At 31 December 2016 and 2015, all issued shares were registered, fully paid and ranked pari passu to each other.

25. SHARE CAPITAL AND SHARE PREMIUM *(Continued)*

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

	Number of shares *(in thousands)*	Ordinary shares *(RMB'000)*	Share premium *(RMB'000)*	Total *(RMB'000)*
At 31 December 2015 and 2016	7,273,701	7,273,701	2,080,969	9,354,670

26. PERPETUAL NOTES PAYABLE

On 10 December 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 were RMB1,979.3 million. Coupon payments of 5.80% per annum are paid annually in arrears on 12 December 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 dates and are callable at the Company's option, on 12 December 2019 or on any Coupon Payment Date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. After 12 December 2019, the coupon rate will be reset every 5 years to a percentage per annum equal to the sum of (a) the initial spreads of the difference between the nominal interest rate and the initial benchmark interest rate, (b) the 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 obligations 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 payments are accounted for as equity distributions to the owners of the Company.

In 2016, the Company announced and distributed interest of RMB116.0 million (2015: RMB116.0 million) to the perpetual note holders in terms of the Medium-term Notes.

(Amounts expressed in thousands of RMB unless otherwise stated)

27. OTHER RESERVES

A summary of the movements in the Group's other reserves for the year ended 31 December 2016 is as follows:

	Statutory surplus reserve *(Note (i))*	Other reserves *(Note (ii))*	Investment revaluation reserve	Currency translation	Total
At 1 January 2015	127,094	(1,446,720)	(104,064)	(7,674)	(1,431,364)
Acquisition of non-controlling interests of subsidiaries	–	(636)	–	–	(636)
Losses arising on revaluation of financial assets at fair value through other comprehensive income *(Note 16)*	–	–	(48,602)	–	(48,602)
Exchange differences related to foreign operations	–	–	–	(1,374)	(1,374)
At 31 December 2015	127,094	(1,447,356)	(152,666)	(9,048)	(1,481,976)
At 1 January 2016	**127,094**	**(1,447,356)**	**(152,666)**	**(9,048)**	**(1,481,976)**
Transfer from retained earnings	**31,575**	**–**	**–**	**–**	**31,575**
Share of net assets in joint ventures	**–**	**1,865**	**–**	**–**	**1,865**
Losses arising on revaluation of financial assets at fair value through other comprehensive income *(Note 16)*	**–**	**–**	**28,236**	**–**	**28,236**
Exchange differences related to foreign operations	**–**	**–**	**–**	**1,553**	**1,553**
At 31 December 2016	**158,669**	**(1,445,491)**	**(124,430)**	**(7,495)**	**(1,418,747)**

27. OTHER RESERVES *(Continued)*

Notes:

(i) 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 shareholdings 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 the registered capital. The statutory surplus reserve is non-distributable.

(ii) Other reserves

Other reserves of the Group 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 reorganisation, and merger reserves arising from business combinations under common control.

28. SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS

The Company is controlled by Datang Corporation, the parent company and a state-owned enterprise established in the PRC. Datang Corporation itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24 *Related Party Disclosures's* 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 over 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.

For the purpose of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

In addition to the related party information and transactions disclosed elsewhere in the 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.

(a) Significant related party transactions

	2016	2015
Transactions with fellow subsidiaries of the Group:		
– Provision of installation, construction, general contracting services	**3,543**	14,558
– Sales of equipment	**2,663**	2,288
– Purchases of engineering, construction, supervisory services and general contracting services *(Note (i))*	**(87,587)**	(285,805)
– Purchases of key and auxiliary materials, equipment and finished goods *(Note (ii))*	**(3,240,972)**	(1,875,367)
– Provision of working capital	**–**	200,000
– Borrowings *(Note (iii))*	**(1,600,040)**	(5,514,800)
– Interest income earned	**6,945**	21,027
– Interest expense charged *(Note (iii))*	**(209,093)**	(94,181)
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (contracted, but not provided for)	**1,863,167**	4,689,147

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

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

Notes:

(i) Provision of general contracting services by certain fellow subsidiaries of Datang Group included purchases of equipment and construction services.

(ii) Purchases of key and auxiliary materials, equipment and finished goods are mainly purchases of wind turbines, tower tubes and auxiliary materials from Shenyang Huachuang Wind Power Co., Limited and China National Water Resources & Electric Power Materials & Equipment Co., Limited.

