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**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: 01798)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017**

### **FINANCIAL HIGHLIGHTS**

- For the six months ended 30 June 2017, revenue amounted to RMB3,465 million, representing an increase of 16.25% as compared with the same period last year.
- For the six months ended 30 June 2017, profit before tax amounted to RMB631 million.
- For the six months ended 30 June 2017, profit attributable to the owners of the parent for the period amounted to RMB455 million.
- For the six months ended 30 June 2017, basic and diluted earnings per share attributable to equity holders of the parent amounted to RMB0.0547.

The board of directors (the “**Board**”) of China Datang Corporation Renewable Power Co., Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2017 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2016. The financial data of the Group for the six months ended 30 June 2017 set out by the Company in this results announcement is prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* and the disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of Renminbi (“RMB”) unless otherwise stated)*

	<i>Notes</i>	<b>For the six months ended 30 June</b>	
		<b>2017</b>	<b>2016</b>
		<b>Unaudited</b>	<b>Unaudited</b>
<b>Revenue</b>	6	<b>3,465,242</b>	2,980,892
<b>Other income and other gains, net</b>	7	<b>103,738</b>	32,082
Depreciation and amortisation charges		(1,543,708)	(1,373,073)
Employee benefit expenses		(241,041)	(247,937)
Repairs and maintenance expenses		(60,092)	(50,431)
Material costs		(23,476)	(15,262)
Service concession construction costs		(14,791)	(6,627)
Other operating expenses		(196,335)	(124,721)
		<b>(2,079,443)</b>	(1,818,051)
<b>Operating profit</b>		<b>1,489,537</b>	1,194,923
Finance income	8	6,159	8,292
Finance costs	8	(891,781)	(870,973)
Share of profits of associates and joint ventures		26,780	15,612
<b>Profit before tax</b>		<b>630,695</b>	347,854
Income tax expense	9	(88,930)	(67,458)
<b>Profit for the period</b>		<b>541,765</b>	280,396
<b>Attributable to:</b>			
Owners of the parent		455,497	211,762
Non-controlling interests		86,268	68,634
		<b>541,765</b>	280,396

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of Renminbi (“RMB”) unless otherwise stated)*

	Notes	For the six months ended 30 June	
		2017	2016
		Unaudited	Unaudited
<b>Basic and diluted earnings per share attributable to equity holders of the parent (expressed in RMB per share)</b>	10	<b>0.0547</b>	0.0291
<b>Other comprehensive income:</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		728	1,106
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
(Loss)/gain arising on revaluation of financial assets at fair value through other comprehensive income		(26,608)	7,217
<b>Total other comprehensive income, net of tax</b>		<b>(25,880)</b>	8,323
<b>Total comprehensive income for the period</b>		<b>515,885</b>	288,719
<b>Attributable to:</b>			
Owners of the parent		429,529	219,967
Non-controlling interests		86,356	68,752
		<b>515,885</b>	288,719

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	<i>Notes</i>	<b>30 June 2017</b>	31 December 2016
		<b>Unaudited</b>	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	<b>57,009,886</b>	57,914,108
Investment properties		<b>20,428</b>	20,766
Intangible assets	12	<b>804,268</b>	806,932
Land use rights		<b>480,959</b>	476,800
Investments in associates and joint ventures		<b>712,909</b>	686,129
Financial assets at fair value through other comprehensive income		<b>358,268</b>	384,876
Financial assets at fair value through profit or loss		<b>8,900</b>	8,900
Deferred tax assets		<b>34,669</b>	34,330
Prepayments and other receivables	13	<b>2,855,311</b>	2,828,640
<b>Total non-current assets</b>		<b>62,285,598</b>	63,161,481
<b>Current assets</b>			
Inventories		<b>117,637</b>	114,480
Trade and bills receivables	14	<b>4,437,246</b>	2,800,515
Prepayments and other receivables	13	<b>1,525,966</b>	1,536,919
Restricted cash	15	<b>12,398</b>	12,385
Cash and cash equivalents	15	<b>1,354,566</b>	1,166,209
<b>Total current assets</b>		<b>7,447,813</b>	5,630,508
<b>Total assets</b>		<b>69,733,411</b>	68,791,989

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

*As at 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

	<i>Notes</i>	<b>30 June 2017</b>	31 December 2016
		<b>Unaudited</b>	Audited
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and bills payables	17	<b>1,132,662</b>	2,362,155
Accruals and other payables	18	<b>6,784,893</b>	7,928,370
Interest-bearing bank and other borrowings	16(b)	<b>11,726,300</b>	10,166,305
Current income tax liabilities		<b>48,335</b>	53,774
<b>Total current liabilities</b>		<b>19,692,190</b>	20,510,604
<b>Net current liabilities</b>		<b>(12,244,377)</b>	(14,880,096)
<b>Total assets less current liabilities</b>		<b>50,041,221</b>	48,281,385
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	16(a)	<b>35,452,611</b>	34,159,937
Deferred income tax liabilities		<b>23,096</b>	24,159
Accruals and other payables	18	<b>365,208</b>	391,493
<b>Total non-current liabilities</b>		<b>35,840,915</b>	34,575,589
<b>Total liabilities</b>		<b>55,533,105</b>	55,086,193
<b>Net assets</b>		<b>14,200,306</b>	13,705,796

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

*As at 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
<b>EQUITY</b>		
Share capital	<b>7,273,701</b>	7,273,701
Share premium	<b>2,080,969</b>	2,080,969
Perpetual notes	<b>1,979,325</b>	1,979,325
Retained earnings	<b>1,419,564</b>	964,067
Other reserves	<b>(1,444,715)</b>	(1,418,747)
<b>Equity attributable to owners of the parent</b>	<b>11,308,844</b>	10,879,315
Non-controlling interests	<b>2,891,462</b>	2,826,481
<b>Total equity</b>	<b>14,200,306</b>	13,705,796

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Perpetual notes (Note 20)	Other reserves	Retained earnings			
At 1 January 2017	7,273,701	2,080,969	1,979,325	(1,418,747)	964,067	10,879,315	2,826,481	13,705,796
Profit for the period	-	-	-	-	455,497	455,497	86,268	541,765
<b>Other comprehensive income</b>								
Loss arising on revaluation of financial assets at fair value through other comprehensive income	-	-	-	(26,608)	-	(26,608)	-	(26,608)
Exchange differences on translation of foreign operations	-	-	-	640	-	640	88	728
Total comprehensive income	-	-	-	(25,968)	455,497	429,529	86,356	515,885
Contributions from non-controlling interests	-	-	-	-	-	-	16,098	16,098
Dividends paid to non-controlling interests	-	-	-	-	-	-	(37,473)	(37,473)
	-	-	-	-	-	-	(21,375)	(21,375)
<b>At 30 June 2017 (Unaudited)</b>	<b>7,273,701</b>	<b>2,080,969</b>	<b>1,979,325</b>	<b>(1,444,715)</b>	<b>1,419,564</b>	<b>11,308,844</b>	<b>2,891,462</b>	<b>14,200,306</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Perpetual notes (Note 20)	Other reserves	Retained earnings	Total		
<b>At 1 January 2016</b>	7,273,701	2,080,969	1,979,325	(1,481,976)	913,443	10,765,462	2,813,602	13,579,064
Profit for the period	-	-	-	-	211,762	211,762	68,634	280,396
<b>Other comprehensive income</b>								
Gain arising on revaluation of financial assets at fair value through other comprehensive income	-	-	-	7,217	-	7,217	-	7,217
Exchange differences on translation of foreign operations	-	-	-	988	-	988	118	1,106
<b>Total comprehensive income</b>	-	-	-	8,205	211,762	219,967	68,752	288,719
Contributions from non-controlling interests	-	-	-	-	-	-	18,078	18,078
Disposal of a subsidiary	-	-	-	-	-	-	(150)	(150)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(77,608)	(77,608)
	-	-	-	-	-	-	(59,680)	(59,680)
<b>At 30 June 2016 (Unaudited)</b>	<u><u>7,273,701</u></u>	<u><u>2,080,969</u></u>	<u><u>1,979,325</u></u>	<u><u>(1,473,771)</u></u>	<u><u>1,125,205</u></u>	<u><u>10,985,429</u></u>	<u><u>2,822,674</u></u>	<u><u>13,808,103</u></u>



