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

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 1798

2021
Annual Report

* For identification purpose only

Contents

Chairman's Statement

Dear shareholders,

Spring returned once again with everything fresh and new. With the extraordinary 2021 leaving behind together with our every footstep, we usher in 2022 full of expectations. The annual ring of time engraves the coordinates of our progress.

2021 is a milestone year in the history of the Party and the country. In the wave of global low-carbon transformation, the Company deeply implemented the new energy security strategy of "Four Revolutions, One Cooperation", adhered to the development concept of innovation, coordination, green, openness and sharing, seized the opportunities of "dual carbon" policy, accelerated the development layout of new energy, and solidly promoted quality and efficiency improvement. The Company's operation and development quality and efficiency both increased, and comprehensive strength reached a new level, achieving a good start of the "Fourteenth Five-Year Plan".

In 2021, the Company's operating results hit a record high again. The installed capacity amounted to 13,078,000 kilowatts, representing an increase of 6.94%. Power generation was 26,178 million kWh, representing an increase of 23.62%. Operating revenue was RMB11,625 million, representing an increase of 24.04%. Total profit was RMB2,462 million, representing an increase of 31.00%. Equipment reliability maintained a leading position in the industry. The Company's operating conditions continued to improve, re-investment capabilities were significantly strengthened, and the Company's competitiveness, influence and market image were significantly improved.

2022 is an important year for the development of the Party and the country, as well as the 20th anniversary of Datang Corporation. As we embark on a new journey of catching up, we will be diligent and well-planned, continue to aim at becoming a world-class clean energy supplier with global competitiveness, fully, accurately and comprehensively implement the new development concept, grasp the new development trend of the industry, adhere to the priority of quality and efficiency, optimize the industrial layout, continue to improve quality and efficiency, enhance the development momentum, comprehensively improve the Company' s operation and management level, continue to give back to shareholders and the society with excellent operating results, and create tangible value for shareholders.

Last but not least, on behalf of the Board, I would like to express our heartfelt gratitude to our shareholders, investors and friends from all sectors of the society for their trust and support over the years!

Chairman of the Board and General Manager
Liu Guangming

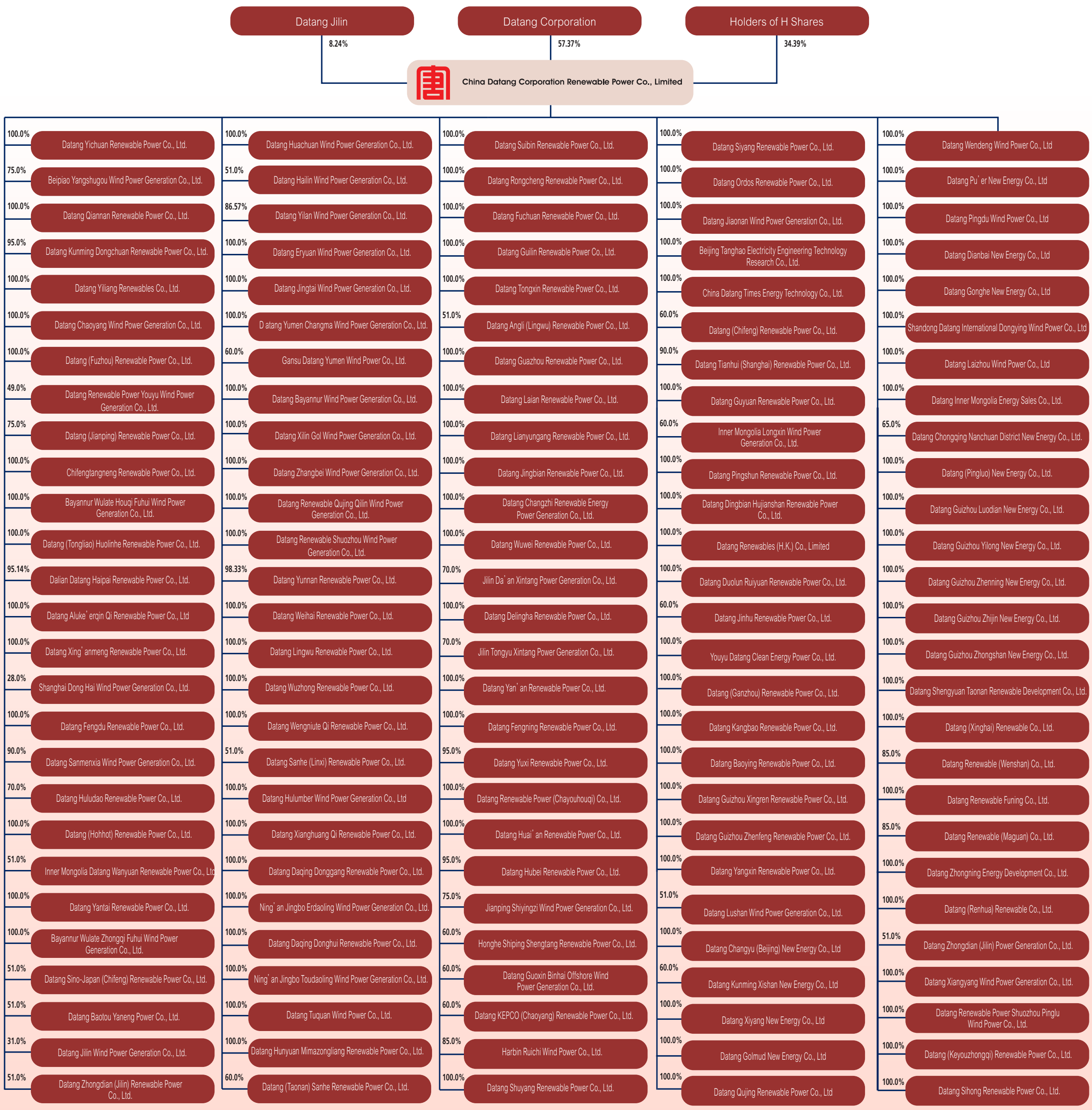
Company Profile

The predecessor of China Datang Corporation Renewable Power Co., Limited (stock code: 1798) was Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰塞罕壩風力發電有限公司) which was established on 23 September 2004. It was one of the earliest power enterprises that engaged in the development of new energy in the PRC. Since the establishment of the Company and after several years of rapid development, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on 17 December 2010. As at 31 December 2021, the Company had a total of 7,273,701,000 issued shares, among which the Company's controlling shareholder China Datang Corporation Ltd. holds an aggregate of 65.61%.

The Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; design, construction and installation, repair and maintenance of domestic and overseas power projects; import and export services of renewable energy equipment and technologies; foreign investment; renewable energy-related consulting services.

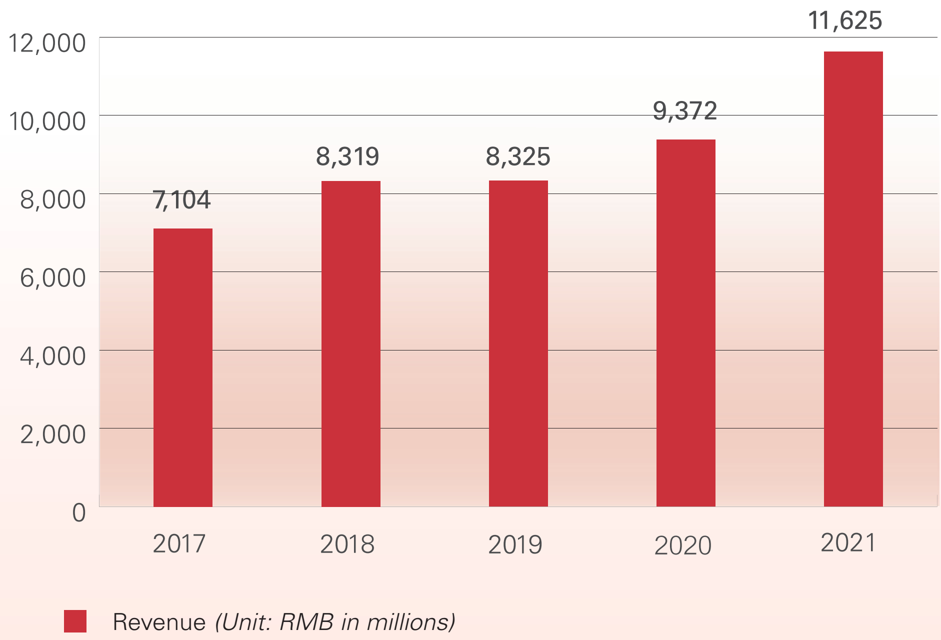
The Group is actively engaged in the renewable sources business including wind power and solar power. As at 31 December 2021, the Group's consolidated installed capacity amounted to 13,078.02 MW, including 11,997.55 MW of wind power consolidated installed capacity and 1,075.47 MW of Photovoltaic consolidated installed capacity.

Corporate Structure: As at 31 December 2021, the Company's major corporate structure was as follows:

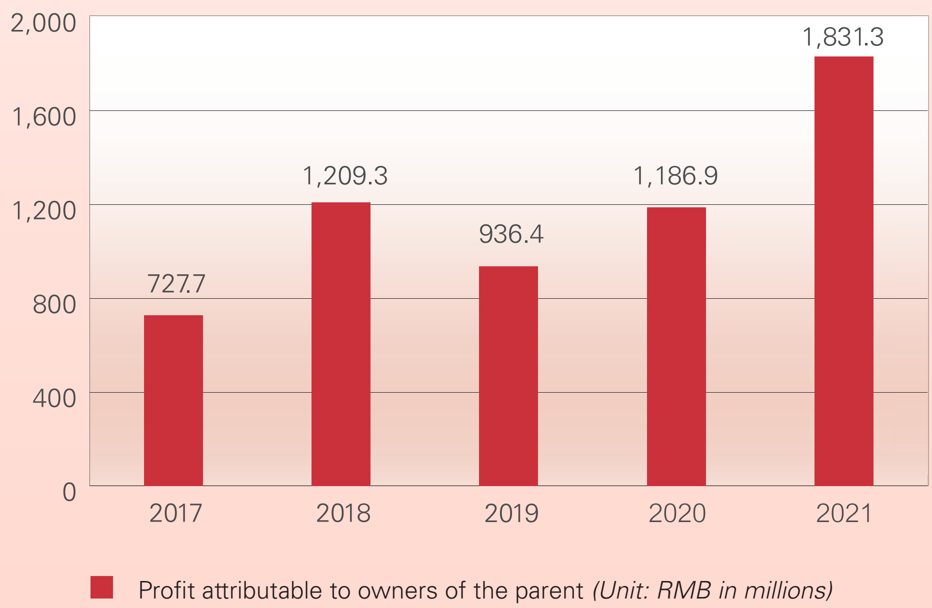


Key Operating and Financial Data

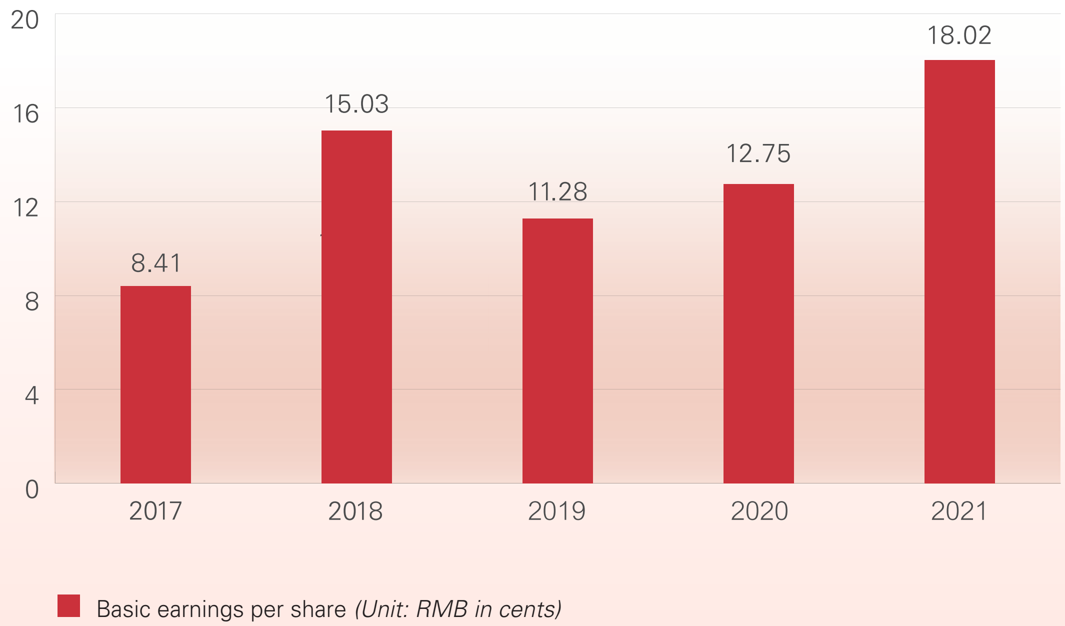
1. REVENUE



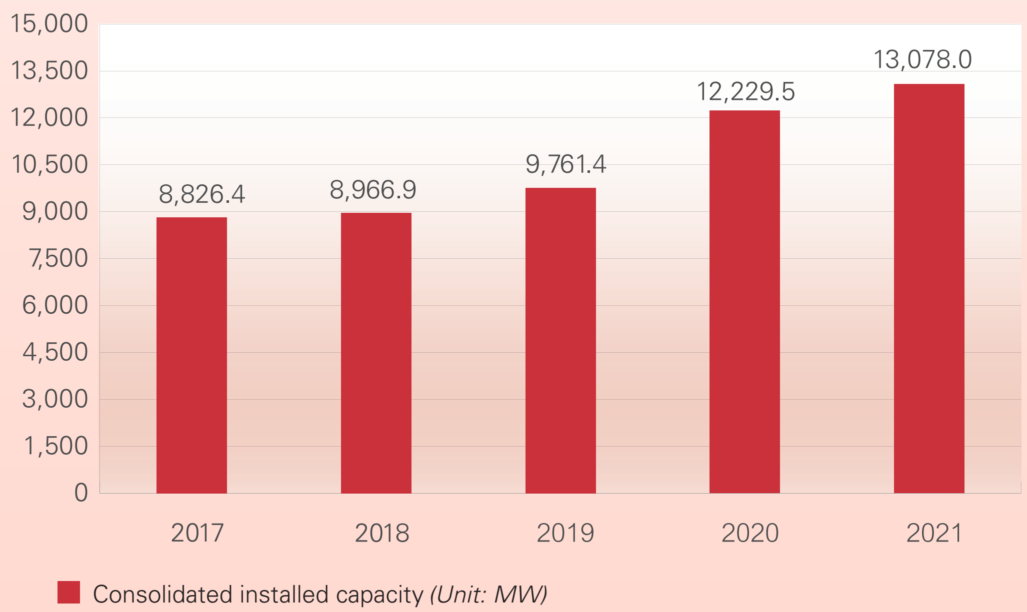
2. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT



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



4. CONSOLIDATED INSTALLED CAPACITY



Financial Highlights

	Year ended 31 December				
	2021	2020	2019	2018	2017
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**11,625,086**	9,372,031	8,324,779	8,319,406	7,104,089
Other income and other gains, net	**279,640**	300,235	365,548	269,600	204,383
Operating expenses	**(7,333,826)**	(5,750,096)	(5,163,818)	(4,803,848)	(4,440,556)
Operating profit	**4,570,900**	3,922,170	3,526,509	3,785,158	2,867,916
Profit before tax	**2,462,193**	1,879,485	1,439,874	1,728,898	1,059,012
Income tax expenses	**(376,484)**	(326,892)	(295,882)	(302,513)	(156,342)
Profit for the year	**2,085,709**	1,552,593	1,143,992	1,426,385	902,670
Other comprehensive income for the year, net of tax	**40,722**	2,731	101,404	(64,243)	(9,068)
Total comprehensive income for the year	**2,126,431**	1,555,324	1,245,396	1,362,142	893,602
Profit attributable to:					
– Owners of the parent	**1,831,295**	1,186,861	936,437	1,209,279	727,678
– Non-controlling interests	**254,414**	365,732	207,555	217,106	174,992
	2,085,709	1,552,593	1,143,992	1,426,385	902,670
Total comprehensive income attributable to:					
– Owners of the parent	**1,870,403**	1,191,191	1,038,507	1,144,973	718,568
– Non-controlling interests	**256,028**	364,133	206,889	217,169	175,034
	2,126,431	1,555,324	1,245,396	1,362,142	893,602
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	**0.1802**	0.1275	0.1128	0.1503	0.0841

Financial Highlights (Continued)

	At 31 December				
	2021	2020	2019	2018	2017
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**77,699,230**	72,693,822	65,222,639	61,615,835	62,826,238
Total current assets	**21,397,349**	17,214,926	14,800,804	12,800,807	7,722,010
Total assets	**99,096,579**	89,908,748	80,023,443	74,416,642	70,548,248
Equity attributable to owners of the parent	**27,207,881**	24,032,343	11,068,797	12,291,764	11,394,149
Non-controlling interests	**3,932,026**	3,700,375	3,432,053	2,989,602	2,974,745
Total equity	**31,139,907**	27,732,718	14,500,850	15,281,366	14,368,894
Total non-current liabilities	**45,617,625**	40,438,981	39,065,476	38,166,047	34,917,499
Total current liabilities	**22,339,047**	21,737,049	26,457,117	20,969,229	21,261,855
Total liabilities	**67,956,672**	62,176,030	65,522,593	59,135,276	56,179,354
Total equity and liabilities	**99,096,579**	89,908,748	80,023,443	74,416,642	70,548,248

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

The State issued the "14th Five-Year Plan" and the outline of long-term objectives

2021 represents the first year of China's "carbon dioxide peaking and carbon neutralization" policy. In March 2021, the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China (2021–2025) and the Outline of Long-term Objectives for 2035(《中華人民共和國國民經濟和社會發展第十四個五年(2021-2025)規劃和2035年遠景目標綱要》) was issued. The document points out: "Accelerate the development of non-fossil energy, adhere to both centralized and distributed development, vigorously increase the scale of wind power and photovoltaic power generation, accelerate the development of distributed energy in the eastern and central part, orderly develop offshore wind power, accelerate the construction of hydro power bases in the southwest, safely and steadily promote the construction of coastal nuclear power, build a number of clean energy bases with multi kinds of energy complementing each other, and increase the proportion of non-fossil energy in the total energy consumption to approximately 20%.

Renewable energy continues to maintain a good momentum of development

In 2021, the domestic epidemic was effectively controlled and the national economy continued to recover; benefiting from the continuous promotion of the "double carbon" policy, China's renewable energy continued to maintain a good development momentum.

According to the data published by the National Energy Administration ("NEA"), in 2021, the electricity consumption reached 8,312.8 billion kWh, representing a year-on-year increase of 10.3%. By the end of 2021, China's installed power generation capacity was about 2.38 billion kilowatts, representing a year-on-year increase of 7.9%. Among them, the installed capacity of renewable energy power generation reached 1.063 billion kilowatts, accounting for 44.8% of the total installed capacity of power generation. The newly installed capacity of renewable energy was 134 million kilowatts, accounting for 76.1% of the newly installed power generation in China.

Firstly, the installed capacity of renewable energy exceeded 1 billion kilowatts. By the end of 2021, the installed capacity of renewable energy power generation in China had reached 1.063 billion kilowatts, accounting for 44.8% of the total installed capacity. Among them, the installed capacity of hydro power was 391 million kilowatts (including 36 million kilowatts of pumped storage), wind power was 328 million kilowatts, photovoltaic power generation was 306 million kilowatts and biomass power generation was 37.98 million kilowatts, accounting for 16.5%, 13.8%, 12.9% and 1.6% of the total installed capacity of power generation in China, respectively. Secondly, the power generation capacity of renewable energy has increased steadily. In 2021, the power generation capacity of renewable energy in China reached 2.48 trillion kWh, accounting for 29.8% of the electricity consumption of the whole society. Among them, hydro power contributed 1,340.1 billion kWh, representing a year-on-year decrease of 1.1%, wind power contributed 652.6 billion kWh, representing a year-on-year increase of 40.5%, photovoltaic power generation contributed 325.9 billion kWh, representing a year-on-year increase of 25.1%, and biomass power generation contributed 163.7 billion kWh, representing a year-on-year increase of 23.6%. Hydro power, wind power, photovoltaic power generation and biomass power generation accounted for 16.1%, 7.9%, 3.9% and 2% of the total electricity consumption of the whole society, respectively. Thirdly, renewable energy continued to maintain a high level of utilization. In 2021, the utilization rate of water energy in major river basins in China was approximately 97.9%, representing an increase of 1.5 percentage points over the same period last year, and the amount of hydro power abandoned was approximately 17.5 billion kWh. The average utilization rate of wind power in China was 96.9%, representing an increase of 0.4 percentage point over the same period last year. The average utilization rate of photovoltaic power generation in China was 98%, which is basically the same as that in the same period last year.

Frequent introduction of policy documents favorable to the new energy industry

With the development of "low-carbon environmental protection", China pays more and more attention to environmental pollution and energy conservation and emission reduction. Developing new energy, realizing energy transformation, reducing fossil energy consumption, building a green and low-carbon energy system and reducing carbon dioxide emissions are one of the important measures to achieve global carbon neutrality. Policies are in the first place for industrial development. In 2021, policy documents favorable to the new energy industry were introduced frequently, pointing out the direction for China's medium and long-term new energy development.

On 22 February 2021, the State Council issued the "Guiding Opinions on Accelerating the Establishment and Improvement of a Green and Low-carbon Circular Development Economic System" (《關於加快建立健全綠色低碳循環發展經濟體系的指導意見》). The opinions pointed out that China would promote the green and low-carbon transformation of the energy system, give priority to energy conservation, and improve the dual control system of total energy consumption and intensity. China would increase the proportion of renewable energy utilization, vigorously promote the development of wind power and photovoltaic power generation, and develop hydro power, geothermal energy, marine energy, hydrogen energy, and biomass energy and photothermal power generation according to local conditions.