(iii) During the year ended 31 December 2016, included in "Borrowings" were borrowings from Datang Finance and Datang Financial Leasing. The due dates of the related borrowings fall within the period from 17 March 2021 to 21 September 2031, and the interest rates range from 4.41% to 5.76% per annum.

(iv) In addition to the above transactions, in August 2011, the Company and Datang Finance, a fellow subsidiary of the Company which is a financial institution established 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 years. After the expiration of the agreement, on 17 March 2015, a new financial service agreement was entered into by both parties for a term from 17 March 2015 to 1 December 2017.

Pursuant to the agreement, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group. At 31 December 2016, the Group had a cash deposit held at Datang Finance amounting to RMB902.3 million (2015: RMB678.1 million), and the interest income on the deposit was RMB6.5 million for the year ended 31 December 2016 (2015: RMB9.4 million).

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

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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

Other than those disclosed elsewhere in the consolidated financial statements, the outstanding balances with related entities at the year end are as follows:

	31 December 2016	31 December 2015
Cash and cash equivalents deposited with		
A subsidiary of Datang Corporation *(Note 28 (a)(iv))*	**902,340**	678,067
Trade and bills receivables		
Datang Corporation and its subsidiaries	**10,156**	9,560
Prepayments and other receivables and amounts included in property, plant and equipment		
Datang Corporation and its subsidiaries	**677,398**	1,230,823
Other associates	**10,488**	132
Trade and bills payables		
Datang Corporation and its subsidiaries	**(1,471,809)**	(581,529)
Accruals and other payables		
Datang Corporation and its subsidiaries	**(2,243,240)**	(1,280,729)
Interest-bearing borrowings		
Subsidiaries of Datang Corporation	**(4,926,920)**	(4,510,689)

All balances with related parties arose primarily from transactions as disclosed in Note 28(a).

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

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

At 31 December 2016, amounts included in "Accruals and other payables" of RMB60.6 million (2015: RMB76.6 million) and "Interest-bearing loans and borrowings" of RMB4,926.9 million (2015: RMB4,510.7 million) were payables to certain fellow subsidiaries of the Company which bore interest at rates ranging from 4.41% to 5.76% per annum (2015: 4.41% to 7.21%). Except for the above mentioned, all (2015: all) other balances with Datang Corporation and its subsidiaries are interest-free, unsecured and due on demand.

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

For the year ended 31 December 2016, all (2015: all) revenue from the sales of electricity was made to the provincial power grid companies. These power grid companies are directly or indirectly owned or controlled by the PRC government. At 31 December 2016, substantially all (2015: substantially all) of the trade and bills receivables (Note 20) were due from these power grid companies.

Apart from the above, for the years ended 31 December 2016 and 2015, a large portion of the Group's other significant transactions with other state-owned enterprises were its purchases of materials, property, plant and equipment and services. Substantially all cash and cash equivalents and borrowings at 31 December 2016 and 2015, and the relevant interest income earned and expenses incurred were 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 costs incurred, or as mutually agreed.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(d) Compensation of key management personnel

	Year ended 31 December	
	2016	2015
Basic salaries, housing fund, other allowances and benefits in kind	**3,360**	2,868
Discretionary bonuses	**2,749**	2,038
Pension costs	**475**	405
	6,584	5,311

Details of directors', supervisors', and senior management's remuneration are included in Note 11 to the financial statements.

(e) Commitments with related parties

As at 31 December 2016 and 2015, except for the other capital commitments disclosed in Note 28(a) to the consolidated financial statements, the Group had no significant commitments with other related parties.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. FINANCIAL INSTRUMENTS

29.1 Financial instruments by category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

	31 December 2016			
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
Financial assets at fair value through other comprehensive income	–	–	384,876	384,876
Trade and bills receivables	–	2,800,515	–	2,800,515
Restricted cash and time deposits	–	12,385	–	12,385
Cash and cash equivalents	–	1,166,209	–	1,166,209
Financial assets included in prepayments and other receivables	–	596,246	–	596,246
Financial assets at fair value through profit or loss	8,900	–	–	8,900
	8,900	4,575,355	384,876	4,969,131

(Amounts expressed in thousands of RMB unless otherwise stated)