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
<b>Net cash flows from operating activities</b>	<b>1,352,267</b>	<b>1,725,324</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment, land use rights and intangible assets	(3,026,943)	(1,923,447)
Proceeds from repayments of loans and interest received from related parties	–	373,908
Investment to associates	–	(20,335)
Proceeds from disposal of property, plant and equipment	5,688	188
Disposal of a subsidiary, net of cash received	500	2,895
Purchases of structural deposits	(140,000)	–
<b>Net cash flows used in investing activities</b>	<b>(3,160,755)</b>	<b>(1,566,791)</b>
<b>Cash flows from financing activities</b>		
Capital contributions from non-controlling interests	16,098	18,078
Proceeds from issuance of short-term bonds, net of issuance costs	6,500,000	2,000,000
Proceeds from borrowings	17,804,635	4,879,410
Repayments of borrowings	(15,392,250)	(4,066,552)
Dividends paid to non-controlling interests	(8,673)	(82,997)
Repayments of short-term bonds	(6,000,000)	(2,000,000)
Repayments of finance lease principal	(54,032)	(50,953)
Interest paid	(869,627)	(837,122)
<b>Net cash flows from/(used in) financing activities</b>	<b>1,996,151</b>	<b>(140,136)</b>
<b>Net increase in cash and cash equivalents</b>	<b>187,663</b>	<b>18,397</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,166,209</b>	<b>1,077,788</b>
Net foreign exchange difference	694	(3,716)
<b>Cash and cash equivalents at the end of the period</b>	<b>1,354,566</b>	<b>1,092,469</b>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### 1. GENERAL INFORMATION

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. On 30 June 2017, in the opinion of the directors of the Company (the "**Directors**"), Datang Corporation is the ultimate holding company of the Company.

The Group are principally engaged in the generation and sale of wind power and other renewable power.

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

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

The interim condensed consolidated financial statements are presented in thousands of Renminbi ("**RMB**"), unless otherwise stated.

The interim condensed consolidated financial statements have not been audited.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (*CONTINUED*)

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### 2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”).

#### 2.1.1 *Going concern*

As at 30 June 2017, the Group's current liabilities exceeded its current assets by approximately RMB12,244.4 million (31 December 2016: RMB14,880.1 million). The Group meets its day-to-day working capital and investment requirements through cash flows from operations and banking facilities. As at 30 June 2017, the Group has committed unutilised banking facilities amounted to approximately RMB47,477.8 million of which approximately RMB21,910.4 million are not subject to renewal during the next 12 months from the end of the reporting period. Certain banking facilities require the Group to comply with certain covenants, mainly including continual compliance with certain credit rating and debt ratio requirements.

The Directors are confident that these financing facilities will continue to be available to the Group in the foreseeable period of not less than 12 months from the end of the reporting period. Further information on the Group's borrowings is set out in Note 16.

The Directors are of the opinion that the Group has adequate resources to continue its operations and to repay its debts when they fall due. As a result, the Group's interim condensed consolidated financial statements have been prepared on a going concern basis.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)**

#### **2.2 New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the new IFRS standards and interpretation effective as of 1 January 2017. Except for IFRS 9 (issued in 2009), the Group has not early adopted any other IFRS standard, interpretation or amendment that has been issued but is not yet effective.

Although these amendments apply for the first time in 2017, they do not have a material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each amendment is described below:

#### ***Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative***

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)**

#### **2.2 New standards, interpretations and amendments adopted by the Group (Continued)**

##### ***Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses***

The amendments clarify that an entity 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.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)**

#### **2.2 New standards, interpretations and amendments adopted by the Group (Continued)**

##### **Annual Improvements Cycle – 2014–2016**

##### ***Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12***

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The Group has adopted the amendments retrospectively. However, the amendments have no effect on the Group's financial position and performance as the Group has no interest in a subsidiary, a joint venture or an associate that is classified as held for sale.

### **3. SEASONALITY OF OPERATIONS**

The Group is primarily engaged in wind power business, which typically generates more electricity in certain periods each year, primarily depending on wind speed and other uncontrollable conditions. As a result, the revenue and profit may fluctuate significantly over the year.

### **4. ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that are applied to the annual consolidated financial statements for the year ended 31 December 2016.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (*CONTINUED*)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

#### **(a) Financial risk factors**

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

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016. There have been no changes in the risk management system or in any risk management policies since 31 December 2016.

#### **(b) Liquidity risk**

Compared to 31 December 2016, there was no material change in the contractual undiscounted cash outflows for financial liabilities, except for the additions and repayments of long-term borrowings amounted to RMB2,993 million and RMB1,556 million, respectively.

#### **(c) Fair values**

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

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

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

### 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Fair values (Continued)

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities:				
Long-term interest bearing loans and borrowings	<u>35,452,611</u>	<u>37,547,567</u>	<u>34,159,937</u>	<u>36,628,970</u>
Total	<u><u>35,452,611</u></u>	<u><u>37,547,567</u></u>	<u><u>34,159,937</u></u>	<u><u>36,628,970</u></u>

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

	30 June 2017 (Unaudited)				31 December 2016 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	<u>305,101</u>	<u>-</u>	<u>53,167</u>	<u>358,268</u>	<u>331,709</u>	<u>-</u>	<u>53,167</u>	<u>384,876</u>
Financial assets at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>8,900</u>	<u>8,900</u>	<u>-</u>	<u>-</u>	<u>8,900</u>	<u>8,900</u>
	<u><u>305,101</u></u>	<u><u>-</u></u>	<u><u>62,067</u></u>	<u><u>367,168</u></u>	<u><u>331,709</u></u>	<u><u>-</u></u>	<u><u>62,067</u></u>	<u><u>393,776</u></u>



## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)**

#### **(c) Fair values (Continued)**

There were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities during the six months ended 30 June 2017.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six months ended 30 June 2017.

#### **(d) The Group's valuation processes**

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every six months, in line with the Group's external reporting dates.

With respect to the Level 3 fair value measurement for the Group's financial assets at fair value through other comprehensive income that are unlisted equity securities without an active market, the Group's finance department benchmark to the market price of certain comparable listed companies within the same or similar operation/industry and apply certain adjustments/discount for non-marketability. As at 30 June 2017, the Directors are of their opinion that there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Changes in Level 3 fair values are analysed at each reporting date during the valuation discussion/assessment.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the six months ended 30 June 2017

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### 6. REVENUE AND SEGMENT INFORMATION

#### (a) Analysis of revenue by category

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

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Sales of electricity	3,410,835	2,935,217
Service rendered under energy performance contracts	20,421	19,820
Service concession construction revenue	14,791	6,627
Other revenues	19,195	19,228
	<u>3,465,242</u>	<u>2,980,892</u>

For the six months ended 30 June 2017 and 2016, other revenue comprise primarily of income from leasing of electric transmission line and repair and maintenance service income.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### 6. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

#### (b) Segment information

Management has determined the operating segments based on the information reviewed by executive directors and specific senior management (including the CFO) (collecting referred as “**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 revenue from all other renewable power sources except wind power is relatively insignificant for the six months ended 30 June 2017 and 2016. Therefore, the Group has one single reportable segment which is the wind power segment.

The Company is domiciled in the PRC. For the six months ended 30 June 2017, substantially all (For the six months ended 30 June 2016: Substantially all) the Group’s revenue was derived from external customers in the PRC.

As at 30 June 2017, substantially all (31 December 2016: Substantially all) the non-current assets are located in the PRC (including Hong Kong).

For the six months ended 30 June 2017 and 2016, all revenue from the sales of electricity is charged to the provincial power grid companies in which the group companies operate. These power grid companies are directly or indirectly owned or controlled by the PRC government.