On 5 March 2021, the National Development and Reform Commission and the NEA issued the "Guiding Opinions on Promoting the Integration of Power Source Network Load Storage and Multi Energy Complementary Development" (《關於推進電力源網荷儲一體化和多能互補發展的指導意見》). Through improving the market-oriented tariff mechanism, it mobilized the enthusiasm of market subjects, guided the active action, rational layout and optimal operation of power supply side, power grid side, load side and independent energy storage to achieve scientific and healthy development.

On 23 March 2021, the NEA issued the "Work Plan for Comprehensive Supervision of Clean Energy Consumption" (《清潔能源消納情況綜合監管工作方案》) and decided to organize and carry out comprehensive supervision of clean energy consumption nationwide. With the goal of promoting the efficient utilization of clean energy, this comprehensive supervision urged relevant regions and enterprises to strictly implement the national clean energy policy, optimized the grid connection and dispatching operation of clean energy, standardized the participation of clean energy in market-oriented transactions, and timely developed the outstanding problems existing in the development of clean energy to ensure the efficient utilization of clean energy, further promoting the high-quality development of the clean energy industry and helping achieve "carbon dioxide peaking and carbon neutralization".

On 22 April 2021, the NEA issued the "Guiding Opinions on Energy Work in 2021" (《2021年能源工作指導意見》). The opinions pointed out that the main expected objectives of 2021 were to make the allocation of energy resources more reasonable, greatly improve the utilization efficiency, maintain a high level of renewable energy utilization such as wind power and photovoltaic power generation, and increase the average utilisation hours of cross regional transmission channels to approximately 4,100 hours.

On 25 April 2021, the NEA issued the "Notice on Submitting the Work Plan of Power Source Network Load Storage Integration and Multi Energy Complementary in the 14th Five-Year Plan" (《關於報送「十四五」電力源網荷儲一體化和多能互補工作方案的通知》). The notice required the steady implementation of "wind, photovoltaic, thermal (storage) integration" and encouraged the integration of "wind, photovoltaic, water (storage)" and "wind, photovoltaic and storage"; gave priority to relying on existing coal power projects to promote the integrated development of wind, photovoltaic, thermal (storage) and expand the bundling scale of new energy power; allowed the use of coal-fired power projects that had been included in the national power development plan in the near area to promote the integrated development of incremental wind, photovoltaic, thermal (storage), and strictly control the demand for new coal-fired power.

On 11 May 2021, the NEA issued the "Notice on Matters Related to the Development and Construction of Wind Power and Photovoltaic Power Generation in 2021" (《關於2021年風電、光伏發電開發建設有關事項的通知》). The notice pointed out that the proportion of wind power and photovoltaic power generation in the electricity consumption of the whole society would reach approximately 11% in 2021, and the new grid connection projects necessary for all provinces (regions and cities) to complete the minimum consumption responsibility weight of annual non-hydro power would be implemented by power grid enterprises. In 2021, the guaranteed grid connection scale should not be less than 90 million kilowatts.

On 11 June 2021, the National Development and Reform Commission issued the "Notice on Matters Related to the New Energy on Grid Tariff Policy in 2021" (《關於2021年新能源上網電價政策有關事項的通知》). The notice pointed out that from 2021, the newly filed centralized photovoltaic power stations, industrial and commercial distributed photovoltaic and newly approved onshore wind power projects would not receive subsidy from the central government. In 2021, new projects would ensure the power generation within the acquisition hours, and the on-grid tariff would continue to be formed in the way of "guidance price + competitive allocation".

On 11 June 2021, the National Development and Reform Commission issued the "Letter on Matters Related to the Implementation of the New Energy On-grid Tariff Policy in 2021" (《關於落實好2021年新能源上網電價政策有關事項的函》), which clarified the on-grid tariff policy for new energy projects in 2021. For the new household distributed photovoltaic projects included in the central financial subsidy scope in 2021, the subsidy standard for total power generation was RMB0.03 per kWh. For the first batch of solar thermal power generation demonstration projects determined, if they were connected to the grid with full capacity by the end of 2021, the on-grid price would continue to be implemented at RMB1.15 per kWh, and other projects which were connected to the grid after that were not qualified to receive subsidy from the central government.

On 5 July 2021, the National Development and Reform Commission issued "Notice on Matters Related to Investment and Construction of Supporting New Energy Transmission Projects" (《關於做好新能源配套送出工程投資建設有關事項的通知》). The notice pointed out that in order to achieve the goal of carbon dioxide peaking and carbon neutralization, it was necessary to further accelerate the development of non-fossil energy such as wind power and photovoltaic power generation. The asynchronous construction of new energy units and supporting transmission projects would affect the on-grid consumption of new energy.

On 26 October 2021, the State Council issued "The Action Plan for Carbon Dioxide Peaking by 2030" (《2030年前碳達峰行動方案》). Regarding the implementation of the major strategic decisions of the CPC Central Committee and the State Council on carbon dioxide peaking and carbon neutralization, it focused on the goal of carbon dioxide peaking by 2030 in accordance with the work requirements of "The Opinions of the CPC Central Committee and the State Council on Fully Implementing the New Development Concept and Practically Implementing Carbon Dioxide Peaking and Carbon Neutralization"(《中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》), and made an overall deployment for carbon dioxide peaking.

II. BUSINESS REVIEW

2021 was a difficult year for the Company to embark on the "14th Five-Year Plan" and started a new journey of "secondary entrepreneurship". In this year, the Company grasped the historic opportunity of the "double carbon" policy, wholeheartedly focused on improving quality and efficiency with the attitude of "secondary entrepreneurship", concentrated on integrating into the new development pattern, increased the quality and efficiency of the Company's operation and development, and leaped to a new level of comprehensive strength, achieving a good start of the "14th Five-Year Plan".

As at 31 December 2021, the Company's consolidated installed capacity was 13,078.02 MW, representing a year-on-year increase of 6.94%; the power generation reached 26,178,431 MWh, representing a year-on-year increase of 23.62%; the total average utilisation hours were 2,160 hours, representing a year-on-year increase of 21 hours; the consolidated curtailment rate was 3.65%, representing a year-on-year increase of 0.49 percentage point; the total profit before tax was RMB2.462 billion, representing a year-on-year increase of RMB0.583 billion, or 31.00%; the average on-grid tariff (tax excluded) was RMB461.43/MWh, representing a year-on-year decrease of RMB3.81/MWh.

(I) Maintaining a stable situation of safety production and striving to increase the volume of power generation

1. Earnestly implementing various safety precautions

The Company always maintains the awareness of red line and bottom-line thinking, strengthens the construction of safety system and strengthens the implementation of safety responsibility. The Company further promoted the "three-year action for special rectification of work safety", carried out targeted special activities such as work safety month, flood control, autumn inspection, power supply safeguard, heat supply safeguard, the Winter Olympics safeguard and safety warning education, made every effort to actually implement the responsibility of work safety, promoted the implementation of various safety measures and anti-accident measures, and promoted the improvement of intrinsic safety level to maintain a stable situation of safe production.

In 2021, no major safety production accident occurred in the Company.

2. Seizing the opportunity and striving to increase the power generation

In 2021, the Company actively paid attention to market changes, increased marketing efforts, made use of the advantages of wind power and photovoltaic resources to improve the utilization level of units for increasing the power generation.

The Company improved the statistical analysis mechanism of electricity. The Company gave full play to the index analysis and supervision functions of the production dispatching center, and continuously upgraded and optimized the system interface and functional modules of the monitoring center. The Company strengthened the management of the production dispatching center, regularly summarized and analyzed the data, prepared the daily electricity report model, and organized the submission, statistics and analysis of daily electricity. The Company analyzed the main safety indicators of each station every month.

The Company paid close attention to market transactions and made every effort to earn various kinds of electricity with good profits. In 2021, the Company carried out market transactions in 14 provinces, with a billed tariff of 9.026 billion kWh, accounting for 36.00% of the on-grid power generation. The average billed tariff of the market transaction of the Company was RMB488.72/MWh (tax inclusive), representing a year-on-year increase of RMB61.59/MWh.

As at 31 December 2021, the consolidated power generation of the Company by region was as follows:

	Consolidated power generation *(MWh)*		
Region	**As at 31 December 2021**	As at 31 December 2020	Rate of year-on-year change
Total	**26,178,431**	21,176,229	23.62%
Wind power	**24,998,097**	20,789,484	20.24%
Inner Mongolia	**8,128,776**	7,527,674	7.99%
Heilongjiang	**1,692,411**	1,386,511	22.06%
Jilin	**1,376,082**	1,445,443	-4.80%
Liaoning	**1,522,476**	1,120,428	35.88%
Gansu	**1,709,768**	1,601,193	6.78%
Ningxia	**1,153,896**	971,385	18.79%
Shaanxi	**633,076**	245,234	158.15%
Shanxi	**1,745,125**	1,096,399	59.17%
Hebei	**528,928**	238,949	121.36%
Henan	**398,083**	287,797	38.32%
Anhui	**259,603**	182,209	42.48%
Guangxi	**480,907**	463,615	3.73%
Guizhou	**24,063**	101,068	-76.19%
Yunnan	**928,535**	874,488	6.18%
Chongqing	**422,440**	181,312	132.99%
Guangdong	**75,624**	88,142	-14.20%
Shandong	**1,939,580**	1,368,163	41.77%
Shanghai	**417,347**	494,147	-15.54%
Fujian	**206,756**	229,240	-9.81%
Jiangsu	**1,287,438**	886,048	45.30%
Beijing	**18,871**	40	47,194.74%
Hubei	**48,315**	–	–

Region	Consolidated power generation *(MWh)* As at 31 December 2021	As at 31 December 2020	Rate of year-on-year change
Photovoltaic	**1,169,232**	361,005	223.88%
Jiangsu	**15,944**	16,506	-3.40%
Ningxia	**347,503**	74,642	365.56%
Qinghai	**132,275**	126,712	4.39%
Shanxi	**33,068**	32,106	3.00%
Liaoning	**11,045**	12,127	-8.93%
Guizhou	**460,817**	81,459	465.70%
Inner Mongolia	**118,233**	101	116,962.67%
Gansu	**50,344**	17,352	190.13%
Gas	**11,102**	25,740	-56.87%
Shanxi	**11,102**	25,740	-56.87%

3. **Continuously strengthening the management and control of technical improvement projects, and striving to improve the health level of equipment**

The Company actively followed up the implementation progress of key projects by focusing on network-related safety rectification, special rectification of hidden dangers of large parts and special treatment of inefficient fans. Through the implementation of major technical transformation projects such as generator replacement and blade cascade transformation, the power generation capacity and reliability of the fan were effectively improved and the potential safety hazards of the equipment were effectively reduced.

As at 31 December 2021, the average availability rate of the Company's fans is 99.10%, an increase of 0.03 percentage point year-on-year. The overall efficiency enhancement was obvious for wind turbines equipment and the reliability of wind power units maintained leading in the industry.

The Company's wind power curtailment rate was 3.70%, an increase of 0.56 percentage point year-on-year; the photovoltaic power curtailment rate was 2.58%, a decrease of 4.26 percentage points year-on-year.

The average utilisation hours of wind power of the Company reached 2,266 hours, an increase of 104 hours year-on-year; the average utilisation hours of photovoltaic power reached 1,081 hours, a decrease of 229 hours year-on-year. The specific regions were as follows:

	Average utilisation hours *(hour)*		
Region	**As at 31 December 2021**	As at 31 December 2020	Year-on-year change
Total	**2,160**	2,139	21
Wind power	**2,266**	2,162	104
Inner Mongolia	**2,541**	2,499	42
Heilongjiang	**2,324**	2,454	-130
Jilin	**2,123**	2,230	-107
Liaoning	**2,479**	2,108	371
Gansu	**2,021**	1,893	128
Ningxia	**1,785**	1,530	255
Shaanxi	**1,847**	1,642	205
Shanxi	**2,441**	1,895	546
Hebei	**2,222**	2,004	218
Henan	**2,280**	2,015	265
Anhui	**1,784**	1,399	385
Guangxi	**1,617**	1,956	-339
Guizhou	**1,525**	2,106	-581
Yunnan	**2,358**	2,344	14
Chongqing	**2,136**	1,991	145
Guangdong	**1,528**	1,781	-253
Shandong	**1,920**	1,590	330
Shanghai	**2,044**	2,420	-376
Fujian	**2,165**	2,400	-235
Jiangsu	**3,183**	2,934	249
Beijing	**432**	–	–
Hubei	**1,633**	–	–

Region	Average utilisation hours *(hour)* As at 31 December 2021	As at 31 December 2020	Year-on-year change
Photovoltaic	**1,081**	1,310	-229
Jiangsu	**863**	894	-31
Ningxia	**1,617**	1,373	244
Qinghai	**1,653**	1,584	69
Liaoning	**1,578**	1,732	-154
Guizhou	**755**	982	-227
Inner Mongolia	**1,182**	–	–
Gansu	**1,936**	1,491	445
Shanxi	**1,653**	1,605	48
Gas	**2,220**	5,148	-2,928
Shanxi	**2,220**	5,148	-2,928

4. Technology driving production and operation to higher level

The Company actively participated in the research and preparation of domestic technical standards, constantly improved and strengthened the construction of professional technical standard library, enriching and improving the national and industrial standard library covering 877 items in five major aspects, including wind power, photovoltaic, electrical, steel structure, safety, power transmission and transformation. The Company coordinated the special scientific research tasks, established a smooth communication mechanism with scientific research institutions, strengthened the preliminary demonstration of forward-looking new energy projects such as electric energy storage and multi scenario hydrogen production to make them have the potential for large-scale promotion and application.

(II) Paying close attention to the layout of green industries and obtaining fruitful achievements in high-quality development

1. Fruitful achievements in resource reserves

The Company took development as the first priority, adhered to the new development concept, closely focused on the competition of new energy projects in various provinces and the allocation of resources, made the layout in advance and participate in bidding projects, and made deep and practical preliminary work. The Company has set up a comprehensive incentive mechanism to give full play to its subjective initiative, and sought high-quality project resources with good profits and low non-technical cost through multiple channels. At the same time, the Company actively promoted the cooperation and negotiation of new energy projects such as "photovoltaic + clean heating" and distributed roof photovoltaic for an entire county, and always maintained the active exploration of new energy formats and models in the future.

In 2021, the Company has achieved the approved and filed project capacity of 4,230 MW.

2. Steadily increase of installed capacity

As at 31 December 2021, the capacity of projects under construction of the Company was 1,787.60 MW, including 1,012.60 MW of wind power projects under construction and 775 MW of photovoltaic projects under construction.

In 2021, the Company achieved the new installed capacity of 848.50 MW and the cumulative consolidated installed capacity of 13,078.02 MW; among them, the consolidated installed capacity of wind power was 11,997.55 MW, a year-on-year increase of 826.50 MW, or 7.40%; the consolidated installed capacity of photovoltaic was 1,075.47 MW, a year-on-year increase of 22 MW, or 2.09%. As at 31 December 2021, the consolidated installed capacity of the Company by region was as follows:

	Consolidated installed capacity *(MW)*		
Region	**As at 31 December 2021**	As at 31 December 2020	Rate of year-on-year change
Total	**13,078.02**	12,229.52	6.94%
Wind power	**11,997.55**	11,171.05	7.40%
Inner Mongolia	**3,278.55**	3,229.05	1.53%
Heilongjiang	**801.00**	700.00	14.43%
Jilin	**1,248.10**	648.10	92.58%
Liaoning	**614.20**	614.20	0.00%
Beijing	**49.50**	49.50	0.00%
Gansu	**945.80**	845.80	11.82%
Ningxia	**646.50**	646.50	0.00%
Shaanxi	**349.00**	349.00	0.00%
Shanxi	**735.05**	725.05	1.38%
Hebei	**247.50**	247.50	0.00%
Henan	**182.75**	182.75	0.00%
Anhui	**145.50**	145.50	0.00%
Guangxi	**297.00**	297.00	0.00%
Guizhou	**14.00**	48.00	-70.83%
Yunnan	**393.75**	393.75	0.00%
Chongqing	**232.00**	232.00	0.00%
Guangdong	**49.50**	49.50	0.00%
Fujian	**95.50**	95.50	0.00%
Shandong	**1,010.50**	1,010.50	0.00%
Shanghai	**204.20**	204.20	0.00%
Jiangsu	**410.85**	410.85	0.00%
Hubei	**46.80**	46.80	0.00%

Region	Consolidated installed capacity *(MW)* As at 31 December 2021	As at 31 December 2020	Rate of year-on-year change
Photovoltaic	**1,075.47**	1,053.47	2.09%
Jiangsu	**18.47**	18.47	0.00%
Ningxia	**204.00**	204.00	0.00%
Qinghai	**80.00**	80.00	0.00%
Shanxi	**20.00**	20.00	0.00%
Liaoning	**7.00**	7.00	0.00%
Inner Mongolia	**100.00**	100.00	0.00%
Guizhou	**610.00**	598.00	2.01%
Gansu	**26.00**	26.00	0.00%
Guangdong	**10.00**	–	–
Gas	**5.00**	5.00	0.00%
Shanxi	**5.00**	5.00	0.00%

Note: Certain fans of Guizhou Dafengping wind power project of the Company have been removed, therefore the installed capacity of Guizhou region has been reduced by 34 MW as at 31 December 2021.

3. Fully implementing the "double carbon" decision and deployment

The Company timely established a leading group for "carbon dioxide peaking and carbon neutralization", fully implemented the strategic deployment of "double carbon" work at all levels, prepared and improved the Company's "14th Five-Year Plan" development plan, preliminarily studied and formulated the Company's "double carbon" strategic objectives and road map, and actively studied the carbon asset trading and management process to constantly help the Company build a low-carbon system.

(III) Improving the structure with multiple measures at the same time and remarkable achievements in improving quality and efficiency

1. Significantly optimization of the capital debt structure

The Company paid close attention to the favorable situation of the capital market and successfully issued 3 tranches of perpetual bonds amounting to RMB4 billion, 5 tranches of corporate bonds and medium-term notes amounting to RMB3.6 billion and 12 tranches of short-term financing bonds amounting to RMB12.15 billion to ensure the demand for working capital of the projects, and actively carried out financing cost replacement, debt maturity structure and capital debt structure adjustment. As at 31 December 2021, the asset liability ratio of the Company had decreased to 68.58%, representing a decrease by 0.57 percentage point compared with the beginning of the year, and the refinancing ability and future development space were effectively improved.

2. Effective reduction of comprehensive financing cost

The Company strengthened cooperation with commercial banks and financial institutions, and replaced accumulately RMB60 billion of high-cost loans. The overall average financing cost of the Company decreased from 4.18% at the beginning of the year to 3.94%, reducing nearly 24 basis points, directly saving nearly RMB130 million of financial expenses.

3. Effective improvement of cost control capability

The Company has established the awareness of comprehensive cost management, paid close attention to the cost control of project preliminary expenses, overhaul and technical transformation expenses, labor costs, financial expenses and other costs, carried out the cost bench-marking work covering investment, construction, production, operation and other links in an orderly manner, resulting in the obvious moving down of cost line, and the pressure of cost control was effectively transmitted to grass-roots enterprises, so as to promote the Company to independently establish the awareness of cost saving, maximize revenue and reduce expenditure and create low-cost advantages.

(IV) Improvement of market value management and shareholder returns

Firstly, focusing on the main business, the Company strengthened operation and management and continuously improved business performance. In 2021, the Company continued to maintain a steady increase in the scale of new energy installation, and the total profit before tax increased by 31.00% year-on-year. Secondly, the Company established and continuously improved the market value management system, assigned special personnel to supervise dynamically the changes of market value, and timely reported the major changes of market value. Thirdly, the Company actively out investor relations management and promoted investors' understanding and recognition of the Company through full information disclosure. The Company maintained its image and stabilized its market value through active and good communication with investors and market stakeholders.

(V) Closely adhering to main line of Party history education and earnestly promoting the comprehensive and strict administration within the Party

Setting the major political task of the whole year of carrying forward the great spirit of Party building, continuing the red blood, and carrying out the study and education of Party history with high standards and high quality, the Company organized party members and cadres to discuss and apply the new ideas and measures to promote "secondary entrepreneurship" around their work, built a matrix of "Red Department" Party history study and education activities, and effectively guided work practice, so as to promote the high-quality development of the Company.

III. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

(I) Overview

The Group's net profit for 2021 amounted to RMB2,085.71 million, representing an increase of RMB533.12 million as compared to RMB1,552.59 million in 2020, of which profit attributable to owners of the parent amounted to RMB1,831.30 million.

(II) Revenue

The Group's revenue increased by 24.04% to RMB11,625.09 million in 2021 as compared to RMB9,372.03 million in 2020, primarily due to the increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 23.93% to RMB11,568.43 million in 2021 as compared to RMB9,334.46 million in 2020, primarily due to the increase in power generation as a result of the increase in installed capacity and the change of wind resource.

(III) Other income and other gains, net

The Group's net other income and other gains decreased by 6.86% to RMB279.64 million in 2021 as compared to RMB300.24 million in 2020, primarily due to the year-on-year decrease in government grants and the increase in losses on disposal of property, plant and equipment and intangible assets for the current year.

The Group's government grants decreased by 4.94% to RMB296.08 million in 2021 as compared to RMB311.47 million in 2020, primarily due to the expiration of renewable power development subsidy policy from Shanghai Development and Reform Commission at the end of 2020.

The Group's losses on disposal of property, plant and equipment and intangible assets increased by 486.34% to RMB51.07 million in 2021 as compared to RMB8.71 million in 2020, primarily due to the wind turbine dismantle costs and disposal losses resulting from the suspension of certain wind farms in current year.

(IV) Operating expenses

The Group's operating expenses increased by 27.54% to RMB7,333.83 million in 2021 as compared to RMB5,750.10 million in 2020, mainly due to the increase in depreciation and amortisation charges provided within the year and employee benefit expenses as a result of increase in installed capacity and the increase in other operating expenses.

The Group's depreciation and amortisation charges increased by 15.80% to RMB4,445.18 million in 2021 as compared to RMB3,838.59 million in 2020, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 32.91% to RMB1,021.10 million in 2021 as compared to RMB768.29 million in 2020, primarily due to the increase in expensed labour cost as a result of increase in production capacity.

The Group's other operating expenses increased by 56.63% to RMB1,211.54 million in 2021 as compared to RMB773.51 million in 2020, primarily due to the increase in the provision for assets impairment.