29. FINANCIAL INSTRUMENTS *(Continued)*

29.1 Financial instruments by category *(Continued)*

Financial liabilities

	31 December 2016	
	Financial liabilities at amortised cost	Total
Loans from associates	1,404,412	1,404,412
Trade and bills payables	2,362,155	2,362,155
Financial liabilities included in accruals and other payables	8,168,606	8,168,606
Interest-bearing loans and borrowings	42,921,830	42,921,830
	54,857,003	54,857,003

(Amounts expressed in thousands of RMB unless otherwise stated)

29. FINANCIAL INSTRUMENTS *(Continued)*

29.1 Financial instruments by category *(Continued)*

Financial assets

	31 December 2015			
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
Financial assets at fair value through other comprehensive income	–	–	356,640	356,640
Trade and bills receivables	–	1,336,866	–	1,336,866
Restricted cash and time deposits	–	4,725	–	4,725
Cash and cash equivalents	–	1,077,788	–	1,077,788
Financial assets included in prepayments and other receivables	–	967,253	–	967,253
Financial assets at fair value through profit or loss	8,900	–	–	8,900
	8,900	3,386,632	356,640	3,752,172

(Amounts expressed in thousands of RMB unless otherwise stated)

29. FINANCIAL INSTRUMENTS *(Continued)*

29.1 Financial instruments by category *(Continued)*

Financial liabilities

	31 December 2015	
	Financial liabilities at amortised cost	Total
Loans from associates	1,094	1,094
Trade and bills payables	1,318,303	1,318,303
Financial liabilities included in accruals and other payables	5,457,280	5,457,280
Interest-bearing loans and borrowings	40,296,917	40,296,917
	47,073,594	47,073,594

29.2 Fair value and fair value hierarchy

Fair value

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2016 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).

(Amounts expressed in thousands of RMB unless otherwise stated)

29. FINANCIAL INSTRUMENTS *(Continued)*

29.2 Fair value and fair value hierarchy *(Continued)*

Fair value (Continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 December 2016

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets at fair value through other comprehensive income	331,709	–	53,167	384,876
Financial assets at fair value through profit or loss	–	–	8,900	8,900
	331,709	–	62,067	393,776

(Amounts expressed in thousands of RMB unless otherwise stated)

29. FINANCIAL INSTRUMENTS *(Continued)*

29.2 Fair value and fair value hierarchy *(Continued)*

Fair value (Continued)

As at 31 December 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets at fair value through other comprehensive income	303,473	–	53,167	356,640
Financial assets at fair value through profit or loss	–	–	8,900	8,900
	303,473	–	62,067	365,540

During the year, the Group had no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2015: Nil).

30. FINANCIAL AND CAPITAL RISK MANAGEMENT

30.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury management department (the "Group Treasury") under policies approved by the board of directors of the Company. The Group Treasury identifies, evaluates and hedges financial risks through close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign currency 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, loans denominated in USD, recognised assets and liabilities and net investments in foreign operations.

As at 31 December 2016, substantially all of the revenue-generating operations of the Group are located in the PRC and transacted in RMB. To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group have the policy to minimise foreign currency transactions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.1 Financial risk management *(Continued)*

(a) Market risk *(Continued)*

(i) Foreign currency risk (Continued)

At 31 December 2016, if RMB had weakened/strengthened by 5% (2015: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB1.2 million lower/higher (2015: RMB0.3 million higher/lower) mainly as a result of foreign exchange gains/losses on translation of recognised 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 period 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 demand.

(ii) 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 2016 and 2015, the Group's borrowings at variable rates were denominated in RMB and USD.

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.1 Financial risk management *(Continued)*

(a) Market risk *(Continued)*

(ii) Cash flow and fair value interest rate risk (Continued)

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

At 31 December 2016, if interest rates on RMB and USD denominated loans both had been 50 basis points (2015: 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 RMB201.9 million (2015: RMB203.6 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 period.

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.1 Financial risk management *(Continued)*

(a) Market risk *(Continued)*

(iii) Price risk

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

As at 31 December 2016, the Group was 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.

If prices of the equity security investments had increased/decreased by 10% with the stock price, the investment valuation reserve within equity would have been higher/lower by RMB32.14 million (2015: RMB30.52 million) as a result of the increase/decrease in equity securities classified as fair value through other comprehensive income.

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.1 Financial risk management *(Continued)*

(b) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to receivable balances. Each local entity is responsible for managing and analysing 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 the policy to review the credit risks of any banks and financial institutions and does not expect any significant losses from non-performance of these banks and financial institutions. The Group's policy requires all of the Group's cash and cash equivalents in the PRC to be 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 has been made (Note 18). The Group does not expect any further losses from non-performance by these counterparties. For other receivables, the Group performs ongoing individual credit evaluations of their customers' and counterparties' financial conditions, and is of the opinion that no debts are impaired.