There are no material changes in the basis of segment from the last annual financial statements.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**7. OTHER INCOME AND OTHER GAINS, NET**

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Income from Clean Development Mechanism (“CDM”) projects:		
– Earnings	<b>220</b>	–
– Foreign exchange gains	<b>106</b>	479
	<b>326</b>	479
Government grants	<b>103,874</b>	27,783
Dividend from financial assets at fair value through other comprehensive income	<b>4,576</b>	3,683
Losses on disposal of property, plant and equipment	<b>(955)</b>	(110)
Others	<b>(4,083)</b>	247
	<b>103,738</b>	32,082

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**8. FINANCE INCOME AND FINANCE COSTS**

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>Unaudited</b>	Unaudited
<b>Finance income</b>		
Interest income on deposits with banks and other financial institutions	<b>2,912</b>	6,769
Interest income on loans to related parties	<b>1,850</b>	1,030
Others	<b>1,397</b>	493
	<b>6,159</b>	8,292
<b>Finance costs</b>		
Interest expenses	<b>(995,006)</b>	(946,947)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	<b>100,268</b>	82,005
	<b>(894,738)</b>	(864,942)
Foreign exchange gains/(losses), net	<b>2,957</b>	(6,031)
	<b>(891,781)</b>	(870,973)
<b>Net finance expenses</b>	<b>(885,622)</b>	(862,681)
	<b>3.75%</b>	4.28%
Interest capitalisation rate	<b>to 6.31%</b>	to 6.48%

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**9. INCOME TAX EXPENSE**

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>Unaudited</b>	Unaudited
<b>Current tax expense</b>		
PRC enterprise income tax	<b>82,661</b>	61,473
Under provision in prior years	<b>7,671</b>	7,005
	<b>90,332</b>	68,478
<b>Deferred tax benefit</b>		
Origination and reversal of temporary differences and tax deduction	<b>(1,402)</b>	(1,020)
Income tax expense	<b>88,930</b>	67,458

Income tax expense is provided based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The statutory tax rate for the six months ended 30 June 2017 is 25% (for the six months ended 30 June 2016: 25%), except for certain subsidiaries established in the PRC which were exempted for tax or entitled to preferential tax rates and subsidiaries incorporated outside of the PRC for which taxation is calculated at the rates of taxation prevailing in the countries the Group operates.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (*CONTINUED*)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

### 10. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

#### (a) Basic earnings per share

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

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Profit attributable to equity holders of the parent*	<u>397,974</u>	<u>211,762</u>
Weighted average number of ordinary shares in issue ( <i>thousands of shares</i> )	<u>7,273,701</u>	<u>7,273,701</u>
Basic earnings per share ( <i>RMB</i> )	<u>0.0547</u>	<u>0.0291</u>

\* Profit attributable to equity holders of the parent was exclusive of the interests of perpetual notes accrued in current period.

#### (b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2017 and 2016 are the same as the basic earnings per share as there are no potential dilutive shares.

### 11. DIVIDENDS

The Board did not recommend the distribution of any interim dividends to shareholders for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**12. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

	<b>Property, plant and equipment</b>	<b>Intangible assets</b>
<b>Net book value at 1 January 2017</b>	<b>57,914,108</b>	<b>806,932</b>
<b>Additions</b>	<b>618,399</b>	<b>15,525</b>
<b>Other disposals</b>	<b>(16,376)</b>	<b>–</b>
<b>Depreciation and amortisation charges</b>	<b>(1,506,245)</b>	<b>(18,189)</b>
<b>Net book value at 30 June 2017 (Unaudited)</b>	<b><u>57,009,886</u></b>	<b><u>804,268</u></b>
Net book value at 1 January 2016	52,523,459	812,249
Additions	8,494,648	32,348
Transfer and reclassification	(280,852)	–
Other disposals	(17,301)	(15,267)
Depreciation and amortisation charges	<u>(2,805,846)</u>	<u>(22,398)</u>
Net book value at 31 December 2016 (Audited)	<b><u>57,914,108</u></b>	<b><u>806,932</u></b>

As at 30 June 2017, included in intangible assets are concession assets amounted to RMB709.8 million (31 December 2016: RMB733.1 million).

As at 30 June 2017, certain property, plant and equipment with cost and accumulated depreciation amounted to RMB1,333.6 million and RMB291.7 million, respectively, were secured for the borrowing from Datang Financial Leasing Company Limited (“**Datang Financial Leasing**”) as set out in Note 16(a).

As at 30 June 2017, certain property, plant and equipment were pledged as security for long-term loans and other loans of the Group (Note 16(c)).



**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**13. PREPAYMENTS AND OTHER RECEIVABLES**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
CDM assets/receivables	<b>66,229</b>	133,110
Less: provision for impairment	<b>(59,913)</b>	(59,913)
	<b>6,316</b>	73,197
Prepayments/advances for plant constructions	<b>13,632</b>	12,765
Receivables from the provision of services	<b>71,267</b>	75,093
Proceed receivables from the disposal of subsidiaries	<b>111,700</b>	112,200
Receivable from the disposal of a wind farm project	<b>23,858</b>	22,968
Deposit for project investments	<b>56,566</b>	57,834
Deposit for borrowings	<b>48,705</b>	48,705
Receivables under a lease arrangement	<b>56,130</b>	63,395
Other receivables	<b>199,550</b>	144,374
	<b>581,408</b>	537,334
Less: provision for impairment	<b>(1,520)</b>	(1,520)
	<b>586,204</b>	609,011

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**13. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Value-added tax recoverable	<b>2,207,203</b>	2,447,736
Current tax prepayments	<b>15,722</b>	19,164
Deferred loss on long-term borrowings	<b>5,466</b>	5,629
Other prepayments	<b>1,401,682</b>	1,259,019
Structural deposit	<b>165,000</b>	25,000
	<b><u>4,381,277</u></b>	<u>4,365,559</u>
Less: non-current portion of		
– Receivables from the provision of services	<b>(68,623)</b>	(11,673)
– Receivables under a lease arrangement	<b>(50,226)</b>	(57,623)
– Deposit for borrowings	<b>(48,705)</b>	(48,705)
– Deferred loss on long-term borrowings	<b>(5,138)</b>	(5,302)
– Value-added tax recoverable	<b>(1,606,112)</b>	(1,729,728)
– Other prepayments	<b>(1,076,507)</b>	(975,609)
	<b><u>(2,855,311)</u></b>	<u>(2,828,640)</u>
Total current portion of prepayments and other receivables	<b><u>1,525,966</u></b>	<u>1,536,919</u>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

### 14. TRADE AND BILLS RECEIVABLES

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Trade receivables	<b>4,048,702</b>	2,655,311
Bills receivable	<b>390,872</b>	147,532
	<b>4,439,574</b>	2,802,843
Less: provision for doubtful debts	<b>(2,328)</b>	(2,328)
	<b><u>4,437,246</u></b>	<b><u>2,800,515</u></b>

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 Group's trade and bills receivables are all denominated in RMB.

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 revenue recognition in accordance with the relevant electricity sales contracts between the Group and the respective local grid companies.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

### 14. TRADE AND BILLS RECEIVABLES (CONTINUED)

Settlement of certain trade receivables due from the local power grid companies is subject to the allocation of government designated funds by the relevant government authorities to the local grid companies and tariff surcharge payable by the end users, which consequently takes a relatively long time for the grid companies to make settlement. Effective from March 2012, the application, approval and settlement of the tariff premium is subject to certain procedures as promulgated by Caijian [2012] No.102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法). Caijian [2013] No.390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff premium. As at 30 June 2017, most of the operating projects of the Group have been approved for the tariff premium and certain projects are in the process of applying for the approval. The Directors are of the opinion that these trade and bills receivables from tariff premium are fully recoverable considering there was no experience of default in the past and the tariff premium is funded by the PRC government.

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

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Within 1 year	<b>3,428,400</b>	2,391,619
Between 1 and 2 years	<b>768,876</b>	328,412
Between 2 and 3 years	<b>159,755</b>	60,300
Over 3 years	<b>82,543</b>	22,512
	<b><u>4,439,574</u></b>	<b><u>2,802,843</u></b>

As at 30 June 2017, a trade receivable of RMB2.3 million (31 December 2016: RMB2.3 million) was fully impaired. The individually impaired receivable represents a past due tariff receivable from a power grid company in dispute. It was assessed that this receivables are not recoverable.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**14. TRADE AND BILLS RECEIVABLES (CONTINUED)**

As at 30 June 2017, bills receivable which have not been matured but endorsed or discounted with recourse right were not derecognized in the financial statements amounted to RMB194.6 million (31 December 2016: nil)

**15. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Restricted cash	<b>12,398</b>	12,385
Cash and bank balances	<b>1,354,566</b>	1,166,209
Cash and cash equivalents and restricted cash	<b><u>1,366,964</u></b>	<b><u>1,178,594</u></b>

As at 30 June 2017, restricted cash mainly represented deposits held for use in land reclamation deposit.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**16. INTEREST-BEARING LOANS AND BORROWINGS**