(V) Operating profit

The Group's operating profit increased by 16.54% to RMB4,570.90 million in 2021 as compared to RMB3,922.17 million in 2020, mainly due to the increase in revenue from sales of electricity.

(VI) Finance expenses, net

The Group's net finance expenses decreased by 0.01% to RMB2,099.32 million in 2021 as compared to RMB2,099.62 million in 2020, primarily due to the decrease in average loan interest rate.

(VII) Share of profits and losses of associates and joint ventures

The Group's share of losses of associates and joint ventures was RMB9.39 million in 2021 as compared to the profits of RMB56.93 million in 2020, the decrease of share of net profits of associates and joint ventures primarily due to the decrease in net profit of an associate of the Group for the year.

(VIII) Income tax expenses

The Group's income tax expenses increased by 15.17% to RMB376.48 million in 2021 as compared to RMB326.89 million in 2020, mainly due to the fluctuation in profits, together with the differentiated commencement and expiration of income tax preferences for certain subsidiaries of the Group located in regions with preferential income tax rates.

(IX) Profit for the year

The Group's profit for the year increased by RMB533.12 million to RMB2,085.71 million in 2021 as compared to the profit of RMB1,552.59 million in 2020. For the year ended 31 December 2021, the Group's profit ratio for the year as a percentage of its total revenue increased from 16.57% in 2020 to 17.94%.

(X) Profit attributable to owners of the parent

The profit attributable to owners of the parent increased by RMB644.44 million or 54.30%, to RMB1,831.30 million in 2021 as compared to RMB1,186.86 million in 2020.

(XI) Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 30.44% to RMB254.41 million in 2021 as compared to RMB365.73 million in 2020.

(XII) Liquidity and capital sources

As at 31 December 2021, the Group's cash and cash equivalents increased by 2.20% to RMB3,119.96 million as compared to RMB3,052.72 million as at 31 December 2020. The main sources of the Group's operating cash are revenue from the sales of electricity.

As at 31 December 2021, the Group's borrowings increased by 6.53% to RMB57,876.24 million as compared to RMB54,326.28 million as at 31 December 2020. In particular, RMB12,461.76 million (including RMB6,733.08 million of long-term borrowings due within one year) was short-term borrowings, and RMB45,414.48 million was long-term borrowings. The above borrowings are all denominated in RMB.

As at 31 December 2021, the Group has unutilised banking facilities amounted to approximately RMB15,956.7 million, of which banking facilities of RMB1,500.0 million is not subject to renewal within 12 months after the end of the reporting period. As at 31 December 2021, the Group has the approved but not issued corporate bonds amounting to RMB10,000.0 million, the registered but not issued asset-backed notes amounting to RMB2,000.0 million, short-term financing bonds amounting to RMB4,250.0 million and medium-term notes amounting to RMB6,200.0 million. Except for the asset-backed notes that are valid until August 2022, the approvals and registrations of other bonds and notes mentioned above are effective and valid for the next 12 months from the end of the reporting period.

(XIII) Capital expenditure

The Group's capital expenditure decreased by 9.60% to RMB10,753.45 million in 2021 as compared to RMB11,894.88 million in 2020. Capital expenditure mainly comprises construction costs including acquisition or construction of property, plant and equipment, right-of-use assets (including land use rights) and intangible assets. The decrease in capital expenditure was mainly due to the slower development in the scale of investment and construction of tariff maintaining projects.

(XIV) Net gearing ratio

The Group's net gearing ratio (net debt (total borrowings and related parties' loans less cash and cash equivalents) divided by the sum of net debt and total equity) was 63.78% in 2021, representing a decrease of 1.32 percentage points as compared to 65.10% in 2020.

(XV) Significant investment

In 2021, the Group made no significant investment.

(XVI) Material acquisition and disposal

In 2021, the Group had no material acquisition and disposal.

(XVII) Pledge of assets

Some of our bank and other borrowings are secured by property, plant and equipment, concession assets and electricity tariff collection rights. As at 31 December 2021, the carrying value of the pledged assets amounted to RMB15,822.19 million.

(XVIII) Contingent liabilities

As at 31 December 2021, the Group had no material contingent liabilities.

IV. RISK FACTORS AND RISK MANAGEMENT

(I) Policy risk

With the continuous promotion of market-oriented reform of electricity, the new energy enterprises face the risks in relation to the decrease in electricity price and profits due to the continuous expansion of transaction scale and scope of new energy power generation market, grid parity of wind power, the competitive allocation, the requirements of energy storage and the further opening up of auxiliary service market. The Company will monitor and identify of the impact of policy and adopt the effective policy to protect the interest of the Company.

(II) Power curtailment risk

In recent years, the curtailment ratio has continued to decline, however, a mismatch between the increase in social power consumption mismatches the rapid increase in generation capacity of new energy, which might result in the risk related to the failure of full consumption of energy output from the Group's power generating projects operating at full load.

(III) Competition risk

Currently, there is an increasing number of investment entities participating in the domestic new energy development projects, all of which are actively capturing the resources, leading to a more fierce competition. As a result, the Group will continue to adjust its portfolio scientifically, consolidate existing resource reserves, explore a new area of resources and further expand resource reserves. Meanwhile, the Company will enhance efforts in technology and management innovation and will continuously improve its core competitiveness by making use of its existing strengths.

(IV) Climate risk

The wind power generation, being the main power generation assets of the Group, relies on the condition of wind resource, which fluctuates each year and in different regions, thus affecting the power generation volume of the wind turbines. In order to mitigate such risk, the Company owns projects for power generation in 21 provinces and regions in China for balancing the risk as a result of climate factors.

(V) Risks related to interest rate

Interest rate risk may result from fluctuations in bank loan interest rate. Such interest rate changes will have impact on the Company's project cost and finance expenses and will eventually affect our operating results. The Group raises funds by various means and adopts appropriate financing term for decreasing the impact of change of interest rates on profits as far as possible.

The businesses of the Group falls into the capital intensive industry. The significant increase in the development of new projects will lead to the significant increase in capital expenditure, resulting in the increase in gearing ratio. The Group will balance its own profit and the structure of various financing, so as to accommodate the needs for the development of new projects.

V. OUTLOOK ON THE FUTURE DEVELOPMENT

In 2022, from the international perspective, the world economy is expected to maintain restorative growth with however the prominent characteristics of instability, uncertainty and imbalance, and the pandemic is still the largest factor of uncertainty. From the domestic perspective, the fundamentals of China's economy will not change for a long time. Under the guidance of the "double carbon" goal, the development of wind power photovoltaic bases in the "Three North" areas, especially deserts, Gobi and barren land, and the development of offshore wind power clusters will be promoted actively. The development of integrated projects of coal enterprises supported by the state will provide greater development space for the new energy.

From the perspective of opportunities, it is more likely that the fiscal and financial policy will continue to be relaxed. The monetary policy orientation of the central bank will be widened marginally, which may continue to trigger RRR reduction with loose credit policy as new feature in 2022. Under the requirements of financial support for the real economy, reducing the financing costs of enterprises and supporting small, medium-sized and micro enterprises, the renewal of two monetary policy instruments directly reaching the real economy is still possible, and the continued expansion of refinancing and re-discount instruments will not be ruled out. Under the national "double carbon" policy, the capital market continues to be optimistic about the development of the new energy industry, and the bank investment is chasing enthusiastically new energy industry, which is conducive for us to obtain financial support and reduce financing costs.

MAJOR WORKS IN 2022

(I) Focusing on intrinsic safety and deepening infrastructure safety management

We will insist on strict leadership and start with intrinsic safety. While strengthening the construction of safety assurance system and supervision system, we will fully implement the safety production responsibility system at all levels, achieve fine construction and strict management, and strictly implement the operating procedures, systems and specified measures. In addition, we will always maintain the high-pressure situation to avoid any violation to ensure the safety of construction operations. We will coordinate the relationship between safety and development, make scientific and reasonable arrangements for construction, and avoid rushing to chase construction schedule. We will strengthen flood control and disaster reduction and extreme weather emergency management, improve the construction emergency plan, and conduct serious assessment and accountability for those who fail to implement the responsibility of safety production, inadequate supervision and ineffective rectification of hidden dangers, so as to ensure the safety of infrastructure construction.

We will always tighten the string of epidemic prevention and control, and continue to strengthen normalized epidemic prevention and control. We will master the epidemic information and various policies and regulations, guard the line of defense for the life and health of employees, and provide basic security for the completion of tasks and objectives.

(II) Improving the power generation level of the unit and sparing no effort to increase the power generation

By comparing the internal and external standards, finding the gap, analyzing the causes and implementing the responsibilities, we will further optimize the production monitoring center system and analyze the production technical indicators of each station every month. We will strengthen the research on power marketing strategy and comprehensively sort out the market transactions and tariff of various companies, so as to establish and improve the monthly tariff submission mechanism. In addition, we will conduct bench-marking analysis on the tariff of the counter-party company in combination with the monthly power generation and other production indicators, so as to do a good job in electricity trading.

We will intensify policy research and explore a marketing system more suitable for market competition. We will focus on economic interests and make comprehensive use of various market transactions to improve the hours of utilization.

(III) "Three pronged approach" to obtain more resources by all means

With the three fronts of wind and photoelectric power bases in "deserts, Gobi and barren land", offshore wind power project and provincial competitive allocation as the main direction of our focus, we will achieve a three-pronged approach and insist on promoting the intensive development of new energy base. We will adhere to the combination of centralised and distributed, as well as the coordination of guaranteed and market-based grid, and take more resources by all means, in order to strengthen the foundation of the Company's "14th Five-Year Plan" development.

(IV) Accelerating the transformation of resources and promoting project construction with high quality

We will actively implement the preliminary conditions of the project and strictly control the "gene" of the project. We will strictly manage the commencement process, strictly control the commencement conditions, adhere to "safety first and environmental protection first", and resolutely avoid touching the ecological red line and all kinds of protected areas. We will select the quality project to commence construction according to the scientific order of prioritising the new energy base projects and the projects with higher profits.

In the process of continuously improving the competitiveness of the project, we will adhere to safe and green development, and quality and effective development. We will take "within two limits and with three zeros" (within limits in construction period and budget, and with zero quality accident, zero safety accident and zero environmental protection accident) as the basic requirements of project construction, and pay attention to the lean management of the whole process of project from early stage, design, selection and construction. We will strictly manage the budget estimate and investment plan, improve the profitability and anti-risk ability of the whole life cycle of the project, and create a high-quality project with "good quality, excellent cost and good construction period".

(V) Continuously reducing the financing cost and comprehensively improving the profitability of the enterprise

According to the investment plan, we will scientifically formulate the financing plan to ensure the development capital demand of the Company. Guided by the "14th Five-Year Plan" and constrained by asset liability ratio control, we will strive to expand financing channels in a multi-market, multi-channel and multi-variety manner. By rationally planning the short, medium and long term debt structure, we will further optimize the financing cost and structure. We will give full play to our financing advantages and continue to strengthen communication and consultation with various financial institutions. Through cross regional financing, reducing or replacing the existing high-cost financing and alleviating the operating pressure, we will further reduce the financial expenses. By strengthening cash flow control and reducing the existing monetary funds, we will further improve the efficiency of capital use and profit.

Major Events in 2021

In February 2021, the Company held the 2021 working conference to present an overall summary of the work done in 2020, analysed the current situation and set work arrangement for 2021.

In June 2021, the Company's 2020 annual general meeting was held, at which a total of 10 resolutions were considered and approved, including the working report of the Board, the working report of the Supervisory Committee, the financial budget report, the final financial report and the investment plan.

In August 2021, the Company held the 2021 interim working meeting.

In September 2021, the "Responsibility Creates Value and Responsibility Leads the Future – Concentrated Publication of Social Responsibility Reports by Central Enterprises (2021)" organized by the State-owned Assets Supervision and Administration Commission of the State Council and undertook by the China Social Responsibility 100 Forum was held in Beijing. By virtue of its excellent performance in ESG governance, the Company stood out from the crowd among 440 listed central enterprises, and was successfully selected into the "Central Enterprises ESG Pioneer 50 Index".

In December 2021, the Company's extraordinary general meeting was held, at which a total of four resolutions, including the Comprehensive Services Framework Agreement, were considered and approved.

In December 2021, the Company entered into a comprehensive strategic cooperation agreement with the People's Government of Qinhuangdao City, pursuant to which both parties will deepen their cooperation in areas such as new energy project development, clean energy heating and rural revitalization.

In December 2021, the Company won the Best Listed Company Award and the Best Investment Value Award of China Financial Market Award. Mr. Liu Guangming, Chairman of the Board, was awarded the Best Corporate Leader Award.

Report of the Board of Directors

I. PRINCIPAL OPERATIONS

The Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; development, sale, testing and maintenance of renewable energy-related equipment; power generation; engineering, construction and installation, repair and maintenance of domestic and overseas power projects; import and export of renewable energy equipment and technologies; foreign investment; as well as renewable energy-related consulting services, etc.

Details of the Company's subsidiaries and associates and joint ventures are set out in Notes 32 and 16 to the financial statements respectively.

II. RESULTS

The audited annual results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 167 to 168 of this Annual Report. The financial position of the Group as at 31 December 2021 is set out in the consolidated statement of financial position on pages 169 to 170 of this Annual Report. The cash flows of the Group for the Year are set out in the consolidated statement of cash flows on pages 173 to 175 of this Annual Report.

The description of relationship between the Group and employees is set out in Human Resources on pages 159 to 160 of this Annual Report. The aforementioned sections form part of the Report of the Board of Directors.

III. BUSINESS REVIEW

In 2021, the Group conscientiously implemented the Electricity Law of the People's Republic of China (《中華人民共和國電力法》), the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》) and strictly complied with the relevant laws and regulations.

In 2021, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Group thoroughly studied and implemented the spirit of the 19th national congress and various plenary sessions of the 19th central committee of the China Communist Party as well as the spirit of the important "July 1st" speech of General Secretary Xi Jinping. With the attitude of "second entrepreneurship", the Group focused on improving quality and efficiency, and made concerted efforts to integrate into the new development pattern. The quality and efficiency of the Company's operation and development increased, the asset scale and total profit increased steadily, the gearing ratio continued to decrease, and the comprehensive strength reached a new level. The Group successfully completed various tasks and goals for the year and achieved a good start of the "14th Five-Year Plan".

A discussion and analysis of the Group's business review, performance, key factors of its results and financial performance, the risk factors and risk management and the prospect for future development during the Year are set out in the Management Discussion and Analysis on pages 10 to 31 of this annual report.

BUSINESS REVIEW

A fair review of the businesses of the Group during the Year, a discussion on the Group's business outlook and a description of the principal risks and uncertainties facing the Group are provided in the Chairman's Statement and the Management Discussion and Analysis sections of this Annual Report. Particulars of important events affecting the Group that have occurred since the end of the Year are included in the abovementioned sections and Note 37 to the financial statements. In addition, the financial risk management objectives and policies of the Group are set out in Note 31 to the financial statements.

An analysis of the Group's performance during the Year using financial key performance indicators is provided in the Financial Highlights and Financial Review sections of this Annual Report. Discussions on the Group's environmental policies, including compliance with the relevant laws and regulations that have a significant impact on the Group, and relationships with its key stakeholders are included in the Environmental, Social and Governance Report contained in this Annual Report.

All references herein to other sections or reports in this Annual Report form part of this report.

IV. SOCIAL RESPONSIBILITY

In 2021, the Group recorded annual electricity generation of 26,178,431 MWh, leading to an annual saving of 7.98 million tons of standard coal and reduction in carbon dioxide emissions of 21.78 million tons, which demonstrated that we have well performed our corporate mission and social responsibilities of energy conservation and emission reduction. During the course of production of green energy, the Group has made an effort to build a Clean Development Mechanism, to promote the ecology environment protection. For more details, please refer to the sections headed Management Discussion and Analysis, Human Resources and Environmental, Social and Governance Report.

V. PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group as at 31 December 2021 are set out in Note 13 to the financial statements.

VI. SHARE CAPITAL

As at 31 December 2021, the total share capital of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each. Details of the changes in share capital of the Company during the Year are set out in Note 26 to the financial statements.

VII. PRE-EMPTIVE RIGHTS

As at 31 December 2021, there are no provisions for pre-emptive rights under the Articles of Association or the PRC laws, which require the Company to offer new shares to existing shareholders in proportion to their shareholdings.

VIII. ISSUE OF DEBENTURES

With a view to raise funds to carry on and further improve the liquidity of the Group, the Group has issued certain notes and bonds during the Year, details of which are included in Notes 27 and 25 to the financial statements.

Further details of the issuances of notes and bonds are set out in the "Management Discussion and Analysis" section of this Annual Report.

IX. RESERVES

Changes in reserves of the Group and of the Company during the Year are set out in consolidated statement of changes in equity and Note 38 to the financial statements.

X. DISTRIBUTABLE RESERVES

Pursuant to the Articles of Association, where there are differences between Accounting Standards for Business Enterprises of the PRC ("CAS") and International Financial Reporting Standards ("IFRSs"), the distributable reserves shall be the lesser of the amounts shown in the two different financial statements. As at 31 December 2021, the distributable reserves of the Company were approximately RMB1,423.06 million according to the Company's financial statements prepared in accordance with IFRSs (31 December 2020: RMB1,339.74 million according to the Company's financial statements prepared in accordance with CAS).

XI. DISTRIBUTION PLAN AND POLICY FOR FINAL DIVIDEND

Final Dividend

The Board has proposed to distribute 2021 final dividend to the domestic and H shareholders (the Shareholders) whose names appear on the register of members of the Company on the record date specified in the notice of 2021 annual general meeting to be published by the Company in due course, with a cash dividend of RMB0.03 (before tax) per share (2020: RMB0.03). The 2021 final dividend to be distributed will be denominated and announced in RMB, of which domestic shareholders will be paid in RMB and H shareholders will be paid in HK dollars. The exchange rate of HK dollars will be calculated in accordance with the average of the median price published by the People's Bank of China ("PBOC") of the five business days before the day the dividend distribution announcement is made. Such a final dividend is expected to be distributed before 26 August 2022. The above profit distribution plan is subject to approval at the 2021 annual general meeting of the Company.

There is no arrangement that a shareholder has waived or agreed to waive any dividend.

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

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

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

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

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

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

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

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

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

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

Dividend Policy

We may distribute dividends by cash, stocks or a combination of both. Dividends or other payments payable by the Company to holders of its domestic-invested shares shall be denominated and declared in RMB and paid in RMB within three months from the date of declaration of dividends; Dividends or other payments payable by the Company to holders of foreign-invested shares shall be denominated and declared in RMB and paid in foreign currency within three months from the date of declaration of dividends. The exchange rate adopted for conversion shall be the average closing exchange rate of relevant foreign currency against RMB as quoted by the PBOC for the five business days prior to the declaration date. The foreign currency payable by the Company to holders of foreign-invested shares shall be subject to the relevant regulations on foreign exchange control in the PRC. The Board shall be authorised by way of an ordinary resolution at the general meeting to implement dividend distribution of the Company.

Any proposed distribution of dividends shall be formulated by our Board and will be subject to the shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including our results of operations, cash flow, financial condition, payments by our subsidiaries of cash dividends to us, future prospects and other factors that our Directors may consider important.

According to the PRC laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory surplus reserve equivalent to 10% of our after-tax profit, as determined under PRC GAAP; and
- allocations, if any, to a discretionary reserve fund that are approved by the shareholders in a shareholders' meeting.

The minimum allocations to the statutory funds are 10% of our profit after tax, as determined under the Company Law. When the statutory common reserve fund reaches and is maintained at or above 50% of our registered capital, no further allocations to this statutory fund will be required.

There is no assurance that we will be able to declare dividends of such amount or any amount each year or in any year. In addition, the declaration and/or payment of dividends may be limited by legal restrictions and/or by financing agreements that we may enter into in the future.

XII. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

XIII. ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or Supervisors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

XIV. MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the amount of purchase from the five largest suppliers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 39.91% of that of the Company's total purchase for the Year, in which, the purchase from the largest supplier in aggregate accounted for not more than 21.09% of the total purchase for the Year.

During the Year, the amount of sales to the five largest customers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 45.74% of the Company's total sales for the Year, in which, the amount of sales to the largest customer in aggregate accounted for not more than 16.70% of the total revenue of the Company for the Year. All of the five largest customers of the Company are subsidiaries of the State Grid Corporation of China.

To the best of the Directors' knowledge, none of the Directors, their close associates or shareholders of the Company (to the best of the Directors' knowledge, who holds more than 5% of the Company's issued capital) have any interest in the five largest suppliers or customers of the Company during the Year.

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

XV. BANK LOANS AND OTHER BORROWINGS

The details of bank loans and other borrowings of the Group as at 31 December 2021 are set out in Note 25 to the financial statements.

XVI. DONATION

During the Year, the Company had RMB2.07 million of social welfare funds.

XVII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following table sets forth certain data concerning the Directors, Supervisors and senior management of the Company during the Year and up to the date of this report.

Name	Position in the Company	Date of appointment
Directors		
Kou Wei	Former chairman of the Board and non-executive Director	11 May 2020 (resigned as chairman of the Company on 28 June 2021, resigned as the Director of the Company on 25 October 2021)
Hu Shengmu	Former vice-chairman of the Board and non-executive Director	1 March 2019 (resigned on 25 October 2021)
Liu Guangming	Executive Director and chairman of the Board	1 March 2019 (appointed as chairman on 28 June 2021)
Liu Baojun	Former non-executive Director	30 June 2016 (resigned on 25 October 2021)
Kuang Lelin	Non-executive Director	25 October 2021
Liu Jianlong	Non-executive Director	25 October 2021
Meng Lingbin	Former executive Director	26 June 2018 (resigned on 29 December 2021)
Wang Qiying	Non-executive Director	29 December 2021
Yu Fengwu	Non-executive Director	29 December 2021
Li Yi	Former non-executive Director	12 November 2019 (resigned on 30 March 2022)
Ye Heyun	Non-executive Director	30 March 2022
Liu Chaoan	Independent non-executive Director	1 July 2010
Lo Mun Lam, Raymond	Independent non-executive Director	20 August 2013
Yu Shunkun	Independent non-executive Director	27 March 2015
Supervisors		
Liu Quancheng	Chairman of the Supervisory Committee	9 May 2019
Ding Yu	Supervisor	27 June 2017
Bai Xuemei	Employee Representative Supervisor	11 October 2019
Senior Management		
Liu Guangming	General manager	1 March 2019
Mi Keyan	Former vice general manager	25 July 2019 (to resign on 10 December 2021)
Meng Lingbin	Former vice general manager	1 July 2010 (resigned on 28 June 2021)
Wang Haiyan	Chief accountant	31 March 2020
Pan Xiaokai	Vice general manager	25 August 2020
Cui Jian	Vice general manager	22 April 2022
Jia Hong	Joint company secretary	9 March 2021

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

XVIII. CHANGE OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, the changes in information of Directors and Supervisors of the Company are set out as follows:

- Due to work arrangement, Mr. Kou Wei resigned as the chairman of the Board of the Company on 28 June 2021, for details of which, please refer to the announcement of the Company dated 28 June 2021; resigned as a non-executive Director of the Company on 25 October 2021, for details of which, please refer to the announcement of the Company dated 25 October 2021.