The concentrations of trade receivables are disclosed in Note 20.

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

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.1 Financial risk management *(Continued)*

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Treasury. The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. This forecast takes into consideration of the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

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 is transferred to Datang Finance. Datang Finance places the surplus cash with banks after considering sufficient liquidity to provide sufficient headroom as determined by Datang Finance.

At 31 December 2016, the Group held cash and cash equivalents of RMB1,166.2 million (2015: RMB1,077.8 million) (Note 21). In addition, the Group held listed equity securities of RMB331.7 million (2015: RMB303.5 million) (Note 16), which could be readily realised to provide a further source of cash should the need arise.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.1 Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

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 ratios, and other credit rating requirements. Such forecast takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal debt ratio targets.

At 31 December 2016, the Group had the following undrawn borrowing facilities at floating rates:

	As at 31 December	
	2016	2015
Expiring within one year	**27,756,424**	17,859,000
Expiring beyond one year	**36,248,021**	44,613,728
	64,004,445	62,472,728

Based on the above, the directors of the Company are confident to meet the payment and settlement obligations and that the liquidity risk is low.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.1 Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
As at 31 December 2016					
Long-term loans *(Note 24(a))*	3,145,484	4,791,937	13,982,190	13,388,828	35,308,439
Long-term bonds *(Note 24(a))*	–	–	2,000,000	–	2,000,000
Short-term loans *(Note 24(b))*	3,000,000	–	–	–	3,000,000
Short-term bonds *(Note 24(b))*	4,000,000	–	–	–	4,000,000
Interest payables on borrowings	1,791,664	1,539,752	3,254,757	3,130,189	9,716,362
Other payables	8,124,056	16,000	28,550	–	8,168,606
Trade and bills payables *(Note 22)*	2,362,155	–	–	–	2,362,155
	22,423,359	6,347,689	19,265,497	16,519,017	64,555,562
As at 31 December 2015					
Long-term loans *(Note 24(a))*	2,587,931	2,763,218	10,819,383	16,141,424	32,311,956
Long-term bonds *(Note 24(a))*	4,200,000	–	–	–	4,200,000
Short-term loans *(Note 24(b))*	1,773,000	–	–	–	1,773,000
Short-term bonds *(Note 24(b))*	2,000,000	–	–	–	2,000,000
Interest payables on borrowings	1,867,747	1,467,809	3,312,837	3,972,671	10,621,064
Other payables	5,396,730	16,000	44,550	–	5,457,280
Trade and bills payables *(Note 22)*	1,318,303	–	–	–	1,318,303
	19,143,711	4,247,027	14,176,770	20,114,095	57,681,603

30. FINANCIAL AND CAPITAL RISK MANAGEMENT *(Continued)*

30.2 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 the liability-to-asset ratio, which is calculated by dividing total liabilities by total assets. The liability-to-asset ratio of the Group at 31 December 2016 was 80.1% (2015: 77.7%).

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

(Amounts expressed in thousands of RMB unless otherwise stated)

31. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

At 31 December 2016, the Company entities directly and indirectly held equity interests in its subsidiaries, all of which are unlisted securities. The Company's principal subsidiaries, all of which are limited liability companies established and operated in the PRC in the business of wind power generation, were summarised as follows:

Name	Registered and fully paid-in capital	Proportion of equity interest held by	
		The Group	Non-controlling interests
Datang (Chifeng) Renewable Power Co., Ltd. (大唐（赤峰）新能源有限公司) ("Chifeng Renewable")	RMB2,120.5 million	60%	40%
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%	–
Datang Renewable Shuozhou Wind Power Generation Co., Ltd. (大唐新能源朔州風力發電有限公司)	449,910	100%	–
Chifeng Tangneng Renewable Power Co., Ltd. (赤峰唐能新能源有限公司)	334,380	100%	–
Datang Yumen Changma Wind Power Generation Co., Ltd. (大唐玉門昌馬風電有限公司)	298,644	100%	–

(Amounts expressed in thousands of RMB unless otherwise stated)

31. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

Name	Registered and fully paid-in capital	Proportion of equity interest held by	
		The Group	Non-controlling interests
Datang (Tongliao) Huolinhe Renewable Power Co., Ltd. (大唐(通遼)霍林河新能源有限公司)	528,590	100%	–
Datang Xiangyang Wind Power Generation Co., Ltd. (大唐向陽風電有限公司)	675,900	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%	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 (i))*	861,000	28%	72%
Datang Sanhe (Lin xi) Renewable Power Co., Ltd. (大唐三合(林西)新能源有限公司) ("Sanhe (Lin Xi)")	183,370	51%	49%

All English names of the subsidiaries represent the best effort made by the Company's directors' best effort to translate their Chinese names and are for reference only. The official names of these entities are in Chinese.

31. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES *(Continued)*

Notes:

(i) The Company has power to govern the financial and operating policies of Shanghai Dong Hai and certain subsidiaries by virtue of acting in concert arrangements with other shareholders of these subsidiaries who undertook to act in concert with the Group. These subsidiaries are included in the consolidation. All the subsidiaries have share capital consisting solely of paid-in capital.

(ii) At 31 December 2016, the Company's share in the paid-in capital of certain subsidiaries differed from its proportionate share in the share capital as specified in the articles of association, due to the delay in capital injection by certain shareholders. As a consequence, the Company's effective interest held was determined in accordance with the articles of association of the respective entities, or the share in the paid-in capital as mutually agreed among the respective shareholders.

(iii) During the year ended 31 December 2016, the Group disposed of a subsidiary with net assets in aggregate of RMB2.90 million for a consideration amounting to RMB2.85 million as disclosed in Note 33. The gain on disposal amounted to RMB45 thousand.

(Amounts expressed in thousands of RMB unless otherwise stated)

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2016	2015
Percentage of equity interest held by non-controlling interests		
Chifeng Renewable	40%	40%
Shanghai Dong Hai	72%	72%
Sanhe (Lin Xi)	49%	49%
Profit/(loss) for the year allocated to non-controlling interests		
Chifeng Renewable	43,455	47,904
Shanghai Dong Hai	43,865	(1,555)
Sanhe (Lin Xi)	14,184	19,087
Dividends paid to non-controlling interests		
Chifeng Renewable	43,455	46,597
Shanghai Dong Hai	–	–
Sanhe (Lin Xi)	34,244	17,060
Accumulated balances of non-controlling interests at the reporting dates		
Chifeng Renewable	949,063	946,532
Shanghai Dong Hai	647,436	603,571
Sanhe (Lin Xi)	109,692	129,752

(Amounts expressed in thousands of RMB unless otherwise stated)

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2016	Chifeng Renewable	Shanghai Dong Hai	Sanhe (Lin Xi)
Revenue	572,221	356,038	116,233
Total cost and expenses	(420,682)	(295,115)	(87,287)
Profit for the year	151,539	60,923	28,946
Total comprehensive income for the year	151,539	60,923	28,946
Current assets	379,745	372,802	92,562
Non-current assets	4,340,492	3,061,548	726,576
Current liabilities	(732,142)	(344,722)	(65,992)
Non-current liabilities	(1,584,977)	(2,190,412)	(529,192)
Net cash flows from operating activities	316,667	284,904	62,640
Net cash flows from/(used in) investing activities	(14,952)	9,757	66,627
Net cash flows used in financing activities	(311,300)	(321,446)	(130,485)
Effect of foreign exchange rate changes, net	(3,828)	–	(101)
Net decrease in cash and cash equivalents	(13,413)	(26,785)	(1,319)

(Amounts expressed in thousands of RMB unless otherwise stated)

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

2015	Chifeng Renewable	Shanghai Dong Hai	Sanhe (Lin Xi)
Revenue	578,670	253,577	116,201
Total cost and expenses	(458,910)	(255,736)	(77,235)
Profit/(loss) for the year	119,760	(2,159)	38,966
Total comprehensive income/(loss) for the year	119,760	(2,159)	38,966
Current assets	481,007	325,428	132,336
Non-current assets	4,501,257	3,303,814	779,305
Current liabilities	(949,584)	(281,035)	(72,038)
Non-current liabilities	(1,635,888)	(2,509,914)	(574,709)
Net cash flows from operating activities	1,025,610	9,123	161,430
Net cash flows used in investing activities	(354,277)	(209,241)	(71,696)
Net cash flows from used in financing activities	(651,516)	(212,393)	(88,416)
Effect of foreign exchange rate changes, net	(184)	–	1
Net increase/(decrease) in cash and cash equivalents	19,633	(412,511)	1,319

(Amounts expressed in thousands of RMB unless otherwise stated)

33. DISPOSAL OF SUBSIDIARIES

2016

On 10 May 2016, the Group signed an equity transfer agreement to sell the 95% equity interest in NingXia Zhongwei Xintang Corporation Ltd. ("NingXia Zhongwei") for a consideration of RMB2.90 million. The disposal was completed on 31 May 2016.