**(a) Long-term borrowings**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Bank loans		
– Unsecured loans	<b>20,591,243</b>	18,602,201
– Guaranteed loans	<b>1,894,036</b>	2,360,339
– Secured loans	<b>6,203,630</b>	5,665,831
	<b>28,688,909</b>	26,628,371
Other loans		
– Unsecured loans	<b>2,556,563</b>	3,039,969
– Guaranteed loans *	<b>3,000,000</b>	3,000,000
– Secured loans**	<b>2,499,743</b>	2,640,099
	<b>8,056,306</b>	8,680,068
Corporate bonds-unsecured***	<b>1,997,208</b>	1,996,982
Total long-term borrowings	<b>38,742,423</b>	37,305,421
Less: current portion of long-term borrowings (Note 16(b))		
– Bank loans	<b>(2,731,582)</b>	(2,987,044)
– Other loans	<b>(558,230)</b>	(158,440)
	<b>(3,289,812)</b>	(3,145,484)
Total non-current portion of long-term borrowings	<b>35,452,611</b>	34,159,937

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (*CONTINUED*)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

### 16. INTEREST-BEARING LOANS AND BORROWINGS (*CONTINUED*)

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

\* As at 30 June 2017, the borrowings from Pingan Assets Management Co., Ltd. amounted to RMB3,000.0 million (31 December 2016: RMB3,000.0 million) were guaranteed by Datang Corporation.

\*\* As at 30 June 2017, included in secured other loans were borrowings amounted to RMB933.0 million (31 December 2016: RMB987.0 million) due to Datang Financial Leasing and RMB1,404.3 million (31 December 2016: RMB1,477.8 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 a period ranging from 10 to 13 years. The underlying property, plant and equipment will be transferred to the relevant group companies at a notional consideration of RMB1.00 at the end of the lease term. In accordance with Standing Interpretations Committee (“SIC”) Interpretation 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”, proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement. As at 30 June 2017, cash amounted to RMB48.7 million (31 December 2016: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

As at 30 June 2017 and 31 December 2016, deferred loss and deferred income representing the adjustments for the present value of these borrowings, and are included in “Prepayments and other receivables” and “Accruals and other payables” in the interim condensed consolidated statement of financial position, respectively.

\*\*\* The Company issued green corporate bonds amounting to RMB1,000.0 million, RMB500.0 million and RMB500.0 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.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**16. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)**

**(b) Short-term borrowings**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Bank loans		
– Unsecured loans	<b>2,800,000</b>	2,100,000
Short-term bonds*	<b>4,514,373</b>	4,020,821
Other loans		
– Unsecured loans	<b>930,015</b>	900,000
– Secured loans	<b>192,100</b>	–
	<b>1,122,115</b>	900,000
Current portion of long-term borrowings <i>(Note 16(a))</i>	<b>3,289,812</b>	3,145,484
	<b>11,726,300</b>	10,166,305



**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**16. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)**

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

\* 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 and effective interest rates ranging from 2.60% to 2.94%. The coupon has already matured in September 2016, May 2017 and April 2017, respectively.

On 10 May 2017, 26 May 2017 and 27 June 2017, the Company issued short-term bonds with a par value of RMB100. The first and second issued coupon amount RMB2,000.0 million for each and the third issued coupon amount RMB2,500.0 million. The net of issuance cost is RMB2.9 million. These bonds have annual coupon and effective interest rates ranging from 4.20% to 4.60%. The second issued coupon RMB2,000.0 million has already matured in June 2017, and the remaining of RMB4,500.0 million will be matured in July 2017 and October 2017, respectively.

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

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**16. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)**

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

At 30 June 2017, the effective interest rates per annum on borrowings are as follows:

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
<b>Long-term</b>		
Bank loans	<b>2.82% -4.90%</b>	2.82%-6.00%
Other loans	<b>4.17% -5.76%</b>	4.41%-5.76%
Corporate bonds	<b>3.10% -3.50%</b>	3.10%-3.50%
<b>Short-term</b>		
Bank loans	<b>3.92% -4.35%</b>	3.92%-4.41%
Other loans	<b>4.13% -4.35%</b>	4.41%-4.90%
Short-term bonds	<b>4.20% -4.40%</b>	2.60%-2.94%

As at 30 June 2017, the repayment period of long-term borrowings were as follows:

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Within 1 year	<b>3,289,812</b>	3,145,484
After 1 year but within 2 years	<b>4,918,295</b>	4,791,937
After 2 years but within 5 years	<b>16,706,589</b>	15,979,172
After 5 years	<b>13,827,727</b>	13,388,828
	<b><u>38,742,423</u></b>	<b><u>37,305,421</u></b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**16. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)**

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

As at 30 June 2017, details of the guaranteed bank loans are as follows:

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Guarantor		
– The Company *	<b>1,656,536</b>	1,982,685
– Non-controlling interests of subsidiaries and an ultimate holding company of non-controlling interests	<b>237,500</b>	377,654
	<b><u>1,894,036</u></b>	<b><u>2,360,339</u></b>

\* As at 30 June 2017, bank loans guaranteed by the Company amounted to RMB38.0 million (31 December 2016: RMB42.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

**16. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)**

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

As at 30 June 2017, the Group has pledged certain assets as collateral to certain secured borrowings and a summary of the net book value of these pledged assets is as follows:

	Bank loans		Other loans	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	Unaudited	Audited	Unaudited	Audited
Property, plant and equipment	2,156,680	2,427,917	3,259,042	3,390,397
Concession assets	237,574	245,214	-	-
Tariff collection rights	879,813	414,716	193,703	131,858
Bills receivable	-	-	192,100	-
	<u>3,274,067</u>	<u>3,087,847</u>	<u>3,644,845</u>	<u>3,522,255</u>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**17. TRADE AND BILLS PAYABLES**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Trade payables	<b>125,634</b>	147,793
Bills payable	<b>1,007,028</b>	2,214,362
	<b><u>1,132,662</u></b>	<b><u>2,362,155</u></b>

The aging analysis of trade payables is as follows:

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Within 1 year	<b>80,828</b>	124,568
After 1 year but within 3 years	<b>42,846</b>	19,189
After 3 years	<b>1,960</b>	4,036
	<b><u>125,634</u></b>	<b><u>147,793</u></b>

Bills payable are bills of exchange with maturity of less than one year. The trade payables are non-interest-bearing.

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

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**18. ACCRUALS AND OTHER PAYABLES**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Payables for property, plant and equipment	<b>6,164,361</b>	7,419,901
Loans from related parties*	<b>61,688</b>	69,704
Dividends payable	<b>52,347</b>	24,032
Interests payable	<b>153,919</b>	123,277
Accrued staff related costs	<b>48,882</b>	57,182
Payables for CDM projects	<b>4,898</b>	6,517
Payables for taxes other than income taxes	<b>84,294</b>	54,246
Asset retirement obligations	<b>78,338</b>	76,048
Amounts due to a non-controlling interests	<b>6,132</b>	6,132
Other payables	<b>215,272</b>	195,678
	<b>6,870,131</b>	8,032,717
Deferred government grants	<b>21,383</b>	20,963
Deferred income on long-term borrowings	<b>172,607</b>	179,011
Other accruals and deferrals	<b>85,980</b>	87,172
	<b>7,150,101</b>	8,319,863
Less: non-current portion of		
– Loan from related parties	<b>(36,550)</b>	(44,550)
– Asset retirement obligations	<b>(78,338)</b>	(76,048)
– Deferred government grants	<b>(21,383)</b>	(20,963)
– Deferred income on long-term borrowings	<b>(160,966)</b>	(167,370)
– Other accruals and deferrals	<b>(67,971)</b>	(82,562)
	<b>(365,208)</b>	(391,493)
Current portion of accruals and other payables	<b>6,784,893</b>	7,928,370

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

### 18. ACCRUALS AND OTHER PAYABLES (CONTINUED)

- \* Except for the amount RMB52.55 million, which will be paid before 15 April 2025 carries the effective interest rate 4.41%, the amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

### 19. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party transactions disclosed elsewhere in these interim condensed 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 period.