- Due to work arrangement, Mr. Hu Shengmu resigned as a non-executive Director and the vice chairman of the Board of the Company on 25 October 2021, for details of which, please refer to the announcement of the Company dated 25 October 2021.

- Due to work arrangement, Mr. Liu Baojun resigned as a non-executive Director of the Company on 25 October 2021, for details of which, please refer to the announcement of the Company dated 25 October 2021.

- Mr. Kuang Lelin was appointed as a non-executive Director of the Company on 25 October 2021, for details of which, please refer to the announcement of the Company dated 25 October 2021.

- Mr. Liu Jianlong was appointed as a non-executive Director of the Company on 25 October 2021, for details of which, please refer to the announcement of the Company dated 25 October 2021.

- Due to work arrangement, Mr. Meng Lingbin resigned as an executive Director of the Company on 29 December 2021, for details of which, please refer to the announcement of the Company dated 29 December 2021.

- Mr. Wang Qiying was appointed as a non-executive Director of the Company on 29 December 2021, for details of which, please refer to the announcement of the Company dated 29 December 2021.

- Mr. Yu Fengwu was appointed as a non-executive Director on 29 December 2021, for details of which, please refer to the announcement of the Company dated 29 December 2021.

- Due to work arrangement, Mr. Li Yi resigned as a non-executive Director of the Company on 30 March 2022, for details of which, please refer to the announcement of the Company dated 30 March 2022.

- Mr. Ye Heyun was appointed as a non-executive Director of the Company on 30 March 2022, for details of which, please refer to the announcement of the Company dated 30 March 2022.

Save as disclosed above and as disclosed in the chapter headed "Biographies of Directors, Supervisors and Senior Management" of this annual report, as at the Latest Practicable Date, there were no other changes in the information of the Directors and Supervisors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

XIX. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, Supervisors and senior management are set out on pages 151 to 158 of this Annual Report.

XX. SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

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

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

None of the Directors or Supervisors has entered into a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

XXI. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors, Supervisors and senior management are set out in Note 12 to the financial statements.

XXII. INTERESTS OF DIRECTORS AND SUPERVISORS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Save as the connected transactions and continuing connected transactions disclosed in the section headed "Report of the Board of Directors XXIX - Connected Transaction" in this report, during the Year, no other Directors, Supervisors or their associated entities were interested, directly or indirectly, in any transaction, arrangement or contract of significance, to which the Company or any of its subsidiaries was a party, with which the Company's business is connected and which still subsisted during the Year or at the end of the Year.

XXIII. PERMITTED INDEMNITY PROVISIONS

The Company has not arranged appropriate insurance cover for Directors' and senior management's liabilities in respect of possible legal actions against its Directors and senior management arising out of corporate activities during the Year and up to the date of the publication of this Annual Report.

XXIV. SIGNIFICANT SUBSEQUENT EVENT

Details of the significant subsequent event of the Group are set out in Note 37 to the financial statements.

XXV. INTEREST OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the Year and up to the date of this Annual Report, save as disclosed below, none of the Directors or Supervisors or their close associates had any competing interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Company.

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

As at 31 December 2021, none of the Directors and senior management of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") stated in Appendix 10 of the Listing Rules.

XXVII. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2021, to the best of the Directors' knowledge after having made all reasonable enquiries, the following persons (other than the Directors, senior management or Supervisors of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept pursuant to Section 336 of the SFO and would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of shareholders	Class of shares	Capacity	No. of shares/ underlying shares held	Percentage of the relevant class of share capital	Percentage of the total share capital
Datang Corporation *(Note 1)*	Domestic shares	Beneficial owner and interest of a controlled corporation	4,772,629,900 (Long position)	100%	65.61%
Datang Jilin *(Note 1)*	Domestic shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%
Baoshan Iron & Steel Co., Ltd. *(Note 2)*	H shares	Interest of a controlled corporation	164,648,000 (Long position)	6.58%	2.26%
Bao-Trans Enterprises Limited *(Note 2)*	H shares	Beneficial owner	164,648,000 (Long position)	6.58%	2.26%
BlackRock, Inc. *(Note 3)*	H shares	Interest of a controlled corporation	185,961,000 (Long position)	7.44%	2.56%
			28,493,000 (Short position)	1.14%	0.39%
AllianceBernstein L.P. *(Note 3)*	H shares	Interest of a controlled corporation	181,441,411 (Long position)	7.25%	2.49%

Notes:

1. Datang Corporation directly holds 4,173,255,395 domestic shares. As Datang Jilin is a wholly-owned subsidiary of Datang Corporation, Datang Corporation is deemed to hold the 599,374,505 domestic shares held by Datang Jilin, thus, Datang Corporation, directly and indirectly, holds 4,772,629,900 domestic shares in total.

2. Baoshan Iron & Steel Co., Ltd. indirectly holds 164,648,000 H shares through its wholly-owned subsidiary, Bao-Trans Enterprises Limited.

3. According to the notices of disclosure of interests on the HKEXnews website of HKEx, BlackRock, Inc. through a series of its controlled corporations, held the relevant interests of long position in 185,961,000 H Shares of the Company, and a short position in 28,493,000 H Shares of the Company.

4. According to the notices of disclosure of interests on the HKEXnews website of HKEx, AllianceBernstein L.P. through a series of its controlled corporations, held the relevant interests of long position in 181,441,411 H Shares of the Company.

Save as disclosed above, to the best knowledge of the Directors and Supervisors, as of 31 December 2021, no person (other than the Directors, Supervisors and senior management of the Company) had any interest or short position in the shares and underlying shares of the Company which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO.

XXVIII. MANAGEMENT CONTRACTS

During the Year, the Company did not enter into any contract in respect of the management or administration of the entire or any significant part of the business of the Company nor any such contract subsisted.

XXIX. CONNECTED TRANSACTIONS

Details of the connected transactions of the Group during 2021 are as follows:

(I) Non-exempt One-off Connected Transaction

Joint Venture Agreement

On 19 May 2021, Datang Renewables (H.K.) Co., Limited ("Datang Renewables HK") and Datang Yunnan Power Generation Co., Ltd.* ("Datang Yunnan") entered into the Joint Venture Agreement in relation to, among others, the establishment of the joint venture company with joint contribution to jointly develop Dayao Dapingdi Photovoltaic Project.

The entering into of the Joint Venture Agreement and the establishment of the joint venture company (Datang (Dayao) New Energy Development Co., Ltd.*) (大唐(大姚)新能源開發有限公司) are conducive to promoting the development and construction of the 100,000 kW photovoltaic project in Dayao Dapingdi, Chuxiong Prefecture, which is in line with the Company's development strategy and the national development goal of "Peak Emissions, Carbon Neutrality", and are conducive to increasing the Company's equity installed capacity and promoting the development of the Company with high quality.

Datang Renewables HK is a wholly-owned subsidiary of the Company. As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder of the Company as defined under the Listing Rules. As Datang Yunnan is a wholly-owned subsidiary of Datang Corporation, Datang Yunnan is a connected person of the Company.

For details of the Joint Venture Agreement, please refer to the Company's announcement dated 19 May 2021.

(II) Non-exempt Continuing Connected Transactions

The Group has entered into certain non-exempt continuing connected transactions during the Year.

In terms of the non-exempt continuing connected transactions of categories 1 and 2 as stated below, the annual cap for 2019 to 2021 was approved at the 2018 first extraordinary general meeting of the Company held on 10 October 2018. In terms of the non-exempt continuing connected transactions of category 3 as stated below, the annual cap for 2019 to 2021 was approved at the 2019 second extraordinary general meeting held on 12 November 2019. In terms of the non-exempt continuing connected transactions of category 4 as stated below, their respective annual caps for 2021 to 2023 were approved at the 2020 second extraordinary general meeting held on 7 December 2020. In terms of the non-exempt continuing connected transactions of categories 5 and 6 as stated below, their respective annual caps for 2021 to 2023 were approved at the 2020 second extraordinary general meeting held on 7 December 2020.

The table below listed the annual cap and the actual transaction amount of such continuing connected transactions for 2021:

	Connected Transaction	Connected Person	Annual Cap for 2021	Actual Transaction Amount for 2021
1.	Provision of products and services by the Group	Datang Corporation	RMB60 million	RMB15 million
2.	Provision of products and services to the Group	Datang Corporation	RMB3,600 million	RMB3,260 million
3.	Provision of factoring business support to the Group	Datang Factoring Company	RMB2,000 million	RMB628 million
4.	Provision of financial services to the Group – Cash depository service	Datang Finance	Daily maximum deposit balance: RMB6,000 million	Daily maximum deposit balance: RMB3,273 million
5.	Provision of financial services to the Group – Financial leasing service	CDC Capital Holding	Annual cap of newly-added direct lease: RMB3,500 million	The total amount of newly-added direct lease: RMB144 million
			Annual cap of newly-added sale and lease-back: RMB2,500 million	The total amount of newly-added sale and lease-back: RMB2,254 million

1. Provision of products and services by the Group

As the framework agreement on mutual supply of raw materials, products and services entered into between the Group and Datang Corporation on 12 October 2015 has expired on 31 December 2018, the Company renewed the Datang framework agreement on 23 August 2018 (the "Datang Framework Agreement") in relation to provision of agreed products and services to Datang Corporation by the Group for a term of three years from 1 January 2019. Pursuant to the agreement, the Group provides, among others, spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and Clean Development Mechanism ("CDM") – related services to Datang Corporation.

Principal terms of the agreement are set out as follows:

- the goods to be mutually supplied by each party include: spare parts, accessories, equipment, water, power, gas, heat, raw materials, fuels and minerals, etc.;
- the services to be mutually supplied by each party include: design consulting services, maintenance services, technical consulting services, construction services, operation management services, CDM consulting services, bidding agency services, logistics services, communication services, property services and other related or similar services;
- if the terms and conditions of similar products and services offered by an independent third party are no better than those offered by one party, the other party shall give priority in sourcing the requisite products and services from such party of the agreement;
- relevant subsidiaries or associated companies of both parties will enter into individual contracts which shall set out the specific scope of services and/or products, terms and conditions of providing such services and/or products according to the principles laid down by the Datang Framework Agreement;
- the pricing of the agreed products will be determined based on the following mechanism: (1) government authorities (such as the National Development and Reform Commission) may from time to time publish prescribed prices or guidance prices on the agreed products, where such prescribed price or guidance price is available, such price will be adopted for the agreed products; (2) where a government-prescribed price or guidance

price is not available, a market price as determined through a bidding process will be adopted. The bidding process will adhere to the relevant laws and regulations including the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》); and (3) where a bidding process is impractical, the price will be determined through arm's length negotiation process between the relevant parties, in such case, the Company would make reference to the historical prices and price trends of the relevant products and ensure that such price would be fair and reasonable to the Company based on the principle of cost plus a reasonable profit. A profit is considered to be reasonable if it would fall within the budget of the Company and allow the Company to meet its profit targets;

- the agreement is for a term of three years commencing on 1 January 2019 and ending on 31 December 2021. Either party may terminate the agreement upon giving the other party an at least three-month prior written notice.

The transactions under the Datang Framework Agreement will be conducted in the ordinary and usual course of business of the Company on normal commercial terms. These transactions are agreed on an arm's length basis with terms that are fair and reasonable to the Company. As there is a long-term cooperation relationship between the Group and Datang Corporation, it is beneficial to the Company to continue to enter into the transactions under the Datang Framework Agreement as these transactions have facilitated and will continue to facilitate the operation and development of the Group's business and the provision of the agreed products and services to Datang Corporation will generate additional business and sources of revenue to the Group; on the other hand, Datang Corporation is a leading supplier of various agreed products and services and familiar with the Company's requirement on the agreed products and services, and will continue to be able to respond quickly and in a cost efficient manner to any new requirement that the Company may have. As provided in the Datang Framework Agreement, (1) the pricing of the agreed products and services should follow the governmental pricing or the market rate based on arm's length negotiation; and (2) the Company is free to procure or provide the agreed products and services from a third party if such party offers better terms, therefore the Company can ensure that any procurement or provision will be conducted on normal commercial terms or no less favourable than those available to the Company from independent third parties. Given the reasons above, the transactions under the Datang Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

During the reporting period, the annual cap of this continuing connected transaction for 2021 was RMB60 million and the actual transaction amount was RMB15 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 23 August 2018 and 20 September 2018, respectively.

As the Datang Framework Agreement and the annual caps expired on 31 December 2021, the Company renewed the Datang Framework Agreement with Datang Corporation on 7 December 2021, and determined the annual caps for the three years ending 31 December 2022, 2023 and 2024, which were approved at the 2021 second extraordinary general meeting of the Company held on 29 December 2021.

2. Provision of products and services to the Group

As the Framework Agreement on mutual supply of raw materials, products and services entered into between the Group and Datang Corporation on 12 October 2015 has expired on 31 December 2018, the Company renewed the Datang Framework Agreement with Datang Corporation on 23 August 2018 in relation to provision of agreed products and services to the Group by Datang Corporation for a term of three years commencing on 1 January 2019. Pursuant to the agreement, Datang Corporation should provide spare parts, accessories, equipment, technical consulting services, maintenance services, construction services, operation management services, bidding agency services and CDM-related services to the Group.

Please refer to item 1 of relevant disclosure of non-exempt continuing connected transaction above for principal terms and conditions of the agreement and reasons and benefits of entering into the transactions.

During the Year, the annual cap of this continuing connected transaction for 2021 was RMB3,600 million and the actual transaction amount was RMB3,260 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 23 August 2018 and 20 September 2018, respectively.

As the Datang Framework Agreement and the annual caps expired on 31 December 2021, the Company renewed the Datang Framework Agreement with Datang Corporation on 7 December 2021, and determined the annual caps for the three years ending 31 December 2022, 2023 and 2024, which were approved at the 2021 second extraordinary general meeting of the Company held on 29 December 2021.

3. Provision of factoring business support to the Group

On 20 September 2019, the Company and Datang Factoring Company entered into the Factoring Business Cooperation Agreement for the provision of factoring business support by Datang Factoring Company to the Group, mainly including the factoring business on account receivables with a term commencing from 20 September 2019 to 31 December 2021. Pursuant to the agreement, Datang Factoring Company provides factoring business support, various economic consulting services including the design of account receivables factoring products and the transaction arrangements and relevant services including the design and offer of customised factoring business proposals to the Group.

Principal terms of the agreement are set out as follows:

- Datang Factoring Company shall provide factoring business support (mainly including the factoring business on account receivables) to the Group in respect of the tariff premium for key programs invested and constructed by the Group with no more than RMB2,000 million (including factoring handling fees and factoring facilities interest) for each calender year.

- Leveraging on its professional advantage in the financial business, Datang Factoring Company shall provide the Group with various economic consulting services including the design of account receivables factoring products and the transaction arrangements.

- Datang Factoring Company shall, in accordance with the requirements of the Group and after considering the relevant policies of the state, the supply of and demand for capital in the market as well as the structural features of factoring products, offer comprehensive rates which are the equivalent to or more favourable than those provided by other independent commercial factoring companies in the PRC so as to help the Group to reduce its financial costs and optimise its financial structure.

- Datang Factoring Company shall, upon thorough negotiations with the Group, select appropriate projects and shall design and offer customised factoring business proposals within the scope of the Group's business development and plan.

The relevant arrangements under the Factoring Business Cooperation Agreement are (i) beneficial to the Group to revitalise assets, replenish cash flow in a timely manner and accelerate the capital turnover to continuously support the capital expenditure of the Group; (ii) efficiently and conveniently obtaining financing support and financing services with the comprehensive rates equal to or lower than that in the market by making good use of the resources and business advantages of Datang Factoring Company, so as to lower the Group's overall funding costs and promote the Group's business development; and (iii) conducive to enhancing the Group's bargaining power in carrying out factoring business of the same type with other commercial factoring companies.

The payment of factoring handling fees and factoring facilities interests under the Factoring Business Cooperation Agreement may imply that the Group's profit margin will decrease. However, the factoring handling fees and factoring facilities interests to be paid under the Factoring Business Cooperation Agreement only account for a small part of the Group's profit. On the other hand, as the Group will be able to collect the tariff premium before the original maturity date through factoring business with Datang Factoring Company, which can improve the Group's financial position and create flexibility for management of cash flow, the Company expects that the factoring services under the Factoring Business Cooperation Agreement will have no material effects on the corresponding profit, assets and liabilities.

In addition, the transactions contemplated under the Factoring Business Cooperation Agreement will be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

During the Year, the annual cap of this continuing connected transaction for 2021 was RMB2,000 million and the actual transaction amount was RMB628 million.

Details of the Factoring Business Cooperation Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 20 September 2019 and 27 September 2019, respectively.

4. Provision of financial services to the Group - cash deposit service

The financial services agreement entered into by and between the Company and Datang Finance on 12 May 2017 expired on 31 December 2020. The financial services agreement (the "Financial Services Agreement") was renewed on 20 October 2020, pursuant to which Datang Finance would provide financial services for the Group. The term for the agreement is from 1 January 2021 to 31 December 2023. According to this agreement, the services to be provided by Datang Finance to the Group include deposits from customers; management of the intra-group entrusted loans; management of the consultation and agency businesses in relation to finance and financing advisers, guarantee trust and others; assistance in the receipt and payment of transaction proceeds; approved insurance agency business; provision of guarantee; management of the bill acceptance and discount services; management of the intra-group transfer and relevant settlement and settlement scheme design; management of the financial services including loans and finance lease; provision of underwriting advisory services concerning the issuance of corporate bonds by enterprises.

Principal terms and conditions of the Financial Services Agreement are set out as follows:

- Datang Finance shall ensure the safe operation of fund management system to safeguard the fund, and to control the credit risk so as to satisfy the payments needs of the Group.

- In respect of the provision of the loan services under the Financial Services Agreement, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for the years ending 31 December 2021, 2022 and 2023, respectively.

- In respect of the provision of the deposit services under the Financial Services Agreement, the amount of the highest daily deposit balance (including any interest accrued thereon) for the Group's deposits with Datang Finance was amended to RMB6 billion for the years ended 31 December 2021, 2022 and 2023, respectively.

- The term of the Financial Services Agreement shall commence from 1 January 2021 and end on 31 December 2023.

By entering into the Financial Services Agreement with Datang Finance, the Group is able to secure loans and other financing services at interest rates not higher than those offered by domestic commercial banks in the PRC under the same conditions during the same period, which assists in improving the overall standard of fund operation of the Company and enhancing the Group's bargaining power of external financing. The entering into the Financial Services Agreement can also enable the Company to secure interest rates for deposits not lower than those offered by domestic commercial banks in the PRC under the same conditions during the same period and enjoy payment and settlement services with no handling fee, thereby increasing interest income on deposits and saving e-settlement costs. Due to the long-term relationship between the Group and Datang Finance, the Group expects that it will benefit from Datang Finance, which is familiar with the industry and operation of the Group. Through cooperation between each other for many years, Datang Finance is familiar with the capital structure, business operation, financing needs, mode of cash flow and cash management of the Group, as well as the Group's entire financial management system so it will be an advantage to provide the Group with more appropriate, effective and flexible services when compared with the independent domestic commercial banks.

Furthermore, these transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

During the Year, the annual cap of the daily deposit balance of deposit service of this continuing connected transaction for 2021 was RMB6,000 million and the actual maximum amount of daily deposit balance was RMB3,273 million.

Details of the Financial Services Agreement are set out in the announcement of the Company dated 20 October 2020, and the circular of the Company dated 13 November 2020.

5. Provision of financial services to the Group – financial leasing service

As the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement entered into between the Company and Datang Financial Leasing and Shanghai Leasing Company on 29 September 2017, respectively, expired on 31 December 2020, and taking into account that the terms and conditions of such continuing connected transaction agreements were the same, the Company and CDC Capital Holding (both Datang Financial Leasing and Shanghai Leasing Company are its subsidiaries) entered into the finance lease business framework agreement (the "Finance Lease Business Framework Agreement") on 20 October 2020 to agree on the provision of the finance lease services by Datang Financial Leasing and Shanghai Leasing Company, subsidiaries of CDC Capital Holding (collectively referred to as the "Lessors") to members of the Group (collectively referred to as the "Lessees") with a term from 1 January 2021 to 31 December 2023. With respect to each Finance Lease, the relevant Lessors and Lessees will enter into separate specific written agreement(s) (the "Specific Agreement(s)") subject to the provisions of the finance lease Business Framework Agreement.

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

- the term for Finance Lease Business Framework Agreement is from 1 January 2021 to 31 December 2023;

- the lease methods include sale and lease-back, which means that the Lessors shall purchase the leased assets from the Lessees and lease them back to the Lessees based on the Lessees' choice; and direct lease, which refers to the purchase by the Lessors and the provision of the leased assets to the Lessees as per the specifications and requirements of the Lessees.

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

- the lease payments charged by the Lessor will include the purchase price (in respect of direct lease) or the value of (in respect of sale and leaseback) the leasing equipment and interest thereon charged on defined terms no less favourable to the Lessee than those offered by independent third parties and at a rate determined by reference to the benchmark lending rates published by PBOC from time to time or, if no such rate is available, by reference to, among other factors, the rate charged by the other major financial institutions for the same or similar types of services. If the PBOC adjusts the RMB loan benchmark annual interest rates during the term of relevant finance lease agreements, the lease interest rates will be adjusted accordingly and may be adjusted on a quarterly basis.