Details of the net assets disposed of are as follows:

	31 May 2016
Net assets disposed of:	
Prepayments, deposits and other receivables	2,070
Property, plant and equipment	930
Non-controlling interests	(150)
Net assets	2,850
Satisfied by:	
Cash	2,895

(Amounts expressed in thousands of RMB unless otherwise stated)

33. DISPOSAL OF SUBSIDIARIES *(Continued)*

2016 *(Continued)*

An analysis of the cash flows of cash and cash equivalents in respect of the disposal of Ningxia Zhongwei is as follows:

	2016
Cash consideration	2,895
Cash and bank balances disposed of	–
Net inflow of cash and cash equivalents in respect of the disposal of Ningxia Zhongwei	2,895

During the year ended 31 December 2016, the Company disposed of Ningxia Zhongwei. The carrying amount of the equity interet was RMB2.85 million, and the total net assets of the subsidiaries disposed of in aggregate amounted to RMB2.9 million. The gain on disposal amounted RMB45,000.

2015

On 12 June 2015, the Group signed an equity transfer agreement to sell 95% equity interest in Suichuan Datang Hanye Corporation Ltd. for a consideration of RMB4.75 million and resulted in a gain on disposal of non-controlling interest of RMB0.25 million.

During the year ended 31 December 2015, the Company's equity interests in certain directly controlled subsidiaries were diluted through the capital injections by third party shareholders, which resulted in the loss of control in these subsidiaries. The carrying amounts of the equity interests of RMB4.0 million, and the total net assets of the subsidiaries disposed of amounted to RMB4.0 million in aggregate.

34. CONTINGENT LIABILITIES

As at 31 December 2016 and 2015, the Group had no significant contingent liabilities.

(Amounts expressed in thousands of RMB unless otherwise stated)

35. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	As at 31 December	
	2016	2015
Contracted, but not provided for	**4,023,348**	4,689,147

(b) Commitments under operating leases

The future aggregate minimum lease payments as at 31 December 2016 pursuant to non-cancellable lease agreements entered into by the Group are summarised as follows:

	As at 31 December	
	2016	2015
Within one year	**6,664**	9,097
In the second to fifth years, inclusive	**23,852**	20,815
After five years	**7,525**	18,600
	38,041	48,512

36. EVENTS AFTER THE REPORTING PERIOD

No significant events after the end of the reporting period were noted.

(Amounts expressed in thousands of RMB unless otherwise stated)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	As at 31 December	
	2016	2015
Assets		
Non-current assets		
Property, plant and equipment	362,046	378,450
Intangible assets	7,425	7,272
Investments in subsidiaries	17,387,170	16,260,063
Investments in associates and joint ventures	199,484	179,151
Financial assets at fair value through other comprehensive income	2,000	2,000
Financial assets at fair value through profit or loss	8,900	8,900
Value-added tax recoverable	–	892
Prepayments and other receivables	11,194,958	7,367,800
Total non-current assets	29,161,983	24,204,528
Current assets		
Inventories	563	354
Trade and bills receivable	70,682	56,814
Prepayments and other receivables	6,092,940	6,073,835
Value-added tax recoverable	94	–
Cash and cash equivalents	576,806	435,431
Total current assets	6,741,085	6,566,434
Total assets	35,903,068	30,770,962

(Amounts expressed in thousands of RMB unless otherwise stated)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

	As at 31 December	
	2016	2015
Liabilities		
Current liabilities		
Interest-bearing bank and other borrowings	**10,884,811**	10,053,563
Trade and bills payables	**201,473**	269,869
Current income tax liabilities	**2,142**	2,142
Accruals and other payables	**274,970**	268,808
Total current liabilities	**11,363,396**	10,594,382
Net current liabilities	**(4,622,311)**	(4,027,948)
Non-current liabilities		
Interest-bearing bank and other borrowings	**11,541,605**	7,414,759
Accruals and other payables	**10,423**	10,321
Total non-current liabilities	**11,552,028**	7,425,080
Net assets	**12,987,644**	12,751,500
Equity		
Equity attributable to owners of the parent		
Share capital	**7,273,701**	7,273,701
Share premium	**2,080,969**	2,080,969
Perpetual notes payable	**1,979,325**	1,979,325
Retained earnings/(accumulated losses)	**192,611**	(50,371)
Other reserves	**1,461,038**	1,467,876
Total equity	**12,987,644**	12,751,500