#### (a) Significant related party transactions entered into with Datang Corporation and its subsidiaries

	For the six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
Transactions with subsidiaries of Datang Corporation:		
– Purchase of installation, construction, general contracting services *	(126,564)	(363,880)
– Purchase of equipment and construction services	(117,740)	(208,563)
– Receive entrusted loans or other borrowings	4,694,000	3,137,600
– Interest income earned	1,850	1,030
– Interest expense charged	(105,347)	(54,691)
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (contracted but not provided for)	1,495,935	943,585

- \* If the certain follow subsidiaries of the Group provided the contracting service, contained the equipment and construction services, the amount included in the “purchase of equipment and construction services”.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **19. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

#### **(a) Significant related party transactions entered into with Datang Corporation and its subsidiaries (Continued)**

The purchase of installation, construction, general contracting services and purchase of equipment and construction services listed above also constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition to the above transactions, on 27 March 2015, the Company and China Datang Corporation Finance Company Limited (“**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 term from 27 March 2015 to 31 December 2017 (“**Financial Service Agreement**”). The agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As at 30 June 2017, the Group has a cash deposit held at Datang Finance amounted to RMB972.0 million (31 December 2016: RMB902.3 million) under the Financial Service Agreement, and the interest income on the deposit was RMB1.8 million for the six months ended 30 June 2017 (for the six months ended 30 June 2016: RMB0.6 million).

As at 30 June 2017, there were loans from Datang Finance amounting to RMB3,275.2 million (31 December 2016: RMB3,522.5 million).

All the transactions above with related parties are conducted on prices and terms mutually agreed by the parties involved, and except for the interest income and expense including non-deductible value-added tax, all amounts disclosed are exclusive of value-added tax applicable to the relevant transactions.



## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **19. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

#### **(b) Significant transactions with other related parties**

For the six months ended 30 June 2017, all revenue from the sales of electricity is made to the provincial power grid companies in which the group companies operate (For the six months ended 30 June 2016: All). These power grid companies are directly or indirectly owned or controlled by the PRC government. As at 30 June 2017, substantially all the trade and bills receivables (See Note 14) are due from these power grid companies (31 December 2016: Substantially all).

Apart from the above, for the six months ended 30 June 2017 and 2016, the Group's other significant transactions with other state-owned enterprises are mainly purchases of materials, property, plant and equipment and services. Substantially all the cash and cash equivalents and borrowings as at 30 June 2017 and 31 December 2016, and the relevant interest income earned and expenses incurred are transacted with banks and other financial institutions owned/controlled by the PRC government.

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

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**19. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**

**(c) Key management personnel compensation**

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	Unaudited
Basic salaries, housing allowances, other allowances and benefits in kind	<b>1,175</b>	1,162
Discretionary bonus	<b>2,674</b>	2,201
Pension costs – defined contribution schemes	<b>194</b>	186
	<b>4,043</b>	3,549

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (*CONTINUED*)

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### 20. PERPETUAL NOTES

On 10 December 2014, the Company issued RMB2,000.0 million medium-term notes at initial interest rate of 5.80% per annum (“**Medium-term Notes**”). The proceeds from the issuance of the Medium-term Notes after deducted the issuance cost was approximately RMB1,979.3 million. Coupon interest payments of 5.80% 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 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 (a) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (b) current benchmark interest rate, and (c) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce registered capital. Pursuant to the terms of these Medium-term Notes, the Company has no contractual obligation to repay its principal or to pay any coupon interest. Accordingly the Medium-term Notes do not meet the definition of financial liabilities in accordance with IAS 32 *Financial Instruments: Presentation*, and are classified as equity and subsequent coupon payment will be treated as equity distribution to the owners of the Company.

In 2016, the Company announced and paid interests in terms of Medium-term Notes amounted to RMB116.0 million. The accumulated interests of perpetual notes as of 30 June 2017 was RMB64.2 million, including interests RMB6.7 million for the period from 12 December 2016 to the year end and interests RMB57.5 million for the six months ended 30 June 2017. The interests shall be recognised upon payment in the future.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**21. COMMITMENTS**

**(a) Capital commitments for the purchase of property, plant and equipment**

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Contracted but not provided for	<b><u>6,016,854</u></b>	<u>4,023,348</u>

**(b) Commitments under operating leases**

As at 30 June 2017, the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>30 June 2017</b>	31 December 2016
	<b>Unaudited</b>	Audited
Within 1 year	<b>6,196</b>	6,664
Between 2 to 5 years	<b>30,321</b>	23,852
After 5 years	<b>13,602</b>	7,525
	<b><u>50,119</u></b>	<u>38,041</u>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*For the six months ended 30 June 2017*

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**22. EVENTS AFTER THE REPORTING PERIOD**

Until the approval date of these interim condensed consolidated financial statements, there is no significant event after the reporting period that need to be disclosed.

**23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2017 were authorised for issue in accordance with a resolution of the Board on 18 August 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY OVERVIEW

As at 30 June 2017, the nationwide installed capacity of power generators above designated size amounted to 1.62 billion kW, representing a year-on-year increase of 6.9%, with the growth rate decreasing by 4.4 percentage points from the same period last year; the nationwide wind power generation capacity was 149.0 billion kWh, representing a year-on-year increase of 21%; the accumulated electricity consumption nationwide was 2,950.8 billion kWh, representing a year-on-year increase of 6.3%, with the growth rate up 3.4 percentage points from the same period last year; the nationwide average utilization hours of power generation equipment decreased by 7 hours to 1,790 hours as compared with the same period last year and the average utilization hours of wind power generation equipment increased by 67 hours to 984 hours as compared with the same period last year. In the first half of 2017, the wind power curtailment amounted to 23.5 billion kWh, representing a year-on-year decrease of 9.1 billion kWh.

In the first half of 2017, the National Energy Administration, the National Development and Reform Commission and competent energy departments of all provinces and municipalities placed primary focus on the implementation of the “Thirteenth Five-Year Plan” and promulgated a number of policies and regulations on optimization of energy development layout, enhancement of the carrying capacity of power systems, electricity transactions, green certificate trading, etc., which played an important role in solving the problems arising in the development of renewable energy effectively including hydropower, wind power and solar power curtailment and insufficient subsidies and therefore promoted the sustained, healthy and orderly development of the renewable energy industry.

As at 30 June 2017, the nationwide installed capacity of renewable energy power generation exceeded 600 million kW and the installed wind power capacity reached 154 million kW. The installed capacity of power generation with various renewable energy sources increased by 37 million kW, representing approximately 70% of total newly-added installed capacity of power generation. The adjustment to the energy structure further accelerated, and the development of renewable energy has evolved into a new stage of large-scale development. The wind power curtailment obviously improved, with the curtailment rate decreasing by 7 percentage points in the first half of 2017. Key renewable energy projects were implemented in an orderly way. The Group is proactively promoting the construction of large wind power bases in Ximeng, Northern Shanxi, and Zhangjiakou and photovoltaic Top Runner bases. At present, the base in Datong, one of the first batch of Top Runner bases, has been completed and put into operation.

## **II. Business Review**

As at 30 June 2017, the Group's consolidated installed capacity amounted to 8,497.92 MW, representing an increase of 16.9% over the same period last year. Electricity generation amounted to 7,339,991 MWh, representing a year-on-year increase of 16.55%. The average utilization hours of wind power were 941 hours, up by 20 hours year-on-year and the wind power curtailment ratio decreased by 5.8 percentage points from the same period last year to 19.36%.

The average on-grid tariff (tax inclusive) of the Group was RMB572.53/MWh, representing a year-on-year decline of RMB6.21/MWh as compared with the same period of 2016; operating income was RMB3,465 million, representing a year-on-year increase of 16.25%; profit attributable to the owners of the parent increased by RMB244 million to RMB455 million from the same period last year.

### ***1. Further enhancement of the basis for safe production***

In the first half of 2017, the Group made intensive efforts to strengthen safety management and thus maintaining a stable pattern in safe production. Firstly, the Group firmly established the "red line" awareness and carried out special project inspection in an all-round way to strengthen guidance, thoroughly conducted rectification and consolidated the foundation for safe production. Secondly, a safety management system was developed and a third-party safety supervision mechanism was introduced to strictly prevent accidents on construction sites. Thirdly, great efforts were exerted on the implementation of safe production responsibility system and a list of powers and responsibilities in respect of safe production was prepared for strict objective assessment and accountability and improvement of the construction of a safety supervision system. Fourthly, the Group built and evaluated its emergency response capacity and intensified the measures for managing and controlling the sources of danger to constantly enhance its capacity for on-scene emergency management.