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

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

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

The transactions under Finance Lease Business Framework Agreement are beneficial to the Company as they will enable the Company to (1) broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and the interest rates of bank financing stay high; and (2) facilitate the smooth development and operation of the Group's business. Such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

During the Year, in regards to the continuing connected transaction, the annual cap of newly-added direct lease was RMB3,500 million in 2021, and the annual cap of the newly-added sale and lease-back was RMB2,500 million in 2021. However, the actual transaction amount regarding the newly-added direct lease was RMB144 million and the actual transaction amount of the newly-added sale and lease-back was RMB2,254 million.

Details of the Finance Lease Business Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 20 October 2020 and 13 November 2020, respectively.

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

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

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

(3) according to the agreement governing them, and on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain procedures in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their conclusion to the Board, stating that:

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

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

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

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

Please refer to Note 29 to the financial statements prepared in accordance with the International Financial Reporting Standards for details of the significant related party transactions entered into by the Group during the reporting period. The connected transactions and continuing connected transactions pursuant to the requirements of Listing Rules are set out in this section. Save as the above mentioned connected transactions disclosed in the report, none of the related party transactions as disclosed in Note 29 to the financial statements constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules which were required to comply with the disclosure requirements under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

XXX. COMPLIANCE WITH NON-COMPETITION AGREEMENT

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

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

XXXI. RETIREMENT AND EMPLOYEES BENEFIT SCHEME

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

For the supplementary defined contribution retirement scheme, provided that employees are dismissed or cancelled the employment contract due to the violation of laws or disciplines, unvested contributions by the Company will be transferred back to the Company's account for the supplementary retirement scheme. The amount of forfeited contributions is not material.

XXXII. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Main Board of the Hong Kong Stock Exchange, the Company strives to maintain a high standard of corporate governance practices. The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. Please refer to the Corporate Governance Report as set out on pages 61 to 82 of this Annual Report for details.

XXXIII. PUBLIC FLOAT

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

XXXIV. MATERIAL LITIGATION

During the Year, the Group was not involved in any material litigation or arbitration. So far as the Directors are aware, no such litigation or claims are pending or threatened against the Group.

XXXV. AUDIT COMMITTEE

The Company's 2021 annual results and the financial statements for the year ended 31 December 2021 prepared in accordance with the International Financial Reporting Standards have been reviewed by the Audit Committee of the Board of the Company.

XXXVI. AUDITOR

On 29 June 2021, Ernst & Young Hua Ming LLP and Ernst & Young were appointed as the domestic and overseas auditors respectively for 2021 of the Company at the annual general meeting of 2020 of the Company, with a term until the next annual general meeting of the Company. The Company had not changed the auditor in the past three years.

XXXVII. FIVE–YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 6 to 9 of this Annual Report.

XXXVIII. CHANGES IN ACCOUNTING POLICIES

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

XXXIX. MATERIAL CONTRACTS

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

By order of the Board
Liu Guangming
Chairman

Beijing, the PRC, 30 March 2022

Corporate Governance Report

I. CORPORATE GOVERNANCE PRACTICES

The Company has always been committed to improving corporate governance since its establishment. According to provisions of the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules, it has established a modern corporate governance structure comprised of a number of independently operated bodies including the general meeting, the Board, the Supervisory Committee and the senior management in order to provide an effective check and balance. The Company has adopted the Code as its own corporate governance practices.

For the Year, the Company has been in strict compliance with the principles and Code Provisions of the Code, except for the deviation from Code Provision A.1.8 of the Code which will be explained in the section headed "Directors' liability insurance" below.

Corporate governance practices adopted by the Company are outlined as follows:

1. Board

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

(1) Composition of the Board

As at the date of this report, the Board consisted of nine Directors, including one executive Director, five non-executive Directors and three independent non-executive Directors.

The biographical details of the Directors are set out on pages 151 to 155 of this Annual Report. There are no relationships (including financial, business, family or other material or relevant relationships) between members of the Board. The structure of the Board is well balanced, with each Director equipped with profound knowledge, experience and expertise relevant to the Company's business operation and development. All Directors are well aware of their joint and individual responsibilities toward the shareholders.

The Chairman had met with the independent non-executive Director without the presence of executive Directors during the Year.

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

Name	Date of birth	Position	Date of appointment
Liu Guangming	1971.12	Chairman of the Board and executive Director	1 March 2019 (appointed as chairman on 28 June 2021)
Liu Jianlong	1962.11	Non-executive Director	25 October 2021
Wang Qiying	1962.10	Non-executive Director	29 December 2021
Yu Fengwu	1964.06	Non-executive Director	29 December 2021
Ye Heyun	1962.12	Non-executive Director	30 March 2022
Kuang Lelin	1966.05	Non-executive Director	25 October 2021
Liu Chaoan	1956.03	Independent non-executive Director	1 July 2010
Lo Mun Lam, Raymond	1953.09	Independent non-executive Director	20 August 2013
Yu Shunkun	1963.05	Independent non-executive Director	27 March 2015

(2) Board meetings

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

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

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

In 2021, the Board held thirteen meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Number of attendance/ required number of attendance	Attendance rate
Kou Wei (note 1)	Former chairman of the Board and Non-executive Director	9/9	100%
Hu Shengmu (note 2)	Former vice chairman of the Board and Non-executive Director	7/9	89%
Li Yi (note 3)	Former non-executive Director	13/13	100%
Liu Baojun (note 4)	Former non-executive Director	7/9	89%
Liu Guangming	Chairman of the Board and Executive Director	13/13	100%
Liu Jianlong (note 5)	Non-executive Director	4/4	100%
Wang Qiying (note 6)	Non-executive Director	1/1	100%
Yu Fengwu (note 7)	Non-executive Director	1/1	100%
Kuang Lelin (note 8)	Non-executive Director	4/4	100%
Meng Lingbin (note 9)	Former executive Director	12/12	100%
Liu Chaoan	Independent non-executive Director	13/13	100%
Lo Mun Lam, Raymond	Independent non-executive Director	13/13	100%
Yu Shunkun	Independent non-executive Director	13/13	100%

Notes:

1. Mr. Kou Wei resigned as the Chairman of the Company with effective from 28 June 2021 and resigned as a non-executive Director of the Company with effective from 25 October 2021.

2. Mr. Hu Shengmu resigned as the vice Chairman of the Board and a non-executive Director of the Company with effective from 25 October 2021.

3. Mr. Li Yi resigned as a non-executive Director of the Company with effective from 30 March 2022.

4. Mr. Liu Baojun resigned as a non-executive Director of the Company with effective from 25 October 2021.

5. Mr. Liu Jianlong has been appointed as a non-executive Director of the Company with effective from 25 October 2021.

6. Mr. Wang Qiying has been appointed as a non-executive Director of the Company with effective from 29 December 2021.

7. Mr. Yu Fengwu has been appointed as a non-executive Director of the Company with effective from 29 December 2021.

8. Mr. Kuang Lelin has been appointed as a non-executive Director of the Company with effective from 25 October 2021.

9. Mr. Meng Lingbin resigned as an executive Director of the Company with effective from 29 December 2021.

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

The powers and responsibilities of the Board and the management are specified in the Articles of Association, providing a sufficient restrained and balanced mechanism for corporate governance and internal controls. The Company has formulated its corporate governance policy pursuant to the requirements of Appendix 14 to the Listing Rules. During the Year, the Board has performed its duties according to the corporate governance policy of the Company.

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

The Board is responsible for the Company's corporate governance function as set out in the Code Provision D.3.1 (which has been renumbered as code provision A.2.1 since 1 January 2022) of the Code. During the Year, the Board has reviewed and supervised the Company's corporate governance policy and practices and make recommendations (if applicable); reviewed and supervised the training and continuous professional development of Directors and senior management; reviewed and supervised the Company's policy and practices in respect of compliance with laws and regulations, the code of conduct and compliance manual for employees and Directors; and reviewed the Company's compliance with the Code and the disclosures made in the Corporate Governance Report.

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

(4) Chairman and General Manager

Under code provision A.2.1 of the CG Code (which has been renumbered as C.2.1 of the CG Code with effect from 1 January 2022), the roles of chairman and general manager should be separate and should not be performed by the same individual. With effect from 28 June 2021, Mr. Liu Guangming was appointed as the chairman of the Board and the general manager of the Company. The Company considers that it is appropriate and in the best interest of the Company for Mr. Liu Guangming to hold two positions to promote the continuity of the Company's policies as well as the stability and efficiency of the Company's operations; furthermore, the Board meets regularly to review the Company's operations under the leadership of Mr. Liu Guangming and therefore, the Board considers that such arrangement will not affect the balance of power and authority between the Board and the management of the Company. For the above reasons, the Company does not differentiate the roles of chairman and general manager and have different individuals in accordance with the provisions of A.2.1 of the CG Code.

(5) Appointment and Re-election of Directors

As provided in the Articles of Association, Directors are elected by general meetings for a term of no more than three years and are eligible for re-appointment. The Company has implemented a set of effective procedures regarding the appointment of new Directors. The nomination of new Directors is firstly discussed by the Nomination Committee which then submits its recommendation to the Board, and is subject to approval via the election in general meeting.

The Company has entered into service contracts with all its Directors (including non-executive Directors) for a term commencing from the date of appointment to the date of expiry of the term of this session of the Board and subject to termination in accordance with the terms under respective service contracts.

(6) Remuneration of Directors

Remuneration of Directors is proposed by the Remuneration and Assessment Committee based on criteria such as education background and working experience and is determined by the Board based on criteria such as working experience, working performance, positions and market conditions upon approval at the general meeting.

(7) Training for Directors and Joint Company Secretaries

(A) Training for Directors

All Directors always attend to the Directors' duties and achieve personal integrity for business activities and developments of the Company. The Company provides Directors with the latest developments in the Listing Rules and other applicable regulatory regulation from time to time to refresh their knowledge and skills.

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

During the Year, the Company has provided induction materials for Mr. Liu Jianlong, Mr. Wang Qiying, Mr. Yu Fengwu, Mr. Ye Heyun and Mr. Kuang Lelin, who were newly appointed as Directors. In addition, the Company carried out various trainings for the Directors and management of the Company on the following topics:

1. Internal business consultation; and

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

All Directors have participated in continuous professional development program in 2021 to develop and refresh their knowledge and skills with a view to ensure that they continue contributing to the Board with complete information and as needed. All Directors provided the Company with a record of the training they received during the Year.

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

Name	Position	Training topics
Kou Wei (Note 1)	Former chairman of the Board and non-executive Director	Business management and corporate governance
Hu Shengmu (Note 2)	Former vice chairman of the Board and non-executive Director	Business management and corporate governance
Li Yi (Note 3)	Former non-executive Director	Business management and corporate governance
Liu Baojun (Note 4)	Former non-executive Director	Business management and corporate governance
Liu Guangming	Chairman of the Board, non-executive Director and general manager	Business management and corporate governance
Liu Jianlong (Note 5)	Non-executive Director	Business management and corporate governance
Wang Qiying (Note 6)	Non-executive Director	Business management and corporate governance
Yu Fengwu (Note 7)	Non-executive Director	Business management and corporate governance
Kuang Lelin (Note 8)	Non-executive Director	Business management and corporate governance
Ye Heyun (Note 9)	Non-executive Director	Business management and corporate governance
Meng Lingbin (Note 10)	Former executive Director	Business management and corporate governance
Liu Chaoan	Independent non-executive Director	Business management and corporate governance
Lo Mun Lam, Raymond	Independent non-executive Director	Business management and corporate governance
Yu Shunkun	Independent non-executive Director	Business management and corporate governance

Note 1: Mr. Kou Wei resigned as the chairman of the Board of the Company with effect from 28 June 2021. Mr. Kou Wei resigned as a non-executive Director of the Company with effect from 25 October 2021.

Note 2: Mr. Hu Shengmu resigned as the vice chairman of the Board and a non-executive Director of the Company with effect from 25 October 2021.

Note 3: Mr. Li Yi resigned as a non-executive Director of the Company with effect from 30 March 2022.

Note 4: Mr. Liu Baojun resigned as a non-executive Director of the Company with effect from 25 October 2021.

Note 5: Mr. Liu Jianlong has been appointed as a non-executive Director of the Company with effect from 25 October 2021.

Note 6: Mr. Wang Qiying has been appointed as a non-executive Director of the Company with effect from 29 December 2021.

Note 7: Mr. Yu Fengwu has been appointed as a non-executive Director of the Company with effect from 29 December 2021.

Note 8: Mr Kuang Lelin has been appointed as a non-executive Director of the Company with effect from 25 October 2021.

Note 9: Mr. Ye Heyun has been appointed as a non-executive Director of the Company with effect from 30 March 2022.

Note 10: Mr. Meng Lingbin resigned as an executive Director of the Company with effect from 29 December 2021.

(B) Training for joint company secretaries

Mr. Cui Jian was one of the joint company secretaries of the Company for the financial year from 1 January 2020 and he resigned on 9 March 2021. Mr. Jia Hong has been appointed as a joint company secretary of the Company in place of Mr. Cui Jian since 9 March 2021.

Ms. Kwong Yin Ping Yvonne, the vice president of SWCS Corporate Services Group (Hong Kong) Limited, is another joint company secretary of the Company for the period from 1 January 2020 and up to the date of this Annual Report.

During the Year, each of Mr. Jia Hong and Ms. Kwong Yin Ping Yvonne have taken not less than 15 hours of relevant professional training in compliance with the requirements under Rule 3.29 of the Listing Rules.

During the Year, the primary contact of Ms. Kwong Yin Ping Yvonne in respect of company secretarial matters was Mr. Jia Hong.

(8) Directors' liability insurance

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. Pursuant to Code Provision A.1.8 (which has been renumbered as code provision C.1.8 since 1 January 2022) of the Code, an issuer should arrange appropriate insurance cover in respect of legal action against its Directors. During the Year, the Company had not involved in any material litigation liable by any Director. Each Director of the Company has the necessary qualification and experience required for performing his duty in the Company. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Directors shall take responsibility. Therefore, the Company had not arranged for appropriate insurance cover for the Directors. Accordingly, the Company had deviated from Code Provision A.1.8 (which has been renumbered as code provision C.1.8 since 1 January 2022) of the Code during the Year.

2. Four Professional Committees under the Board

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

(1) Audit Committee

The Company has established an Audit Committee which currently consists of three Directors, namely, Mr. Lo Mun Lam, Raymond (independent non-executive Director) who is the chairman of the Audit Committee, Mr. Kuang Lelin (non-executive Director) and Mr. Yu Shunkun (independent non-executive Director).

The primary responsibilities of the Audit Committee are to review and monitor our financial reporting system and internal control systems, which include, among other things:

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

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

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

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

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

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

During the Year, the Audit Committee held four meetings, details of which are set out as follows:

- The twelfth meeting of the third session of the Audit Committee of the Board was held on 29 March 2021, for the main purpose of considering and approving the 2020 annual results announcement and Annual Report of the Company, the 2020 final financial report of the Company, the profit distribution plan of the Company for 2020, the re-appointment of the 2021 domestic and overseas accounting firms and their remuneration and the 2020 report on internal control of the Company.

- The thirteenth meeting of the third session of the Audit Committee of the Board was held on 30 April 2021, for the main purpose of considering and approving the first quarterly results of the Company for 2021.

- The fourteenth meeting of the third session of the Audit Committee of the Board was held on 24 August 2021, for the main purpose of considering and approving the 2021 interim results announcement and interim report of the Company.

- The fifteenth meeting of the third session of the Audit Committee of the Board was held on 25 October 2021, for the main purpose of considering and approving the third quarterly results of the Company for 2021.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Lo Mun Lam, Raymond *(Chairman of the committee)*	4/4
Liu Baojun *(resigned on 25 October 2021)*	2/2
Yu Shunkun	4/4
Kuang Lelin *(appointed on 25 October 2021)*	2/2

The Audit Committee had met with the external auditor without the presence of management and discussed about the interim financial report, its annual audit of the consolidated financial statements and key audit issues.

(2) Nomination Committee

The Nomination Committee of the Company currently consists of three Directors, namely, Mr. Liu Chaoan (independent non-executive Director) who is the chairman of the Nomination Committee, Mr. Ye Heyun (non-executive Director) and Mr. Lo Mun Lam, Raymond (independent non-executive Director).

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, formulating the criteria and procedures for selection of candidates for Directors and senior management, making recommendations to the Board on the appointment of and succession planning for Directors and to conduct preliminary review of the qualifications of the candidates for Directors and senior management.

In respect of nomination of candidates for Directors, the Nomination Committee is obliged to widely seek shareholders' opinions and proposal on nomination and examine whether the candidates are equipped with professional knowledge, working experience for performance of duties and his/her qualifications are in compliance with the Company Law and relevant laws, administrative regulations and departmental rules. Upon passing the review, the results shall be proposed to the Board for consideration before the submission thereby to the general meeting for approval in the form of proposal. The Nomination Committee mainly considers the professional knowledge, work experience of the candidates for directorship and their capability to contribute to the Company as the selection and recommendation criteria, with taking into consideration the Board diversity policy.

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

The Nomination Committee of the Company reports to the Board at a diversity level in the Annual Report in each year. It supervises the implementation of the Board Diversity Policy and review the policy when appropriate to ensure its effectiveness. The Nomination Committee will discuss any amendments to the Board Diversity Policy when necessary and propose such amendments to the Board for approval. The Nomination Committee will discuss and review the necessity to set any measurable objectives for implementing the Board diversity policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

During the Year, the actual implementation of the Board Diversity Policy is as follows:

1. The Board consisted of nine Directors, three of whom were independent non-executive Directors and hence the Company has complied with Rules 3.10(1) and 3.10A of the Listing Rules which required that "At least one third of members of the board of directors shall be independent non-executive directors".

2. At least one of the independent non-executive Directors have obtained financial qualifications in compliance with Rule 3.10(2) of the Listing Rules, and other Directors have knowledge and experience in law, finance and business management.

3. Members of the Board had different education backgrounds, including master's degree in engineer and doctor's degree in law and management, with age band from 51 to 69.

During the Year, the Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness, and was of the opinion that the Board has met the requirements of the diversity.

The Nomination Committee considered that the qualifications of the Company's three independent non-executive Directors are in full compliance with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received annual confirmations from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules as to their respective independence.

During the Year, the Nomination Committee held five meetings, details of which are set out as follows:

- The thirteenth meeting of the third session of the Nomination Committee of the Board was held on 30 April 2021, for the main purpose of reviewing the proposal in relation to the nomination of the vice general manager.

- The fourteenth meeting of the third session of the Nomination Committee of the Board was held on 28 June 2021, for the main purpose of reviewing the proposal in relation to the nomination of the Chairman of the Board and the secretary to the Board.

- The fifteenth meeting of the third session of the Nomination Committee of the Board was held on 30 September 2021, for the main purpose of reviewing the proposal in relation to the nomination of the Directors of the Company.

- The sixteenth meeting of the third session of the Nomination Committee of the Board was held on 30 November 2021, for the main purpose of reviewing the proposal in relation to the nomination of the Directors of the Company.

- The seventeenth meeting of the third session of the Nomination Committee of the Board was held on 10 December 2021, for the main purpose of reviewing the proposal in relation to the nomination of the Directors of the Company.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Liu Chaoan *(Chairman of the committee)*	5/5
Li Yi *(resigned on 30 March 2022)*	5/5
Lo Mun Lam, Raymond	5/5

(3) Remuneration and Assessment Committee

The Remuneration and Assessment Committee of the Company currently consists of three Directors, namely, Mr. Yu Shunkun (independent non-executive Director) who is the chairman of this committee, Mr. Liu Jianlong (non-executive Director) and Mr. Liu Chaoan (independent non-executive Director).

The Remuneration and Assessment Committee is responsible for formulating the standards for the evaluation of the Directors and senior management and conduct such evaluation, promulgating the remuneration schemes for the Directors and senior management and making recommendations to the Board in respect thereof, including, among other things:

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

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

The sixth meeting of the third session of the Remuneration and Assessment Committee of the Board was held on 29 March 2021, at which the proposal of remuneration for the work of operation management team in 2020 was considered.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Yu Shunkun *(Chairman of the committee)*	1/1
Hu Shengmu *(resigned on 25 October 2021)*	1/1
Liu Chaoan	1/1

(4) Strategic Committee

The Strategic Committee of the Company currently consists of Mr. Liu Guangming (executive Director) who is the chairman of this committee, Mr. Wang Qiying (non-executive Director) and Mr. Yu Fengwu (non-executive Director).

The Strategic Committee is responsible for formulating our overall development plans and investment decision-making procedures, including, among other things:

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

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

- The sixth meeting of the third session of the Strategic Committee of the Board was held on 29 March 2021, for the main purpose of considering the proposal in relation to the Operation and Investment Plans of the Company for 2021.
- The eighth meeting of the third session of the Strategic Committee of the Board was held on 29 December 2021, for the main purpose of considering the "14th Five-Year" Development Plan of the Company and the Resolution on the Company's Operational Investment and Capital Adjustment Plan for 2021 was considered

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Hu Shengmu *(Former chairman of the committee) (resigned on 25 October 2021)*	1/1
Liu Guangming *(Chairman of the committee)*	2/2
Meng Lingbin *(resigned on 29 December 2021)*	1/1
Wang Qiying *(appointed on 29 December 2021)*	1/1
Yu Fengwu *(appointed on 29 December 2021)*	1/1

3. Directors' Responsibility for the Financial Statements

The Board has acknowledged its responsibility for preparing the financial statements of the Group for the Year. The Board is responsible for presenting a balanced, clear and understandable assessment of the annual and interim reports, inside information, sensitive information of equity price and other discloseable information as required under the Listing Rules and other applicable statutory and regulatory requirements. The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the financial state of the Group, and of results and cash flow for the period. In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made prudent and reasonable judgments and estimates by adapting appropriate International Financial Reporting Standards and have prepared the financial statements on a going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner. The management has provided such explanation and information to the Board as necessary to enable the Board to make an assessment of the financial information and status of the Group as well as giving consideration and approval. The Board have obtained the monthly updated information relating to the performance, state of affairs and prospects of the Company. The Group is not exposed to any material uncertainty that may exert significant impact on the Group's ability to continue as a going concern.