(Amounts expressed in thousands of RMB unless otherwise stated)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

A summary of the Company's retained earnings and other reserves is as follows:

		Other reserves		
	Retained earnings	Statutory surplus reserves *(Note (i))*	Others *(Note (ii))*	Total
At 1 January 2015	230,375	117,802	1,350,074	1,698,251
Loss for the year	(164,746)	–	–	(164,746)
Appropriation to perpetual note holders	(116,000)	–	–	(116,000)
At 31 December 2015	(50,371)	117,802	1,350,074	1,417,505
At 1 January 2016	**(50,371)**	**117,802**	**1,350,074**	**1,417,505**
Profit for the year	**390,557**	**–**	**–**	**390,557**
Appropriation to perpetual note holders	**(116,000)**	**–**	**–**	**(116,000)**
Disposal of subsidiaries	**–**	**–**	**(38,413)**	**(38,413)**
Transfer from retained earnings	**(31,575)**	**31,575**	**–**	**–**
At 31 December 2016	**192,611**	**149,377**	**1,311,661**	**1,653,649**

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

(i) 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 the registered capital. The statutory surplus reserve is non-distributable.

(ii) Other reserves

Other reserves of the Company are mainly the difference between the fair value of the assets injected by Datang Corporation and its share in the Company's share capital as part of the reorganisation of the Group.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 17 March 2017.

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)
"Certified Emission Reductions" or "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
"Clean Development Mechanism" or "CDM"	the Clean Development Mechanism, an arangement 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
"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 Group
"Datang Finance"	China Datang Corporation Finance Company Limited (中國大唐集團財務有限公司)
"Datang Financial Leasing" or "DFL"	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 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 the Group
"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
"Director(s)"	the director(s) of the Company
"electricity sales"	gross power generation less (i) auxiliary electricity; and (ii) the electricity generated during the construction and testing period. Income attributable to the sales of electricity generated during the construction and testing period is not included in the electricity sales revenue, but is offset against the cost of property, plant and equipment
"EPC"	energy performance contracting, an energy-saving service mechanism that an energy services company contractually guarantees to its customer that a certain amount of energy savings will be achieved and to such end it will provide necessary services to the customer which, in return, will pay the energy services company the costs it incurs for such services plus a reasonable profit

"generating capacity"	the capacity of wind turbines that have started to produce electricity, which capacity corresponds to the amount of power generation salable to the power grid companies plus the auxiliary electricity
"gross power generation"	for a specified period, the total amount of electricity produced by a power plant in that period, including electricity sales, auxiliary electricity and electricity generated during the construction and testing period
"Group" or "we" or "us"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股有限公司) 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
"Latest Practicable Date"	24 April 2017, being the latest practicable date prior to the printing of this report for ascertaining certain information contained in this report
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MW"	unit of energy and unit of power, megawatt. 1MW=1,000 kW. The installed capacity of power plants is generally expressed in MW

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

Glossary of Terms *(Continued)*

"reporting period"	from 1 January 2016 to 31 December 2016
"RMB"	Renminbi, the current lawful currency of the PRC
"Shanghai Leasing Company"	Shanghai Datang Finance Leasing Co., Ltd.* (上海大唐融資租賃有限公司), a company incorporated in the PRC and an indirectly-owned subsidiary of Datang Corporation
"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

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

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Mr. Zhang Chunlei

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Mr. Jia Hong

Ms. Kwong Yin Ping, Yvonne

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Mr. Lo Mun Lam, Raymond *(independent non-executive Director) (chairman)*

Mr. Liu Baojun *(non-executive Director)*

Mr. Yu Shunkun *(independent non-executive Director)*

Nomination Committee

Mr. Liu Chaoan *(independent non-executive Director) (chairman)*

Mr. Liang Yongpan *(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)*

Strategic Committee

Mr. Zhang Chunlei *(executive Director) (chairman)*

Mr. Liu Guangming *(non-executive Director)*

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