During the Reporting Period, the consolidated wind power generation of the Group by region was as follows:

<b>Region</b>	<b>For the six months ended 30 June 2017 (MWh)</b>	For the six months ended 30 June 2016 (MWh)	Rate of year- on-year change
Inner Mongolia	<b>2,830,269.63</b>	2,475,662.85	14.32%
Heilongjiang	<b>446,726.07</b>	373,724.80	19.53%
Jilin	<b>563,211.66</b>	461,947.07	21.92%
Liaoning	<b>316,248.60</b>	321,354.57	-1.59%
Hebei	<b>111,199.66</b>	127,295.40	-12.64%
Gansu	<b>529,754.65</b>	436,396.80	21.39%
Henan	<b>116,442.01</b>	122,032.59	-4.58%
Shanxi	<b>410,840.32</b>	331,913.15	23.78%
Ningxia	<b>412,381.50</b>	260,987.44	58.01%
Shaanxi	<b>115,520.20</b>	95,854.54	20.52%
Guangxi	<b>89,906.65</b>	43,760.60	105.45%
Yunnan	<b>276,142.65</b>	271,624.48	1.66%
Shandong	<b>565,281.46</b>	545,942.71	3.54%
Guangdong	<b>41,769.82</b>	43,777.01	-4.59%
Shanghai	<b>230,325.42</b>	241,769.61	-4.73%
Anhui	<b>33,467.35</b>	39,128.65	-14.47%
Hubei	<b>45,654.16</b>	–	–
Chongqing	<b>35,859.24</b>	–	–
Guizhou	<b>37,669.15</b>	–	–
<b>Total</b>	<b><u>7,208,670.21</u></b>	<b><u>6,193,172.27</u></b>	<b><u>16.40%</u></b>



During the Reporting Period, the average utilization hours of the Group's wind farms by region were as follows:

<b>Region</b>	<b>For the six months ended 30 June 2017 (hours)</b>	For the six months ended 30 June 2016 (hours)	Rate of year- on-year change
Inner Mongolia	<b>1,030.77</b>	992.83	3.82%
Heilongjiang	<b>990.52</b>	879.35	12.64%
Jilin	<b>869.02</b>	712.77	21.92%
Liaoning	<b>970.68</b>	986.36	-1.59%
Hebei	<b>1,123.23</b>	1,285.81	-12.64%
Gansu	<b>626.34</b>	571.35	9.62%
Henan	<b>1,155.75</b>	1,211.24	-4.58%
Shanxi	<b>918.39</b>	1,117.55	-17.82%
Ningxia	<b>828.91</b>	718.97	15.29%
Shaanxi	<b>822.32</b>	968.23	-15.07%
Guangxi	<b>908.15</b>	884.05	2.73%
Yunnan	<b>1,218.53</b>	1,377.06	-11.51%
Shandong	<b>925.93</b>	973.16	-4.85%
Guangdong	<b>843.83</b>	884.38	-4.59%
Shanghai	<b>1,127.94</b>	1,183.98	-4.73%
Anhui	<b>697.24</b>	815.18	-14.47%
Hubei	<b>1,042.81</b>	–	–
Chongqing	<b>1,061.24</b>	–	–
Guizhou	<b>855.34</b>	–	–
<b>Average</b>	<b>940.96</b>	920.99	2.17%

During the Reporting Period, the consolidated solar power generation of the Group by region was as follows:

<b>Region</b>	<b>For the six months ended 30 June 2017 (MW)</b>	For the six months ended 30 June 2016 (MW)	Rate of year- on-year change
Jiangsu	<b>10,039.50</b>	10,122.04	-0.82%
Ningxia	<b>36,076.33</b>	36,920.31	-2.29%
Qinghai	<b>53,102.20</b>	42,862.60	23.89%
Shanxi	<b>18,336.90</b>	813.41	–
<b>Total</b>	<b><u>117,554.93</u></b>	<b><u>90,718.36</u></b>	<b><u>29.58%</u></b>

During the Reporting Period, the average utilization hours of the Group's solar power stations by region were as follows:

<b>Region</b>	<b>For the six months ended 30 June 2017 (hours)</b>	For the six months ended 30 June 2016 (hours)	Rate of year- on-year change
Jiangsu	<b>543.56</b>	548.03	-0.82%
Ningxia	<b>736.25</b>	755.00	-2.48%
Qinghai	<b>885.04</b>	857.25	3.24%
Shanxi	<b>916.85</b>	813.10	12.76%
<b>Average</b>	<b><u>797.14</u></b>	<b><u>765.75</u></b>	<b><u>4.10%</u></b>

## 2. Steady progress in early stage development

In the first half of 2017, the Group steadily pushed forward its early stage development work and closely tracked national development and construction programs and planning. Wind power projects with an aggregate capacity of 1.1 million KW in 16 provinces including Jiangxi, Shandong have been included in the announced development programs of 12 provinces, of which regions not subject to power curtailment accounted for 80%, indicating a steady increase in the Group's total resource reserve. In the first half of 2017, the Group's newly-added approved capacity was 200 MW, the approved reserve capacity was 3,962.2 MW, and the capacity included in the plan but yet to be approved was 792.5 MW.

As at 30 June 2017, the approval status of the Group's capacity by region was as follows:

<b>Region</b>	<b>Approved reserve capacity (MW)</b>	<b>Newly-added approved capacity as compared with the end of 2016 (MW)</b>	<b>Capacity included in the plan but yet to be approved (MW)</b>
Inner Mongolia	529.00	–	175.00
Heilongjiang	287.00	–	–
Jilin	54.50	–	–
Liaoning	291.50	–	–
Hebei	447.00	–	49.50
Gansu	209.00	–	–
Henan	177.00	50.00	–
Shanxi	250.50	50.00	–
Ningxia	243.50	–	–
Shaanxi	199.50	50.00	150.00
Guangxi	99.00	–	–
Yunnan	97.50	–	–
Shandong	193.50	–	100.00
Guangdong	–	–	100.00
Shanghai	–	–	–
Anhui	193.00	–	–
Hubei	–	–	120.00
Chongqing	49.50	–	–
Guizhou	48.00	–	–
Fujian	48.00	–	–
Jiangxi	–	–	50.00

<b>Region</b>	<b>Approved reserve capacity (MW)</b>	<b>Newly-added approved capacity as compared with the end of 2016 (MW)</b>	<b>Capacity included in the plan but yet to be approved (MW)</b>
Beijing	69.70	–	–
Tianjin	40.00	–	–
Jiangsu	300.00	–	48.00
Sichuan	10.00	–	–
Qinghai	69.50	–	–
Tibet	50.00	50.00	–
Hainan	6.00	–	–
<b>Total</b>	<b>3,962.20</b>	<b>200.00</b>	<b>792.50</b>

### **3. Orderly implementation of project construction**

As at 30 June 2017, the Group's consolidated installed capacity amounted to 8,498 MW. In particular, the consolidated installed capacity of wind power was 8,345 MW, representing an increase of 17.1% over the same period last year; the consolidated installed capacity of solar energy was 147.47 MW; and the consolidated installed capacity of other clean energy was 5 MW.

As at 30 June 2017, the consolidated installed capacity of wind power of the Group by region was as follows:

<b>Region</b>	<b>For the period ended 30 June 2017 (MW)</b>	<b>For the period ended 30 June 2016 (MW)</b>	<b>Rate of year-on-year change</b>
Inner Mongolia	<b>2,754.05</b>	2,653.55	3.79%
Heilongjiang	<b>501.00</b>	451.00	11.09%
Jilin	<b>648.10</b>	648.10	0.00%
Liaoning	<b>373.80</b>	325.80	14.73%
Hebei	<b>99.00</b>	99.00	0.00%
Gansu	<b>845.80</b>	845.80	0.00%
Henan	<b>100.75</b>	100.75	0.00%
Shanxi	<b>576.00</b>	297.00	93.94%

<b>Region</b>	<b>For the period ended 30 June 2017 (MW)</b>	For the period ended 30 June 2016 (MW)	Rate of year-on-year change
Ningxia	<b>497.50</b>	497.50	0.00%
Shaanxi	<b>149.00</b>	99.00	50.51%
Guangxi	<b>148.00</b>	49.50	198.99%
Yunnan	<b>296.25</b>	197.25	50.19%
Shandong	<b>860.50</b>	561.00	53.39%
Guangdong	<b>49.50</b>	49.50	0.00%
Shanghai	<b>204.20</b>	204.20	0.00%
Anhui	<b>48.00</b>	48.00	0.00%
Hubei	<b>48.00</b>	–	–
Chongqing	<b>50.00</b>	–	–
Guizhou	<b>48.00</b>	–	–
Fujian	<b>48.00</b>	–	–
<b>Total</b>	<b><u>8,345.45</u></b>	<b><u>7,126.95</u></b>	<b><u>17.10%</u></b>