4. Compliance with the Model Code for Dealing in the Securities of the Company by Its Directors, Supervisors and Relevant Employees

The Group has adopted the Model Code as the code of conduct for dealing in the securities of the Company by its Directors, Supervisors and relevant employees (as defined in the Code). According to the specific enquiries of all Directors and Supervisors, each Director and Supervisor confirmed that she/he had strictly complied with the standards set out in the Model Code during the Year.

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

5. Risk Management and Internal Control

The Board is responsible for the risk management, internal control and compliance management of the Company and ensures the review of effectiveness of these systems has been conducted at least annually.

The purpose of the internal control and risk management systems is to manage rather than eliminate the risks of failure to fulfill work objectives. The said systems can only provide reasonable but not absolute assurance against any material misstatement or loss.

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

When establishing and implementing the internal control and risk management systems, the Company has taken into comprehensive account the five fundamental elements, i.e., the internal environment, risk assessment, control endeavors, information and communication as well as internal monitoring. Attaching importance to the internal environmental governance, the Company unremittingly optimises the corporate organizational structure and improves management efficiency.

In light of the business characteristics, the Company has established functional departments including Comprehensive Department (Human Resources Department, Party Construction Department, Discipline and Inspection Office), Investment and Development Department, Financial Management Department, Securities Capital Department, Legal Risk Control Department (Audit Department) and Production Safety Department. in the headquarters Office. The functional departments condition and superintend within their respective specific terms of reference. Besides, the Company has set up an auditor authority to specifically carry out routine monitoring and inspection over the truthfulness of the assets, liabilities as well as gains and losses of the Company, the compliance of financial revenues and expenditures, profitability of material investments, material connected transactions of the Company, and the corporate internal control so as to ensure the implementation of the internal control systems and the normal production and operation of the Company.

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

In 2021, the Company further deepened the risk control, and guaranteed effective risk control over management of organizational decisions, strategic investments, production and operation, finance and accounting, human resources, securities matters and legal affairs.

The Audit Committee under the Board is responsible for reviewing the internal control of the Company, supervising the effective execution of internal control and the self-assessment of internal control, and coordinating the audit of internal control and other relevant matters. The Company has formulated the Measures on Internal Control (《內部控制管理辦法》) to pinpoint the terms of reference of Functional Departments in internal supervision, and to standardize the procedures, methods and requirements of internal supervision. In 2021, the Company timely precluded risks by way of close supervision and inspection, and gave play to internal audit in the supervision and inspection of internal control. Thanks to effective internal supervision, the Company made progress in compliance operation and standard management, and achieved ongoing increase in vigilance against risks and market competitiveness, thus ensuring the safe operation and sound development of the operation and management of the Company.

In terms of organizational structure, the Company has been equipped with adequate staff to take charge of specific jobs including finance operation and monitoring, risk management, internal audit, anti-fraud, etc. In addition, the Company has allocated reasonable budget for provision of training courses to personnel performing functions such as corporate finance, risk management and internal audit in the Company and its subsidiaries on a regular basis, to ensure sufficient qualifications and experience for them to fulfil relevant functions.

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

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

In view of the foregoing, in regard of internal control and risk management, the Company has developed a well-balanced internal corporate business environment and normative production and operation order, improved the Company's capability in fending against various risks, and guaranteed the normal operation and management of the Company. Besides, the internal control and risk management of the Company has also exerted effective effects on the supervision, control and instruction of the production and operation of the Company and laid a solid foundation for the healthy development of the Company in the long run. The Company has conducted the self-assessment on the effectiveness and implementation of the internal control systems of the Company for the Year, according to which, the Company opined that the internal control of the Company has covered each aspect and each component of the operation and management of the Company.

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

6. Auditor's Remuneration

Ernst & Young and Ernst & Young Hua Ming LLP (collectively, "External Auditors") were appointed as international and domestic auditors to audit the financial statements for the Year prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises, respectively. Aggregate remuneration in respect of audit and audit-related services provided by the External Auditors payable by the Company during the Year was RMB9.32 million.

During the year, fees charged by the External Auditors for their non-audit services provided to the Company in respect of corporate bonds issuance amounted to RMB0.35 million.

7. Remuneration of Directors and Senior Management

A formal and transparent procedure for fixing the remuneration packages of individual Directors and senior management is in place. Details of the remuneration for Directors and top five persons in respect of remuneration are set out in Note 12 to the financial statements of the annual report. During the Year, the scope of remuneration for the senior management of the Company is set out below:

Scope of remuneration *(RMB'000)*	Number of members of senior management
0–500	5
500–1,000	2

Note: Numbers disclosed above include the senior management of the Company, those who are executive Directors and those who have resigned but received remuneration from the Company during the Year according to the relevant remuneration policy of the Company.

8. Change of Constitutional Documents

On 30 September 2021, the Board held a meeting to consider and approve, among other things, the resolution in relation to the amendments to the Articles of Association. The Articles of Association were amended based on the actual situation of the Company in accordance with the Company Law of the People's Republic of China, the Reply of the State Council on the Adjustment of the Notice Period of Shareholders'General Meeting of Overseas Listed Companies and Other Matters and the relevant requirements of the Listing Rules. The resolution was considered and approved by way of special resolution at the 2021 first extraordinary general meeting of the Company held on 25 October 2021. The revised Articles of Association came into effect on 25 October 2021. Details of the amendments to the Articles of the Association are set out in the announcement dated 30 September 2021 and the circular dated 7 October 2021 of the Company.

9. Shareholders' General Meeting

During the Year, the Company held three shareholders' general meetings in total with attendance of Directors as follows:

Name	Position	Number of attendance/ required number of attendance	Attendance rate
Kou Wei *(Note 1)*	Former Chairman of the Board and non-executive Director	1/1	100%
Hu Shengmu *(Note 2)*	Former Vice Chairman of the Board and non-executive Director	1/1	100%
Liu Guangming	Chairman of the Board and executive Director	3/3	100%
Meng Lingbin *(Note 3)*	Former executive Director	2/2	100%
Li Yi	Former non-executive Director	3/3	100%
Liu Baojun *(Note 4)*	Former non-executive Director	1/1	100%
Liu Jianlong *(Note 5)*	Non-executive Director	2/2	100%
Kuang Lelin *(Note 6)*	Non-executive Director	2/2	100%
Liu Chaoan	Independent non-executive Director	3/3	100%
Lo Mun Lam, Raymond	Independent non-executive Director	3/3	100%
Yu Shunkum	Independent non-executive Director	3/3	100%

Note 1: Mr. Kou Wei resigned as a non-executive Director of the Company on 25 October 2021. Before his resignation, one general meeting was held in total during the year ended 31 December 2021.

Note 2: Mr. Hu Shengmu resigned as a non-executive Director of the Company on 25 October 2021. Prior to his resignation, one general meeting was held in total during the year ended 31 December 2021.

Note 3: Mr. Meng Lingbin resigned as a non-executive Director of the Company on 29 December 2021. Two general meetings were held in total during the year ended 31 December 2021 before his resignation.

Note 4: Mr. Liu Baojun resigned as a non-executive Director of the Company on 25 October 2021. Prior to his resignation, one general meeting was held in total during the year ended 31 December 2021.

Note 5: Mr. Liu Jianlong was appointed as a non-executive Director of the Company on 25 October 2021. Subsequent to his appointment, two general meetings were held in total during the year ended 31 December 2021.

Note 6: Mr. Kuang Lelin was appointed as a non-executive Director of the Company on 25 October 2021. Subsequent to his appointment, two general meetings were held in total during the year ended 31 December 2021.

10. Communication with Shareholders

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

(1) Shareholders' rights

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

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

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

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

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

In 2021, the Company held the 2020 annual general meeting, the 2021 first extraordinary general meeting and the 2021 second extraordinary general meeting.

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

(2) Shareholders' inquiries

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

Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2862-8628
Fax: (852) 2865-0990, (852) 2529-6087
Website: www.computershare.com.hk

(3) Investor relations and communications

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

Report of the Supervisory Committee

In 2021, all members of the Supervisory Committee of the Company have earnestly performed their supervisory functions to safeguard the rights and interests of the Group and the shareholders in accordance with the Company Law of the PRC, the Articles of Association, the Rules of Procedures of the Supervisory Committee and the relevant provisions in the Listing Rules.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

1. On 30 March 2021, the Company held the fourteenth meeting of the third session of the Supervisory Committee, at which the following proposals were reviewed: the Report of the Supervisory Committee of the Company for 2020, Annual Results Announcement and Annual Report of the Company for 2020, the Final Financial Report of the Company for 2020, the Financial Budget Plan of the Company for 2021 and the Profit Distribution Plan of the Company for 2020.

2. On 30 April 2021, the Company held the fifteenth meeting of the third session of the Supervisory Committee, at which the Proposal regarding the 2021 First Quarterly Results of the Company was reviewed.

3. On 24 August 2021, the Company held the sixteenth meeting of the third session of the Supervisory Committee, at which the Proposal regarding the 2021 Interim Results Announcement and Interim Report of the Company was reviewed.

4. On 30 September 2021, the Company held the seventeenth meeting of the third session of the Supervisory Committee, at which the Proposal regarding the 2021 Third Quarterly Results of the Company was reviewed.

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2021

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

2. Members of the Supervisory Committee attended the 2020 annual general meeting and the 2021 first and second extraordinary general meetings, and the thirty-fifth meeting of the third session of the Board and the fortieth meeting of the third session of the Board as non-voting attendees, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

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

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

1. Operation and Management of the Company

During the Reporting Period, the management of Company further implemented the new energy security strategy featuring "Four Revolutions and One Collaboration" grasped the new situation, strived to promote the high-quality development of new energy companies, and maintained steady development in all aspects of operations and management, safe production and legal compliance. The management of the Company faithfully fulfilled its duties and responsibilities as stipulated in the Articles of Association and earnestly implemented the resolutions approved by the Board.

2. Financial Matters of the Company

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

The Supervisory Committee reviewed the standard unqualified audit opinion issued by Ernst & Young and Ernst & Young Hua Ming LLP in respect of the consolidated financial statements of the Group for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises respectively, and raised no objection to such reports.

3. Connected Transactions

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

4. Implementation of the Resolutions of Shareholders' General Meetings

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

In 2022, the Supervisory Committee will continue carrying out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Company Law of the PRC, the Articles of Association, the Rules of Procedure of the Supervisory Committee and the Listing Rules; pay close attention to the production, operation and management status of the Company as well as any significant move of the Company; and continue strengthening the supervision on procedures of the Company's investment projects, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all shareholders and the Company.

By order of the Supervisory Committee
Liu Quancheng
Chairman of the Supervisory Committee

Beijing, the PRC, 30 March 2022

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

China Datang Corporation Renewable Power Co., Limited (hereinafter referred to as "(the) Company", "Datang Renewable", or together with its branches, "the Group", "we") has prepared the Environmental, Social and Governance Report (hereinafter referred to as the "the Report") since 2017. The Report is the fifth ESG report issued by the Group, which aims to disclose to stakeholders the latest status of the Group's effort in the ESG as well as the latest progress and management concepts in sustainable development. Information on corporate governance is recommended to be read in conjunction with *the Corporate Governance Report* section of this year's Annual Report.

Reporting Basis

The Report is prepared in accordance with *the Environmental, Social and Governance Reporting guide* (hereinafter referred to "the Reporting Guide") as contained in Appendix 27 of *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by The Stock Exchange of Hong Kong Limited (hereinafter referred to the "Stock Exchange"), and meets the four reporting principles of materiality, quantitative, balance and consistency required by the Reporting Guide. Meanwhile, the Report refers to the *"Guidelines to Chinese State-owned Enterprises on Fulfilling Corporate Social Responsibilities"* issued by the State-owned Assets Supervision and Administration Commission of the State Council (hereinafter referred to the "SASAC"). The Report has been reviewed and approved by the Board. The Report is written in traditional Chinese and English. If there is any discrepancy between the Chinese and the English versions, the traditional Chinese version shall prevail.

Materiality: Datang Renewable confirms the impact of ESG-related issues on internal and external stakeholders through the materiality issue assessment process. The Board makes decisions on ESG issues, and the management guides and reviews the identification and ranking of material issues;

Quantitative: This report includes the standards, methodologies, assumptions, calculation tools, and source of conversion factors used to report emissions/energy consumption; the key performance indicators (hereinafter referred to "KPIs") related to historical data in this report are measurable, and the performance of ESG policies and management systems can be evaluated and validated;

Balance: In addition to the disclosure of positive performance, this report also discloses some negative indicators and avoids selections, omissions, or presentation formats that may inappropriately influence the decisions or judgments of the report readers;

Consistency: This report has disclosed changes in statistical methods or KPIs or any other relevant factors affecting a meaningful comparison.

Reporting Scope

The Report covers the period from 1 January 2021 to 31 December 2021 (hereinafter referred to as the "Reporting Period"). Except for those specifically stated, the scope of the Report covers the Company and its branches. During the Reporting Period, the coverage of environmental key performance indicators in the Report contains 20 branches (including their own subsidiaries), which are consistent with the previous Reporting Period.

Data Explanation

The information in the Report comes from the Group's official documents, statistical reports, and environmental, social and governance information that has been collected, summarized and reviewed by the Group. The data referenced in the Report is considered finalized, and in case of any discrepancies between the financial data in the Report and the that in Group's Annual Report, the Annual Report shall prevail. The financial data in the Report is in Renminbi ("RMB") unless otherwise stated.

Report Feedback

The Group looks forward to any suggestions or opinions from stakeholders. If there are any comments on the Report, please feel free to contact the Group through the following channels:

Tel: (86) 10–83750601
Fax: (86) 10–83750600
Email: dtrir@china-cdt.com

2. ESG MANAGEMENT

In 2021, the Group has entered the fast track of development, with economic benefits hitting a new high and the development foundation becoming more solid, showing a thriving development trend of continuous growth. As one of the earliest power companies engaged in renewable energy development in China, the Group has always adhered to the core concept of green development, vigorously developed clean and low-carbon renewable energy related businesses, and is committed to providing sufficient clean energy for all sectors of society. The Group always puts the interests of shareholders, employees, communities and suppliers in the first place. While ensuring the high level of completion of the renewable energy business, the Group continuously improves the ESG management measures to promote the sustainable development of the Group.

During the Reporting Period, with its outstanding performance in ESG governance, the Group stood out among 440 central enterprises listed companies participating in the evaluation of central enterprises and was successfully selected as one of the“Central Enterprises ESG· Pioneer 50 Index”. In the future, the Group will continue to promote ESG work while ensuring the high-level supply of clean energy and actively giving back to stakeholders and the society.

Datang Renewable was successfully selected as one of the“Central Enterprises ESG·Pioneer 50 Index”

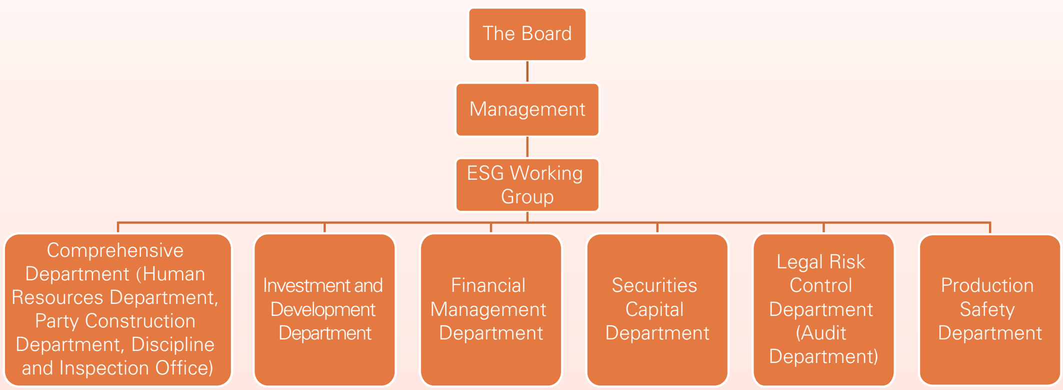
2.1 ESG Governance

The Group is fully aware that ESG management is essential to the sustainable development of an enterprise, and therefore we integrate ESG into every aspect of enterprise construction to ensure the Group’s ESG management level. Through continuous efforts to improve management capabilities in integrity operation, energy supply, product services, technological innovation and supply chain management, the Group has improved its overall governance performance and strived to make the Group move further on the path of sustainable development.

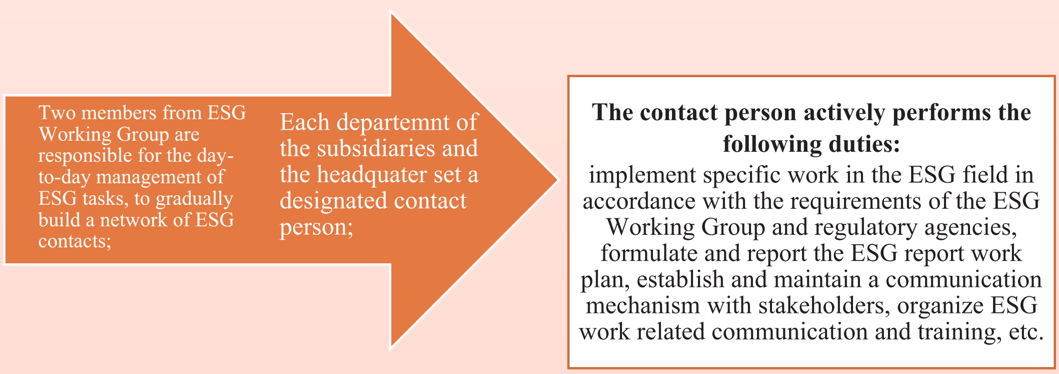
ESG Governance Framework

To effectively promote the smooth implementation of ESG work, integrate ESG concepts and management into daily business operations, the Group has established an "Environmental, Social and Governance Working Group" (hereinafter referred to as the "ESG Working Group") with reference to the guidelines of the Stock Exchange and other documents, benchmarked with domestic and foreign advanced industry practices, combined with its own corporate governance structure and supervision process. The Group formulated the Environmental, Social and Governance Working Group Management Measures to comprehensively guide, supervise and implement the various ESG-related matters of the Group.

The ESG governance framework is as follows:



Daily working mechanism of the ESG Working Group:



Regarding risk management, the Group has formulated and strictly followed the Comprehensive Risk Management Measures to regularly identify and evaluate major risks that have potential impacts on the Group, including ESG risks. For the identified potential corporate risks and relevant ESG risks, the Board and functional departments of the Group coordinate to assess their severity and formulate reasonable prevention and response plans accordingly.

Board Statement

To ensure the efficiency of ESG decision-making and implementation, the Board, as the decision-making body for sustainable development, is fully responsible for the overall deployment and promotion of the Company's ESG management. Management and ESG Working Group are fully responsible for ESG-related matters, such as the progress of the Company's ESG objectives, risk identification and management, and identification of ESG substantive issues, and supervision to ensure that ESG concepts are integrated into the Company's development strategy.

During the Reporting Period, Management and ESG Working Group performed the following duties:

Management	• Formulate and review the Company's ESG responsibilities, visions, strategies, frameworks, principles and policies, and strengthen the materiality assessment process to ensure and implement the ESG policies approved by the Board on an ongoing basis; • Oversee the communication channels and methods of the Company and stakeholders; • Review major ESG trends and related risks and opportunities, update ESG policies when necessary and ensure compliance with applicable laws, regulations and regulatory requirements; • Oversee the assessment of the impacts of the Company's business on environment and society and make recommendations to the Board; • Review the Company's annual ESG report and recommend it to the Board for approval, while recommending specific actions or decisions for the Board's consideration to maintain the integrity of the ESG report.

ESG Working Group	• Regularly report ESG policies and information to Management to effectively evaluate the Group's ESG risks and opportunities; • Propose strategies and principles for the preparation of the ESG Report; • Formulate ESG management policies, publicise the association with business, promote and improve ESG risk management and internal control systems; • Coordinate and plan the Group's social responsibility management, formulate medium and long-term plans and annual plans for social responsibility; • Establish and maintain good communication with stakeholders, and do well in the assessment of material issues; • Promote the latest policy requirements of the regulatory authorities within the Group; • Supervise and guide the Group to formulate work responsibilities, work mechanisms, approval processes, etc. review the Group's annual ESG work plan and evaluate key work items; • Responsible for other work in the area of social responsibility of the Group.

2.2 Stakeholder Communication

Datang Renewable adheres to the principle of sincere and open communication, formulates a normalised communication mechanism, and actively maintains communication with internal and external stakeholders. Based on communication with internal and external stakeholders, the Group takes the initiative to listen to opinions and suggestions from various parties, and integrates the demands and expectations of various parties into the management and implementation of all links to ensure that the Group can maintain sustainable development and enhance the understanding and support of all stakeholders to the Group.

During the Reporting Period, the Group held 71 investment meetings with 475 investors and analysts attended, conducted 27 online roadshows. An accumulative total of 137 analysts from large investment institutions participated in the 2020 annual results announcement and the 2021 interim results announcement.

In 2021, the Group identified its main stakeholders based on business and operational characteristics, including the government and regulators, shareholders, customers and partners, employees, communities and the public, along with the media. During the reporting period, the Group's communication channels with various stakeholders were as follows:

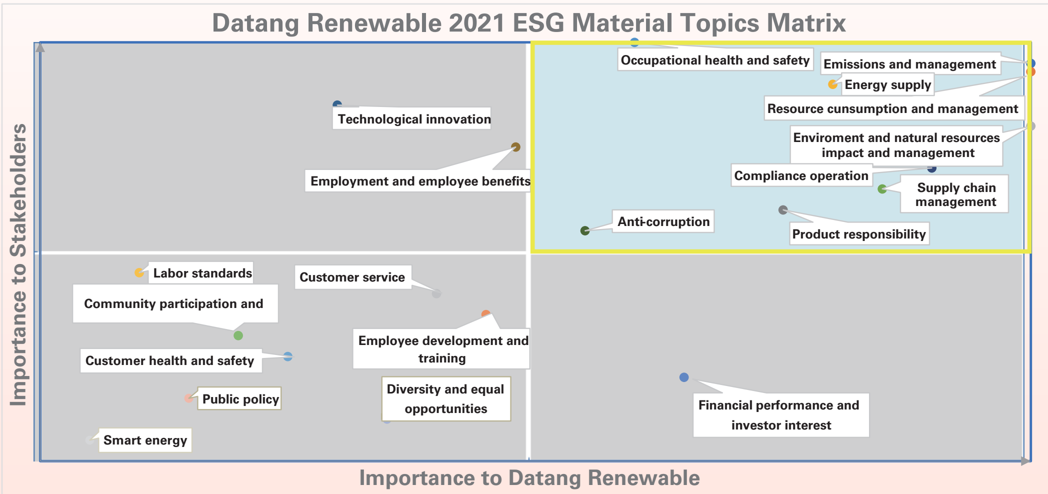
List of Stakeholder Expectations and Communication Channels

Stakeholders	Expectations and Requirements	Communication Channels
Government and Regulators	Implementation of national policies, laws and regulations	Work reports Periodic reports
	Power supply safeguard	
	Promotion of local economic development	Participation in policy research
	Job creation and social contribution	Communication for cooperation
	Industry development boost	
Shareholders	Benefits and returns	Corporate announcements
	Compliance operations	On-site visits
	Production safety	Shareholder's general meeting
	Information disclosure and transparency	
Customers and Partners	Contract fulfillment in accordance with laws	Business communication
	Integrity management	Customer Feedback
	High-quality products and services	Discussion forum
	Fair and just cooperation	

Stakeholders	Expectations and Requirements	Communication Channels
Employees	Maintenance of legal rights and interest	Employee representative congress
	Compensation and benefits assurance	Labour contract
	Improvement on communication mechanisms	Employee democratic appraisal
	Establishment of well-developed career development channels	Corporate culture building
	Diversified educational training	Employee training
Communities and the Public	Improvement of the community environment	Corporate websites
	Participation in public services	Corporate announcements Interviews
	Delivery of open and transparent information	Public welfare activities
Media	Timely information disclosure	News and announcements release
	Maintenance of good relationship with media	Report publication
	Delivery of correct and transparent information	Active communication with the media

2.3 Materiality Analysis

In accordance with the Reporting Guide revised by the Stock Exchange, the Group commissioned a professional consulting agency to improve the material issue pool based on the 2020 material issues, the up-to-date development progress of the Group over the Reporting Period, stakeholders' demands, global sustainability trends and directions, and ESG issues identified by outstanding peer companies. Management and ESG working group confirmed 20 material issues for 2021. The materiality matrix of the Reporting Period of Datang Renewable is as follows:



Note: High-importance material topics

The material issues identified in this ESG Report and the corresponding chapters are as follows:

Material Issues	Corresponding Chapters in the Report
• Compliance operation • Anti-corruption • Product responsibility • Energy supply • Supply chain management	3. Stable Operation
• Emissions management • Resource consumption and management • Environment and natural resources impact and management	4. Green Operation
• Occupational health and safety	5. Care for Employees

3. STABLE OPERATION

In 2021, Datang Renewable continued to take the overall goal and general requirement of "building a world-class energy company" as the driving force for development comprehensively improve business competitiveness, and adhere to scientific and technological innovation. The Group adheres to honesty and trustworthiness, compliant operation, and ensures efficient, safe and responsible supply of clean energy with standardized corporate operation and clean working team as guarantee.

During the Reporting Period, the Group's clean energy supply continued to grow and reached a new high, with a total power generation of 26,178,431 MWh, representing an increase of 23.62% compared with 2020. Among the power generated, 24,998,097 MWh of wind power generation was completed, representing an increase of 20.24% over 2020, and photovoltaic power generation amounted to 1,169,232 MWh, representing an increase of 223.88% compared with 2020. In the future, the Group will continue to deepen its governance[1] and operation systems, further strengthen communication with investors and other stakeholders, and offer returns to the Group's shareholders, society, employees, and other stakeholders through a sustained and healthy growth.

3.1 Compliance and Integrity Operation

The Group strictly abides by *the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China* and other relevant laws, regulations, and listing rules, and continuously improves the system construction to ensure the standardized operation of enterprise management and operation, so that it can fully meet the compliance requirements, and ensure that various rules and regulations can truly guide the daily work of the Group.

The Group has established a mechanism for reporting, analyzing and informing the operation of the three meetings[2] of the branches, closely linking them with the Group's investment and financial management processes. The Group has strictly controlled matters that do not follow the three meetings governance regulations or exceed the authority, so as to strongly protect the rights and interest of shareholders. During the Reporting Period, the Group did not discover any violation of relevant laws and regulations.

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1 For more information on corporate governance, please read the "Corporate Governance Report" in this annual report.

2 The three meetings is the Company's Board of Directors, Board of Supervisors and shareholders' meeting.

Standard Information Disclosure

The Group understands the importance of information disclosure, continuously improves the operation and management of information disclosure to ensure the legitimate rights and interests of investors. In accordance with *the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Measures for the Administration of Debt Financing Instruments for Non-financial Enterprises in the Interbank Bond Market, the Rules for Disclosure of Information on Debt Financing Instruments for Non-financial Enterprises in the Interbank Bond Market* and other relevant laws and regulations, the Group has formulated the Information Disclosure Matters Management System, which specifies the personnel in charge of information disclosure and the relevant procedures for report preparation, review and disclosure to further ensure the compliance of information disclosure.

In 2021, the Group issued a total of 294 announcements in Chinese and English to the public, involving the Company's performance, financial statements, monthly power generation, change of directors, continuing connected transactions, issuance of bonds of the Company, amendments to the Articles of Association and circulars of general meetings, etc., with no disclosure violations occurred.

The Group consciously and actively implements various regulatory requirements of the Stock Exchange, continuously improves the level of compliance management, ensures the standard operation of listed companies, further strengthens the management of related party transactions. The Group published various reports in a timely manner in accordance with the requirements of the Stock Exchange, the Shanghai Stock Exchange and the National Association of Financial Market Institutional Investors, further improving the modern enterprise system with Chinese characteristics, preventing and controlling risks in advance, and improving the level of scientific decision-making and the Group's governance capability. In 2021, the Group carried out multi-level and multi-field compliance training covering the headquarters and branches of the Group, explained the new regulations of the Stock Exchange and other regulatory institutions for employees with rich cases, including related party transactions and information disclosure, which greatly enriched the knowledge structure of grassroots employees and significantly improved the concept of compliance management.

In-depth Anti-Corruption and Integrity Promotion

The Group strictly complies with *the Supervision Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Regulations on Disciplinary Punishment of the Communist Party of China, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Corruption and Bribe-taking Law of the People's Republic of China* and other relevant laws and regulations, as well as the Rules for Case Management of Discipline Inspection and Supervision Department and the Regulations on Further Regulating the Management of Business Expenses for the Duty Performance. The Group further promotes the integrity construction and anti-corruption work, continuously strengthens the supervision of the implementation of integrity work at all levels, and actively implements the deployment and implementation of various decisions.

In order to consolidate the implementation of various work on the construction of Party conduct and clean government, the Group has formulated the Implementation Measures of the Responsibility System of the Party Style and Clean Government Construction (hereinafter referred to as "Implementation Measures"), the Implementation Opinions on Strengthening the Responsibility of Supervision, and the Implementation Opinions on Implementing the Responsibility of Supervision in accordance with *the Regulations of the Communist Party of China on Internal Supervision* and *the Rules of the Discipline Inspection Organs of the Communist Party of China,* and always maintain a high degree of consistency with the Group's Party Committee in ideological and political actions.

The Group has set up an anti-corruption and integrity coordination group and appointed department heads as members to assist the Group's Party Committee in promoting comprehensive and strict Party governance, strengthening Party conduct construction and organizing and coordinating anti-corruption work. The coordination group regularly communicates the status of supervision work and the prominent problems found, proposes rectification suggestions, coordinates internal and external professional forces and supervision resources, and supports the functional departments to carry out supervision and inspection, discipline enforcement review, accountability and other related work. During the Reporting Period, the Group did not violate any laws and regulations related to bribery, extortion, fraud and money laundering that have a significant impact on the Group, and there were no corruption litigation cases.

In order to strengthen the cultivation of anti-corruption awareness of the management and employees within the Group, Datang Renewable's headquarters and branches carried out various anti-corruption training and publicity activities. Among them, the headquarters carried out activities such as the "Red Series" activity matrix, promotion of red stories, and reading of red books. Each branches held meetings and activities to fully implement the spirit of the 19th CPC National Congress, the successive plenary sessions of the 19th CPC Central Committee for Discipline Inspection and the spirit of the Sixth Plenary Session of the 19th CPC Central Committee for Discipline Inspection. During the Reporting Period, the Group conducted a total of 15 anti-corruption training sessions, including 1 for the Board, 7 for executive directors and 7 for employees.

Case 1: In order to further strengthen the construction of clean Party conduct and focus on anti-corruption, the Company promotes anti-corruption work in a point-to-area manner, carries out a month of cultural publicity and education activities for the construction of clean Party conduct in combination with the learning and education of Party history. On May 21 of 2021, a total of 30 Party members and leading cadres of Datang Jiangsu Renewable Power Company Limited went to Pukou Prison, Nanjing to visit and learn from integrity warning education. They carefully listened to the development history and construction of Pukou Prison and the current situation of prisoners. Every visiting staff is deeply touched, and their ideals and beliefs are more firmed. They will always keep in mind the mission of party members, respect law and discipline, adhere to the bottom line, and do things with integrity.

Integrity Warning Education Activities of
Datang Jiangsu Renewable Power Company Limited

Case 2: In order to conscientiously implement the Group's work deployment for building a clean and honest Party, and promote the comprehensive and strict governance of the Party and the in-depth study and education of the Party's history, on September 13 of 2021, Datang Heilongjiang Renewable Power Company Limited organized a special counseling activity on the "Relevant Regulations" of the Regulations of the Communist Party of China on Disciplinary Actions. More than 60 grass-roots Party branch secretaries and Party member representatives participated in the special counseling activities, which comprehensively improved the understanding of grass-roots Party members on relevant regulations.

Datang Heilongjiang Renewable Power Company Limited organized a special counseling activity on Party conduct and clean government system

3.2 Safe Supply of Energy

Providing safe and efficient clean energy services to all sectors of society is the cornerstone of the Group's business. Datang Renewable adheres to promoting the construction of an intrinsically safe enterprise, integrates the concept of safe development into the whole process of the Group's business development, further strengthens and strictly implements various measures to ensure the safety of energy supply and employees.

Compliance and Safety Production

The Group strictly abides by the *Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Fire Control Law of the People's Republic of China, the Emergency Response Law of the People's Republic of China* and other laws and regulations, thoroughly implemented the policy of "safety first, prevention first and comprehensive management", actively implemented various safety production systems, and fully and effectively guaranteed the production safety of the Group.

Supervision and Management System

The Group has formulated the Management Measures of Production Safety Responsibility System of the Group, and adheres to the principle of "hierarchical management, responsibility to individual, clear responsibilities and accountability" to do a good job in the Group's systematic production safety. The Group has established a production safety responsibility system to clarify the production safety responsibilities of leaders at all levels, managers at all levels, engineering technicians and various departments in the management and production process, and to assess and summarize the duty performance requirements of the positions.

The headquarters of the Group supervises each branch to conduct safety risk assessment and evaluation, technical monitoring, and management, put forward targeted rectification measures, establish a hidden danger investigation and management system, build a hidden danger identification, assessment, prevention and control, and governance system. The Group adheres to the principle of "four non-exemptions" and is responsible for accident statistics, analysis and reporting. The Group gives commendation or rewards to employees who contribute to production safety and holds the responsibility for accidents.

Implementing Safety Responsibility

The Group firmly established the concept of safe development, further promoted the "Three-Year Action for Special Rectification of Safe Production", consolidated the results of the special activities of "Six Inspections and Strictures". The Group carried out targeted special activities such as safe production month, flood prevention and flood control, autumn inspection, power supply and heat supply guarantee and Winter Olympics and safety warning education and held 2 special meetings in time for publicity and implementation.

Based on the actual work, the Group focused on the deployment of system revision, risk investigation and organised a series of learning and publicity activities, focused on strengthening the safety production responsibility, promoted the implementation of various safety measures and anti-accident measures, promoted the improvement of intrinsic safety level, and maintained a stable safety production situation.

During the Reporting Period, the Group did not violate any laws and regulations related to occupational health and safety that had a significant impact on the Group. The number of working days lost due to work-related injuries was zero. The Group did not have any safety and health accidents, or production-related personnel casualties.

Year Indicators	2021	2020	2019
Number of work-related fatalities *(persons)*	0	0	0
Work-related fatality rate *(%)*	0	0	0

Case 3: In order to improve employees' ability to deal with emergencies, Datang Ningxia Renewable Power Company Limited organized fire and flood prevention drills. After professional training and guidance, employees were well prepared and successfully and effectively completed drills in various scenarios.

Datang Ningxia Renewable Power Company Limited conducted each emergency drill

3.3 Responsible Product and Service

Adhering to the business philosophy of "quality first", Datang Renewable continues to supply safe and efficient clean energy to the society. The Group strictly abides by *the Product Quality Law of the People's Republic of China, Product Quality and Safety Law of the People's Republic of China, Renewable Energy Law of the People's Republic of China* and other clean energy-related laws and regulations. At the same time, the Group strictly abides by *the Advertising Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, controls the quality of energy supplied, and accurately and transparently transmits product and service information to the public to protect customers' right to know and refuse false publicity. During the Reporting Period, the Group did not receive any complaints about the provision of energy and services.

The Group strictly abides by *the Copyright Law of the People's Republic of China, the Regulations for the Implementation of the Copyright Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Detailed Rules for the Implementation of the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Regulations on the Implementation of the Trademark Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements, the Regulations on Protection of Computer Software* and other laws and regulations. Guided by the scientific development concept, the Group focuses on improving its independent innovation.

At the same time, the Group also complies with laws and regulations such as *the Law of the People's Republic of China on Guarding State Secrets, the Archives Law of the People's Republic of China and the Interim Provisions on the Protection of Trade Secrets of Central Enterprises* to strictly protect customer privacy and the Group's trade secrets. The Group implements the policy of "ensuring confidentiality and facilitating work", and strictly controls the internal network and communication system, file management, publicity management and external exchange cooperation of the Group. During the Reporting Period, the Group did not violate any laws and regulations related to advertising, trademarks and customer privacy of the products and services provided.

Case 4: In order to further implement the spirit of the Group's on-site meeting to ensure the Winter Olympics, all branches of Datang Renewable organized and convened the deployment meeting to coordinate the work of the Winter Olympics, comprehensively summarized the experience of the preliminary work, and further unified thinking, clarified goals and deployed tasks. Further refining and decomposing according to the implementation plan, implementing responsibilities, and clarifying measures; Based on different positions, work tasks and responsibility cards for safeguarding the Winter Olympics were prepared to ensure that all relevant personnel fully understand the tasks, key measures and responsibility requirements for maintaining power supply.

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited launched the deployment of mobilisation to ensure power supply for the Winter Olympics

3.4 Development of Technological Innovation

Technological innovation is the foundation. The Group strictly complies with relevant laws and regulations such as *the Regulations on National Science and Technology Rewards*, and has formulated the Management Measures for Scientific and Technological Innovation Rewards (Trial) to standardize the work of rewarding the Group's scientific and technological innovation achievements, mobilize the enthusiasm and creativity of technology employees within the Group, and improve the Group's independent innovation and research and development ("R&D") capability. Based on the actual situation of development, the Group has prepared the "14th Five-Year Plan" special science and technology plan, which focuses on analyzing the advantages and disadvantages of the Company's scientific and technological innovation, and has formulated the breakthroughs in areas such as "technology integration and innovation", "wind and solar power storage integration" and "green energy hydrogen production".

As at the end of the Reporting Period, the Group achieved positive innovation results, applied for 101 patents, and was granted 95 patents in total, including 1 set of national.

Case 5: In 2021, all branches of Datang Renewable deepened technological reform, integrated technological innovation into daily work, and generated a certain number of patent certifications and innovation achievements, striving to become the leader in innovation in the new energy industry.

Employees of Datang Renewable carried out discussions on wind turbine location optimization design according to on-site survey

Datang Liaoning Renewable Power Company Limited Patent Certificate

3.5 Supply Chain Sustainability Management

Cooperation with qualified suppliers and contractors is an important part of the Group's provision of clean energy supply and services. In order to ensure the sustainable development of the Group's product supply, the Group strictly abides by *the Bidding and Tendering Law of the People's Republic of China* and other relevant regulations, and combined with a series of internal regulations such as Procurement Management Regulations and Supplier Management Measures (Trial) to standardize the procurement process, control the procurement process and quality, and achieve a win-win cooperation development goal.

In order to identify and manage the potential social and environmental risks of various suppliers, the Group strictly implements the management and selection of suppliers:

- The management of suppliers follows the principles of "openness, fairness and justice" and "honesty and trustworthiness, unified and centralized management, hierarchical implementation, dynamic assessment, and support for the best and eliminate the inferior". Suppliers are classified into registered, admitted, and strategic suppliers, which strengthens the dynamic comprehensive evaluation of suppliers and the treatment of suppliers with bad behaviors. A unified supplier management system has been established in accordance with the management measures;

- Multiple measures are taken to strengthen the supplier management and control in the procurement process: strengthening the supplier management and control in all aspects of the procurement process using mandatory data management and control of registered online access, big data screening of suppliers in the warehouse, compliance verification of bid evaluation process, and performance capability investigation before bid selection. Through the management platform, the Company has established a comprehensive supplier profile, regularly organized dynamic and comprehensive evaluations of supplier performance and follows the principle of "who uses and who evaluates". Each procurement demand organization combines the participation and cooperation of procurement activities and contract performance (material suppliers include the frequency of quality problems, the severity of quality problems, the accuracy of delivery, and the satisfaction of supporting services); construction suppliers include project quality, project progress and delivery; service suppliers include service effectiveness and timeliness), and regularly conducts a comprehensive evaluation of suppliers;

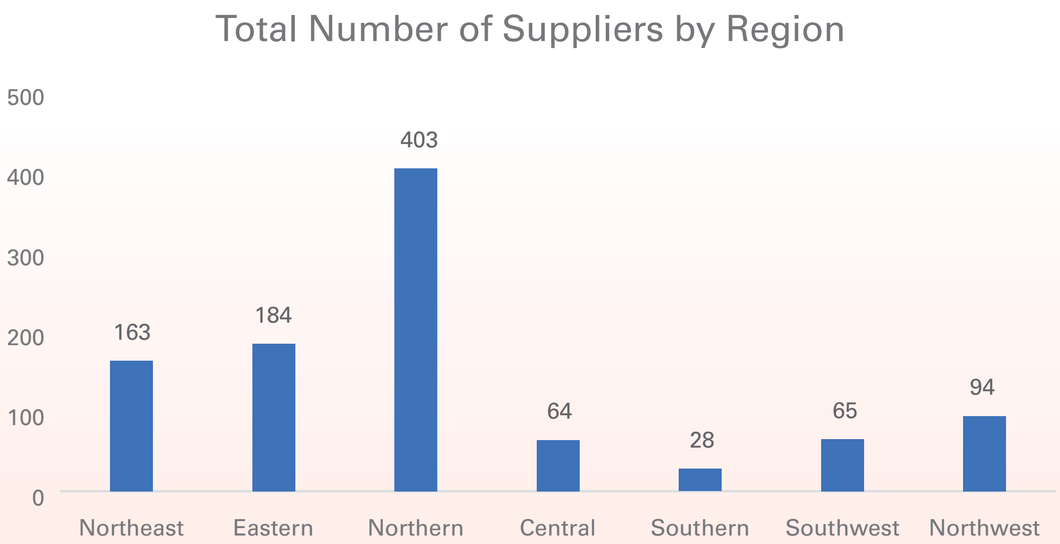
- The Company continued to strengthen the management of supplier misconduct, carried out special actions for supplier inspection and management, and strictly dealt with bad suppliers that were disrupting procurement activities such as bid rigging and falsification, which played a warning and deterrent role in the purification market.

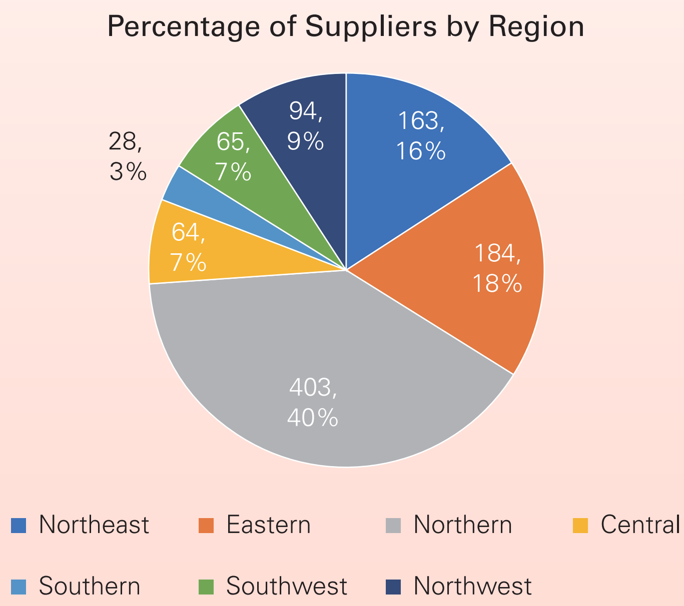
In order to ensure that suppliers fulfill their environmental and social responsibilities, the Group implements a number of specific measures in the selection process of suppliers and examines whether suppliers have negative performance in terms of environment, labour practices and community. Specific measures are as follows:

- Business intelligence studies and results transformation. Tracking the trend of the technological development of major equipment in the energy industry and market changes, comprehensively collecting industry-related information, connecting with professional consulting agencies, and making business forecast and countermeasures suggestions through systematic classification, summary and analysis; Establish a price monitoring category system and form a continuous monitoring mechanism;

- Analysis of historical procurement data. We sorted out the Company's procurement data from 2017 to 2021, combined with historical procurement data, carried out research and analysis on the qualifications, performance of construction and service enterprises, mastered the information and data such as the number, qualification, ability, performance and price of suppliers, and carefully checked the certification of the supplier's enterprise quality, environment and occupational health management system, so as to select high-quality suppliers and increase the competitiveness of procurement. Formulate corresponding procurement strategies in a timely manner, optimize procurement methods, and ensure scientific and orderly procurement.