As at 30 June 2017, the consolidated installed capacity of solar power of the Group by region was as follows:

<b>Region</b>	<b>As at 30 June 2017 (MW)</b>	As at 30 June 2016 (MW)	Rate of year-on-year change
Jiangsu	<b>18.47</b>	18.47	0.00%
Ningxia	<b>49.00</b>	49.00	0.00%
Qinghai	<b>60.00</b>	50.00	20.00%
Shanxi	<b>20.00</b>	20.00	0.00%
<b>Total</b>	<b><u>147.47</u></b>	<b><u>137.47</u></b>	<b><u>7.27%</u></b>

#### **4. *Further enhancement of management and benefits***

In the first half of 2017, the Group established an integrated and three-dimensional benchmarking system covering all disciplines, perspectives and dimensions including preliminary work, planning, production and finance. Firstly, preliminary benchmarking was thoroughly carried out and the Plan on Implementation of Benchmarking Management for Preliminary Work (前期工作對標管理實施方案) was formulated to give consideration to the scientific unity of preliminary development quantity and quality and guarantee the comprehensive benefits of project development. Secondly, the electricity benchmarking was deepened. Following the principle of “same region, same line and same type”, the Group conducted comprehensive benchmarking with large enterprises, analyzed the causes of problems and promptly set out measures to enhance the benchmarking of utilization hours in a comprehensive way. Thirdly, the benchmarking of financial indicators was performed and an indicator benchmarking system containing profit per kW, profit per kWh and controllable expenses per kW was established. The Group analyzed the specific reasons for good and poor benchmarking indicators in a detailed way and promptly developed improvement measures to ensure controllable costs. Fifthly, benchmarking of production indicators was conducted for 5,229 wind turbines of 89 wind farms one by one. For the existing problems, the Group studied and formulated rectification measures.

#### **5. *Further improvement of overall profitability***

Firstly, the Group continuously strengthened marketing management and formulated and issued the Marketing Management Measures and the Guiding Opinions on Marketing in the Power Market. A closed management mechanism has gradually taken shape. Datang (Chifeng) Renewable Power Co., Ltd. (大唐(赤峰)新能源有限公司) proactively strove for preferential policies for wind-power heat supply projects, and its ranking in terms of utilization hours among the five groups rose from the fourth place last year to the second place this year. Furthermore, Datang (Tongliao) Huolinhe Renewable Power Co., Ltd. (大唐(通遼)霍林河新能源有限公司) and Datang Hulunbeier Chemical Fertiliser Co., Ltd. (大唐呼倫貝爾化肥有限公司) engaged in electricity transactions.

Secondly, the Group effectively controlled financing costs. To proactively cope with the changes in financial situation, the Group prepared a capital plan in advance. In the first half of this year, on the premise of ensuring the safety of capital, the Group completed the repayment of matured ultra-short-term debentures with an aggregate amount of RMB6 billion and issuance of ultra-short-term debentures with an aggregate amount of RMB6.5 billion. The capital cost was controlled below the average cost in 2016. As at the end of June 2017, the gearing ratio of the Group was decreased to 79.64%, down 0.44 percentage point as compared with the end of the previous year.

Thirdly, the Group strengthened collection of receivables. The Group increased efforts on collection of tariffs, assigned target tasks to all organizations and completed the application for seventh filing tariff premium.

### **III. FINANCIAL POSITION AND OPERATING RESULTS**

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

#### ***1. Overview***

The Group's net profit for the six months ended 30 June 2017 amounted to RMB541.77 million, representing an increase of RMB261.37 million as compared with that for the same period of 2016. Profit attributable to the owners of the parent for the period amounted to RMB455.50 million, representing an increase of RMB243.74 million as compared with that for the same period of 2016.

## **2. Revenue**

The Group's revenue for the six months ended 30 June 2017 increased by 16.25% to RMB3,465.24 million as compared with RMB2,980.89 million for the same period of 2016, primarily due to an increase in installed capacity and the average utilization hours, which led to the increase in on-grid electricity.

The Group's electricity sales revenue for the six months ended 30 June 2017 increased by 16.20% to RMB3,410.84 million compared to RMB2,935.22 million for the same period of 2016, primarily due to an increase in installed capacity and the average utilization hours, which led to year-on-year increase in on-grid electricity and year-on-year decrease in average on-grid tariff.

The Group's revenue from the leasing of transmission lines and technical services for the six months ended 30 June 2017 amounted to RMB19.20 million and the revenue from the profit sharing from EPC projects amounted to RMB20.42 million, mainly attributable to the provision of services to external companies by repair and installation companies under the Group and the profits generated by EPC projects upon its completion and operation.

## **3. Other income and other gains, net**

The Group's other income and other gains, net for the six months ended 30 June 2017 increased by 223.35% to RMB103.74 million as compared with RMB32.08 million for the same period of 2016, primarily due to the increase in government grants.

The Group's government grants for the six months ended 30 June 2017 increased by 273.88% to RMB103.87 million as compared with RMB27.78 million for the same period of 2016, primarily due to the increase in value-added tax refund during the period.

## **4. Operating expenses**

The Group's operating expenses for the six months ended 30 June 2017 increased by 14.38% to RMB2,079.44 million as compared with RMB1,818.05 million for the same period of 2016, mainly attributable to (1) the increase in depreciation and amortization charges of wind turbines; (2) the increase in material costs and repairs and maintenance costs; and (3) the increase in other operating expenses.



The Group's depreciation and amortization charges for the six months ended 30 June 2017 increased by 12.43% to RMB1,543.71 million as compared with RMB1,373.07 million for the same period of 2016, primarily due to the increased capacity of wind power projects which were put into operation.

The Group's material costs and repairs and maintenance costs for the six months ended 30 June 2017 increased by 27.21% to RMB83.57 million as compared with RMB65.69 million for the same period of 2016, primarily due to the increases in the number of projects commissioned for production and operation and the capacity of wind turbines whose warranty period has expired.

The Group's other operating expenses for the six months ended 30 June 2017 increased by 57.42% to RMB196.34 million as compared with RMB124.72 million for the same period of 2016, primarily due to the increase in the payment of taxes and surcharges and installed capacity, which led to the increase in cost expenses.

## **5. *Operating profit***

The Group's operating profit for the six months ended 30 June 2017 increased by 24.66% to RMB1,489.54 million as compared with RMB1,194.92 million for the same period of 2016, primarily due to the growth of revenue from sales of electricity as a result of a year-on-year increase in the average utilization hours and installed capacity.

## **6. *Finance income***

The Group's finance income for the six months ended 30 June 2017 decreased by 25.72% to RMB6.16 million as compared with RMB8.29 million for the same period of 2016, primarily due to the changes in the average balance of the Group's bank deposits.

## **7. *Finance costs***

The Group's finance costs for the six months ended 30 June 2017 increased by 2.39% to RMB891.78 million as compared with RMB870.97 million for the same period of 2016, primarily due to the increase in the average balance of interest-bearing liabilities.

## **8. *Share of profits of associates and joint ventures***

The Group recorded a profit of RMB26.78 million in share of profits of associates and joint ventures for the six months ended 30 June 2017 as compared with RMB15.61 million for the same period of 2016.

## **9. *Income tax expense***

The Group's income tax expense for the six months ended 30 June 2017 was RMB88.93 million, representing an increase of 31.83% from RMB67.46 million for the same period of 2016. This was mainly due to (1) the increase in the Group's profit before tax for the six months ended 30 June 2017 over the same period of 2016, which led to a corresponding increase in income tax expense; (2) the fluctuation in profitability as well as the difference in initiation and expiration of tax benefit of certain subsidiaries of the Group located in regions with preferential income tax rate; and (3) the impact of deferred income tax assets recognized according to deductible temporary differences.

## **10. *Profit for the period***

The Group's profit for the six months ended 30 June 2017 amounted to RMB541.77 million, representing an increase of RMB261.37 million as compared with that of RMB280.40 million for the same period of 2016. The Group's net profit margin for the six months ended 30 June 2017 increased to 15.63% as compared with 9.41% for the same period of 2016, primarily due to the growth of revenue from sales of electricity as a result of an increase in the average utilization hours and average installed capacity.

## **11. *Profit attributable to the owners of the parent***

Profit attributable to the owners of the parent for the six months ended 30 June 2017 amounted to RMB455.50 million, representing an increase of RMB243.74 million as compared with that of RMB211.76 million for the same period of 2016.

## **12. Profit attributable to non-controlling interests**

The Company's profit attributable to non-controlling interests for the six months ended 30 June 2017 increased by 25.69% to RMB86.27 million as compared with RMB68.63 million for the same period of 2016.

## **13. Liquidity and capital resources**

The Group's cash and cash equivalents as at 30 June 2017 increased by 16.15% to RMB1,354.57 million as compared with RMB1,166.21 million as at 31 December 2016. The main sources of operating capital of the Group were approximately RMB47,477.8 million as at 30 June 2017 of unutilized financing facilities, primarily including the undrawn credit facilities under the strategic cooperation framework agreements which the Company entered into with commercial banks in China.

As at 30 June 2017 the Group's borrowings increased by 6.44% to RMB47,178.91 million as compared with RMB44,326.24 million as at 31 December 2016. In particular, an amount of RMB11,726.30 million (including an amount of RMB3,289.81 million of long-term borrowings due within 1 year) was short-term borrowings, and an amount of RMB35,452.61 million was long-term borrowings.

## **14. Capital expenditure**

The Group's capital expenditure for the six months ended 30 June 2017 decreased by 49.16% to RMB644.02 million as compared with RMB1,266.79 million for the same period of 2016. Capital expenditure was mainly costs for purchase and construction of property, plant and equipment.

## **15. Net gearing ratio**

As at 30 June 2017, the Group's net gearing ratio (net debt (total borrowings minus cash and cash equivalents) divided by the sum of net debt and total equity) was 76.34%, representing an increase of 0.44 percentage point as compared with 75.90% as at 31 December 2016, which was mainly due to the increase in interest-bearing liabilities.

## **16. Significant investment**

The Group had no significant investment during the six months ended 30 June 2017.

### **17. *Material acquisitions and disposals***

During the six months ended 30 June 2017, the Group was not involved in any material acquisition or disposal.

### **18. *Pledge of assets***

Some of the Group's loans are secured by property, plant and equipment, intangible assets, tariff collection rights and bills receivable. As at 30 June 2017, net carrying value of the pledged assets amounted to RMB6,918.91 million.

### **19. *Contingent liabilities***

As at 30 June 2017, the Group had no material contingent liabilities.

## **IV. OUTLOOK FOR BUSINESS IN SECOND HALF OF 2017**

### **1. *To reinforce operation and management over production and strive to level up power generation efficiency***

Firstly, the Group will hold tightly onto the lifeblood of power output to deepen the establishment of the economical operation indicator systems at hierarchical levels ranging from regional companies, wind farms to wind turbines. It will carry out stratified and classified sorting measures to pinpoint problems and work out comprehensive solutions accordingly, thereby constantly optimizing technological strategies and effectively improving the operation efficiency and benefits of the generation units.

Secondly, it will continue to deepen equipment management. In particular, it will intensify operation data analysis and online monitoring, consummate the spare part supportability mechanism and further improve the capability of technical professionals with regard to malfunction analysis and failure recovery of wind turbines aiming at the accomplishment of prevention and management of equipment malfunction instead of failure recovery and the comprehensive improvement of equipment availability.

Thirdly, it will carry on deepening the work regarding the special project of fulfilling the designed value, accelerate the technological renovation for efficiency enhancement of ageing generation units, fully tap the generation potentials of equipment and level up generation capacity of the generation units.

**2. *To devote more efforts to preliminary development and enhance the efficiency of power generation***

Firstly, following along the mainstreams of structural adjustment and efficiency enhancement, the Group will think out of the box and blaze new trails for active attempts of various modes such as independent development and joint development. Meanwhile, it will put forth further efforts on capturing prime resources in regions not subject to power curtailment in mid-eastern China and southern China with a view to making tangible new breakthroughs in new domains and new regions.

Secondly, it will speed up the industry restructuring. To be specific, it will continue to strengthen efforts on exploring the emerging field of clean energy and rapidly press ahead work relating to offshore wind power development. Meanwhile, it will further implement the "Going Global" strategy by proactively studying development opportunities arising from the countries along the "One Belt, One Road" strategy in the hope of achieving new breakthroughs in industry restructuring.

Thirdly, it will proactively create and construct premium projects, speed up construction pace and quality control and further improve the capability of wind measurement, resource assessment, equipment selection and micro-siting as well as the performance and efficiency of the master equipment. In addition, it will delve into design optimization to enable the project to be "in stable operation, benefit-making and satisfactory in designed value since commencing operation".

**3. *To comprehensively strengthen operation and management and strive to promote the standards of management and control***

Firstly, the Group will strengthen electricity marketing, insist on prioritizing electricity amount and take the initiative to further tap into the market. It will also innovate patterns for electricity consumption and transactions, scout for new approaches to expand power generation space such as heat-supplying with idle wind power units and swop of power generation rights and strive to map out diversified electricity plans, thus comprehensively improving electricity marketing effects.

Secondly, it will take efforts to broaden income sources and reduce expenditures for the purpose of cost reduction and efficiency improvement. In this regard, it will reinforce management and control over cost budgeting by level-based pressure transition from the senior management to their subordinates, thereby achieving ongoing improvement of management and control standards.

Thirdly, it will keep a close eye on capital and financial market dynamics and actively explore diversified, multi-channel financing models to optimize debt structure and improve capital utilization efficiency, thereby lowering its financing costs.

Fourthly, it will increase efforts to study and cope with relevant policies such as those relating to green certificate and grid parity and implement scientific trading strategy to ensure reasonable returns. In addition, it will devote further efforts on collection of electricity charge subsidies and capture various policy benefits to the utmost extent.

**4. *To strengthen team building and upgrade the technical skills of professional staff***

The Group will adopt a comprehensive approach to boost the quality of its talent team. In particular, it will increase efforts on staff training and development and boost the technical skills of its professional staff through vocational skills contests, selective exams and other measures, motivating employees to upgrade their skills and advance their own careers.

**V. OTHER INFORMATION**

**1. *Purchase, sale or redemption of the Company's listed securities***

As at 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

**2. *Interim dividend***

The Board does not recommend the distribution of any interim dividend to shareholders for the six months ended 30 June 2017.

**3. *Subsequent events after the Reporting Period***

As of the date of this announcement, the Group didn't have any significant events that have occurred after the Reporting Period.

**4. *Compliance with the Corporate Governance Code set out in Appendix 14 of the Listing Rules***

The Company has always been committed to compliance with the principles and requirements under the Listing Rules. As at 30 June 2017, the Company was not involved in any material litigation for which the responsibility should be taken by any of its Director. Each Director of the Company has the necessary qualification and experience required for performing his duty as a Director. 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.

Save as disclosed in this announcement, during the six months ended 30 June 2017, the Company has been in strict compliance with the principles and provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules, as well as certain recommended best practices.

**5. *Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers***

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors, supervisors and related employees (as defined in the Corporate Governance Code). Having made specific inquiries of all Directors and supervisors of the Company (“**Supervisor(s)**”), each Director and Supervisor confirmed that she/he had strictly complied with the standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers for the Reporting Period.

## **6. Audit Committee**

The Group's interim results for the first half of 2017 and the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017 prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* and the disclosure requirements under the Listing Rules have been reviewed by the Audit Committee of the Company.

### **PUBLICATION OF THE INTERIM RESULTS AND THE INTERIM REPORT**

This results announcement will be published on the website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) at <http://www.hkexnews.hk> and the Company's website at <http://www.cdt-re.com>.

The Company's 2017 interim report containing all the information required under the Listing Rules will be dispatched to the shareholders and will be published on the websites of the Company and the Hong Kong Stock Exchange in due course.

By order of the Board  
**China Datang Corporation Renewable Power Co., Limited\***  
**Chen Feihu**  
*Chairman*

Beijing, the PRC, 18 August 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Zhou Kewen and Mr. Jiao Jianqing; the non-executive directors are Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.*

\* *For identification purposes only*