As at the end of the Reporting Period, the Group had a total of 1,001 suppliers, all of which were qualified suppliers. The number of suppliers by region is as follows:





4. GREEN OPERATION

Entering the "14th Five-Year Plan" period, to help the realization of the national development goals of "carbon neutrality" and "carbon peak" (the "dual-carbon goals"), the power industry needs to strengthen core technologies such as advanced energy storage, green hydrogen energy, and carbon capture, and play a more dominant role in improving the green industry chain and supply chain.

As a leading integrated clean energy service provider in China, Datang Renewable actively responds to the national "dual-carbon goals", adheres to the new development concept, and strives to take root in the new development pattern and make achievements. The Group gave full play to its resource advantages and synergy advantages, increased its efforts in acquiring and reserving project resources, and actively promoted self-developed renewable energy projects by enhancing its subjective initiative. Meanwhile, the Group will vigorously promote the acquisition and merger of high-quality projects in the industrial chain, focus on the development direction of green and low-carbon transformation, and strive to play the role of domestic and foreign investment and financing platforms to help the Group's high-quality development.

4.1 Low Carbon Development

Supporting the "Dual-Carbon Goals"

Based on the new development stage, Datang Renewable adheres to the principle of "systematic planning, conservation first, two-wheel drive, internal and external smoothness, and risk prevention", coordinates the relationship between development and emission reduction, safety and replacement, overall and local, short-term and long-term. Datang Renewable incorporates the work of carbon peak and carbon neutrality into the overall development of the Group, striving to build a world-class new energy supplier of "green and low-carbon, multi-energy complementation, efficient coordination, and digital intelligence", accelerating the Group's high-quality development, so as to achieve carbon peak and carbon neutrality for the country as scheduled, and contribute Datang Power to the construction of a clean, low-carbon, safe and efficient energy system.

The Group adheres to the four principles of "policy-driven, market-oriented", "overall design, regional coordination", "structural optimization, focus control" and "stable, orderly and safe carbon reduction", and adopts the following measures to achieve the dual carbon goals:

- Implement the strategic decisions and arrangements of the CPC Central Committee and the State Council on "dual carbon" work;
- Reviewed and approved the Group's "dual carbon" strategic objectives, roadmap, working mechanism, working system and implementation plan;
- Research and carry out carbon asset trading and management, low-carbon system construction, energy conservation and carbon reduction, low-carbon investment, green finance, etc.;
- Implement scientific, technological innovation and carbon reduction action, strengthen scientific and technological innovation in the field of new energy business, and strengthen digital operation management and control scientific and technological innovation;
- Implement management improvement and carbon reduction actions, improve carbon trading management capabilities, enhance green financing capabilities, and improve carbon cost reduction management mechanisms;
- Implement coordinated reduction and carbon reduction actions, and vigorously advocated green and low-carbon work and lifestyle.

The Group strengthened organization and leadership, overall coordination, assessment and restraint, summary and publicity to ensure that the goal of carbon peak and carbon neutralization is promoted in the right direction and with high quality. The Group's leading group for "carbon peak and carbon neutrality" comprehensively coordinates and promotes the work of dual carbon. The main responsible persons are the first responsible person for the work of carbon peak and carbon neutrality of the Group, and other relevant responsible persons assume corresponding responsibilities within the scope of responsibilities. Relevant departments of the Group strengthened policy research, investigation according to the division of responsibilities, and regarded carbon peaking and carbon neutrality as an important part of the cadre education and training system, so as to strengthen the leading cadres' ability to focus on green and low-carbon development; At the same time, the Group strengthened the follow-up assessment and supervision and inspection of each branch. The Group will implement the goals and responsibilities of various enterprises to achieve carbon peak and carbon neutrality at different levels. On this basis, the Group will strengthen the work of carbon peak and carbon neutrality and cultural promotion, actively promote the measures and achievements of the Group in response to climate change and green, low-carbon and high-quality development, and use fresh cases to tell the story of "dual carbon" and demonstrate the responsibility of Datang Renewable.

By the end of the Reporting Period, the installed capacity of Group was 13,078.02 MW, representing a year-on-year increase of 848.50 MW. The Group's renewable energy power generation (includes coal-bed methane) accounted for 100% of the Group's total power generation capacity during the Reporting Period, amounting to 26,178,431 MWh, a year-on-year increase of 5,002,202 MWh, equivalent to a saving of 7.98 million tonnes of standard coal, an emission reduction of 21.78 million tonnes of carbon dioxide.

Case 1: August 25 of 2021 was the 9th National Low Carbon Day. In order to thoroughly implement the requirements of the Notice on Organizing the 2021 National Energy Conservation Publicity Week and National Low-Carbon Day Publicity Activities issued by the SASAC, Datang Inner Mongolia Renewable Power Company Limited combined with the themes of "Energy Conservation and Carbon Reduction, Green Development" and "Low-carbon Life, Green Building Future" through hanging banners, WeChat, online training, etc., to enable employees to enhance the concept of energy conservation and environmental protection, and actively participate in energy conservation and environmental protection actions. A total of 191 people participated in the event and a total of 11 themed presentations were held.

Datang Inner Mongolia Renewable Power Company Limited
launched a low-carbon day campaign

Responding to Climate Change

In 2021, all kinds of extreme weather swept the globe, and severe weather such as floods and heavy rainstorms ravaged many places in China. In order to cope with the increasingly severe climate change situation and sudden natural disasters at any time, each branch of the Group has formulated various emergency plans according to the local climate and geographical characteristics, so as to improve emergency response capabilities and minimize casualties and property losses caused by climate disasters.

In accordance with *the Production Safety Law of the People's Republic of China, the Emergency Response Law of the People's Republic of China, the Measures for the Administration of Emergency Plans for Production Safety Accidents, the Guidelines for the preparation of emergency plans for safety accidents of special products in production and operation, the Guidelines for the Preparation of Special Emergency Plans for Power Enterprises* and other laws and regulations, as well as the Administrative Measures for Emergency Plans, the Overall Emergency Plans, the Regulations for the Reporting and Investigation of Production Safety Accidents and Environmental Incidents and other administrative measures, the Group has formulated various special emergency plans based on the actual situation, supported the safety chain protection to be invested as much as possible, and strengthened severe climate early warning and monitoring.

In particular, Datang Anhui Renewable Power Company Limited formulated the Emergency Plan for Extreme Cold Weather to guide the emergency response work for the disaster prevention against rain, snow, freezing and extreme cold weather, including the disposal plan for blade covering ice, the disposal plan for overhead line covering ice, and the disposal plan for power outage. In the face of extreme cold weather, we carry out emergency response in a timely manner to ensure the personal safety of employees, and strictly prohibit work under unsafe conditions. At the same time, we strengthen equipment inspection to ensure the normal operation of equipment, ensure sufficient material reserves, and strictly control traffic safety.

Datang Inner Mongolia Renewable Power Company Limited has formulated a large fog emergency plan, a frost accident plan, a rain, snow and freezing extreme weather emergency plan, etc.

Datang Fujian Renewable Power Company Limited has formulated emergency plans for typhoon, flood prevention and strong convection weather, and on-site treatment plans for heat stroke. Adhering to the "people-oriented" principle, Datang Fujian Renewable Power Company Limited gives priority to the personal safety of employees, ensures the normal operation of power generation equipment, and responds to the challenges brought by climate change in an orderly and active manner.

Case 2: On December 10 of 2021, the snowfall suddenly increased in the Tongxin wind farm of Datang Ningxia Renewable Power Company, and a daily inspection and maintenance shift was arranged to inspect the centralized power lines and boxes. A group of inspection personnel (Li Biao) for cold weather inspection and maintenance found that 35kV collected in the front line had an ice laying phenomenon, and the station head announced the launch of the "Emergency Drill Plan for Cold Chain of Tongxin Wind Farms". During the drill, all links were closely connected, and the employees had excellent emergency response capabilities. The drill was rapid and effective, and the results were obvious.

Datang Ningxia Renewable Power Company Limited
organized emergency drill for line ice

Case 3: The Group carried out comprehensive, multi-level, wide-ranging and wide-coverage pre-flood hazard investigation work in a targeted manner. At the same time, the Group focused on the inspection of equipment such as wind turbines and the base of line poles and towers, the lightning protection measures of equipment, the inspection of road flood safety during maintenance, and the immediate rectification of hazardous areas with potential landslides, mudslides, and rainwater harvesting bases. During the inspection period, all stations of Datang Inner Mongolia Renewable Power Company Limited worked on road paving and strengthening the foundation of the poles and towers, effectively ensuring the health and safety of personnel and equipment during the flood season of the wind farm.

Datang Inner Mongolia Renewable Power Company Limited
organised flood control drills

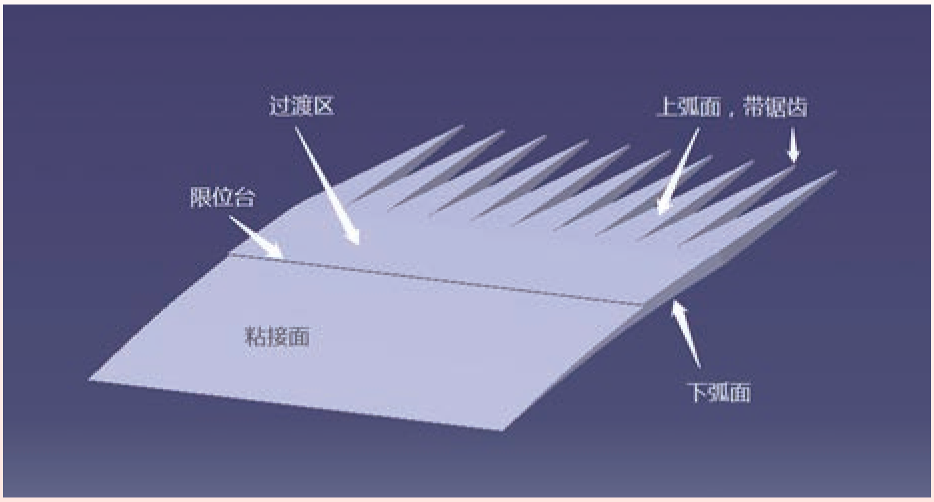
4.2 Environmental Protection

The Group strictly abides by *the Environmental Protection Law of the People's Republic of China, the Water and Soil Conservation Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, the Environmental Impact Assessment Law of the People's Republic of China, the Noise Limits for Construction Sites* and other relevant laws and requirements, and implements whole-process, intensive, legal and standardized management of ecological environmental protection in accordance with the Management Measures for Ecological Environmental Protection and the Responsibility System for Ecological Environmental Protection. We encourage environmental protection technology innovation, rely on new technologies to drive energy conservation and environmental protection, improve resource utilization efficiency, reduce pollutant generation, and improve environmental quality.

The headquarters of the Group has set up a leading group for energy conservation and emission reduction to lead the ecological environmental protection work of the Group, implement the national ecological environmental protection guidelines and policies, laws and regulations, industry standards and decision-making arrangements for ecological environmental protection, formulate the management system, standards and procedures for ecological environmental protection of the Group, organize the implementation and supervise the implementation.

Each branch of the Group has set up a leading group for ecological and environmental protection, which is responsible for supervising the environmental impact assessment of construction projects and other legal compliance work. All branches are required to implement relevant education and training on ecological and environmental protection, conduct self-inspection on ecological and environmental protection on a regular basis, and strictly implement discipline and accountability for issues such as inadequate performance of environmental protection. Each branch strengthens the supervision and management of environmental protection, comprehensively completes the environmental protection governance tasks and planned quota assigned by the Group's headquarters, conducts regular supervision and assessment, and implements "one-vote veto for ecological environmental protection". At the same time, the Company carried out in-depth ecological environmental protection supervision, and strictly implemented discipline and accountability for issues such as inadequate performance of environmental protection, non-implementation of laws and regulations, system measures, and special work.

Case 4: Noise is generated during the operation of wind turbines. In order to prevent noise from interfering with the lives of surrounding people, Tanglong Wind Farm of Datang Anhui Renewable Power Company Limited carried out research on the technology of blade noise reduction for wind turbines in low wind speed wind zone, and completed the blade noise reduction transformation based on the research results of the project. The noise reduction effect of this wind turbine transformation was obvious, and no feedback was received from surrounding people on the noise problem, and a series of scientific research achievements such as one patent and two papers were formed.



Datang Anhui Renewable Power Company Limited
researched three-dimensional appearance

Case 5: All branches of Datang Renewable actively fulfilled their environmental protection responsibilities, carried out environmental governance and greening inside and outside the plant area, which effectively improved the natural environment inside and outside the plant area.

Datang Inner Mongolia Renewable Power Company Limited Photovoltaic sand control

Greening inside and outside the wind farm of
Datang Gansu Renewable Power Company Limited

4.3 Emissions Management

The Group strictly abides by the laws, regulations and systems related to emissions, adopts various measures to control the emissions of various substances in the production and operation process, effectively reduces various emissions, ensures that emissions are in compliance with regulations and orderly, and minimizes the impact on the environment. The Group provides clean energy to the society. The proportion of new energy power generation reached 100%, of which the main power generation business is wind power generation. Wind power generation uses clean energy, and does not generate pollutants such as wastewater, waste gas and dust during operation. It does not pollute the air, surface water and groundwater at the project site, and does not affect the use of local water resources. The small amount of emissions of the Group are mainly generated from normal operating activities. Therefore, the Group has formulated relevant systems and implemented emission reduction measures to continuously reduce the emission intensity of exhaust gas, greenhouse gas and waste in the course of operation, continuously reduce the generation of emissions, and strictly implement environmental responsibilities.

Exhaust Emission

During the Reporting Period, the Group's main exhaust gas emissions were from exhaust emissions generated during vehicle operation, which generated air pollutants such as nitrogen oxides and sulfur dioxide. In order to reduce the emission of air pollutants, the Group adopts the following emission reduction measures:

1. During project construction, energy-saving equipment and transportation vehicles recommended by the state are selected to reduce exhaust gas emissions. Strengthen the repair and maintenance of vehicles, construction machinery and transportation vehicles are strictly prohibited from entering the road in fault. Using high-quality fuels, equipment with relatively high exhaust emissions and pollutants are installed with exhaust gas purification devices to reduce the concentration of pollutants in exhaust gas.

2. The Group strengthens the supervision and management of the Group's official vehicles, do a good job in the supervision of the seal and storage of official vehicles, and require relevant departments to strengthen the management of the seal and storage of official vehicles during festivals. The Group checks the integrity of the seal and storage of official vehicles after festivals, and register the mileage of vehicles to ensure that the seal and storage of official vehicles are correct.

Vehicle pollutant emissions[3]	Unit	2021
Nitrogen oxides	Tonnes	**3.67**
Sulfur oxides	Tonnes	**0.04**
Carbon monoxide	Tonnes	**23.39**
Particulate matter (PM2.5)	Tonnes	**0.15**
Granule (PM10)	Tonnes	**0.16**

Greenhouse Gas Emissions

The Group's clean energy power generation business is environmentally friendly and does not consume fossil energy during the power generation process. During the Reporting Period, the greenhouse gas emissions mainly came from the exhaust emissions during the operation of vehicles and the use of purchased electricity during the production process.

	Unit	2021	2020
GHG Emission			
Total GHG emission for scope 1	Tonnes	**5,635.48**	4,510.01
Scope 1 GHG emission density	Tonnes/million yuan income	**0.48**	0.48
Total GHG emission for scope 2	Tonnes	**72,089.17**	57,692.21
Scope 2 GHG emission density	Tonnes/million yuan income	**6.20**	6.16
Total emission density for scope 1+2	Tonnes/million yuan income	**6.69**	6.64

Waste disposal

The Group attaches great importance to the management of discharge of various wastes to prevent environmental pollution caused by emissions. The Group strictly abides by *the Environmental Protection Law of the People's Republic of China, the Land and Resources Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Emergency Response Law of the People's Republic of China, the Pollution Control Standards for Hazardous Waste Storage, the Water Pollution Prevention and Control Law of the of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Soil Pollution* and other laws and regulations, and has issued the Notice on Strengthening the Management of Fugitive Emissions in Environmental Protection and the Notice on Further Strengthening the Management of Environmental Emergency to reduce waste generated during production and operation and strive to minimize the impact on the environment.

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3 The calculation of air pollutant emissions refers to the Technical Guidelines for Air Pollutant Emission Inventory for Road Vehicles (Trial) issued by the Ministry of Ecology and Environment of the PRC.

In accordance with the above requirements, the Group monitors and evaluates all wind farm projects in various aspects to ensure that the wind farms are equipped with environmental protection facilities for normal operation, and the pollutant emissions meet the national standards. During the Reporting Period, the Group did not violate any laws and regulations relating to emissions that had caused significant impacts on the Group.

During the construction and operation of the Group's engineering projects and in daily life, the non-hazardous waste generated by the Group is domestic waste, and the hazardous waste includes waste oil, waste filter cartridges, waste oil drums, waste lead batteries, hazardous construction waste, etc. The Group's measures for handling various wastes are as follows:

Non-hazardous waste:

1. In accordance with the relevant environmental protection regulations of the local environmental authorities, each branch carries out waste classification and treatment for domestic waste, conducts centralized and proper treatment, and entrusts qualified third parties to conduct waste treatment.

2. The management of solid waste is based on the principle of "reduction, recycling and harmlessness". The waste removal and transportation work are strictly implemented in accordance with relevant regulations. The project construction team stores the waste and industrial waste to the designated temporary stacking site or is cleaned up by a qualified institution third party and transported to the garbage site for disposal.

3. General industrial solid wastes are transported by the construction unit to the waste residue site for landfill disposal. In the process of collection, storage, transportation, disposal and utilization of solid wastes, anti-scattering, anti-loss, anti-leakage and other measures must be taken to prevent environmental pollution. No solid waste shall be discarded or discarded along the way of transportation.

Hazardous waste:

1. The Company implemented unified supervision and management of hazardous waste, timely, detailed and truthful registration of management activities related to hazardous waste, and piloted the reporting and registration system for hazardous waste management.

2. Hazardous waste is transferred within the branch, and the Hazardous Waste Management Registration Form is filled out for filing with branch; When it is necessary to transfer hazardous waste to branches, branch will report to the local government environmental protection department, handle the approval procedures for the transfer of hazardous waste, and inform the Company's production safety department.

3. Hazardous waste identification signs must be set for containers and packaging of hazardous waste, as well as facilities and sites for collection, storage, transportation and treatment of hazardous waste.

Sewage:

1. Each station of the Company should refine the management of water conservation and environmental protection and regular inspection based on the actual situation; The Company established and improved the ledger of water conservation and environmental protection facilities inspection and inspection of temporary storage rooms for hazardous waste to further standardize and implement water conservation and environmental protection management.

2. The Company inspects and assesses the management of water conservation and environmental protection facilities at each station. In case of damage to water conservation and environmental protection facilities or adverse environmental incidents due to poor management, assessments will be conducted in accordance with the implementation rules of production safety reward and punishment for each branch.

	Unit	2021	2020
Sewage Discharge			
Total industrial sewage discharge in line with standards	Tonnes	**5,632.24**	4,507.40
Amount of Non-hazardous waste generated			
Total general industrial solid waste	Tonnes	**40.97**	32.79
Domestic waste	Tonnes	**313.72**	251.06
Other non-hazardous waste	Tonnes	**25.91**	20.70
Total amount of non-hazardous waste generated	Tonnes	**380.60**	304.55
Non-hazardous waste density	kg/million yuan income	**32.74**	32.50
Amount of Hazardous waste generated			
Total amount of hazardous waste generated	Tonnes	**135.31**	108.29
Hazardous waste density	kg/million yuan income	**11.64**	11.55

Case 6: Datang Gansu Renewable Power Company Limited held a special training on national environmental protection laws and regulations. This training successively publicized the newly revised *Law on the Prevention and Control of Solid Waste Pollution, the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the of the People's Republic of China* and other relevant laws, identified the potential environmental risks of the Company, and proposed further rectification measures. The training enhanced the environmental awareness and capability of managers at all levels, and further enhanced the enthusiasm of all employees to pay attention to environmental protection and participate in environmental protection.

Datang Gansu Renewable Power Company Limited
held environmental protection training

4.4 Use of Resources

The Group strictly abides by *the Energy Conservation Law of the People's Republic of China, the Water Law of the People's Republic of China, the Cleaner Production Promotion Law of the People's Republic of China* and other laws and regulations. The Group always aims to "save energy and reduce emissions, reduce costs and increase efficiency, and protect the environment" and is committed to building a resource-saving enterprise. During the Reporting Period, the Group mainly obtained water for its operation from the municipal water resources network and did not encounter any difficulties in the process of obtaining water. Meanwhile, none of the products and services provided by the Group involve the use of packaging materials. The Group is optimizing the Group's resource use management and continuously improving the efficiency of energy and water use based on the actual operation.

The Group attaches great importance to the daily management of operating equipment, steadily promotes the upgrading and transformation of energy-saving technologies and ensures the continuous improvement of energy efficiency. The Group has formulated the Energy Conservation Management System, the Energy Conservation Technology Supervision Standards and other relevant systems to guide employees to use resources reasonably, implement the awareness of resource conservation, and take various measures to implement energy conservation work:

1. Strengthen the management of electricity consumption in production and office to prevent unnecessary waste. Office computers, lights and other electrical appliances must be turned off after work. The lights in the public area of the office building shall be turned off on the same day by the on-duty staff. No power or adapter is allowed to be empty in the living and office areas.

2. Control the room temperature setting in the office and on-site rest areas, regulate the use of electric heaters, and formulate corresponding management measures to reduce the energy consumption level of related operations.

3. Under the premise of meeting the lighting quality, high-efficiency luminous fluorescent lamps and compact fluorescent lamps shall be given priority to use in general rooms (premises) to control the lighting according to the zoning of the premises where the lighting is used; Energy-saving lamps are used for passageways and sound and light switches are used for staircases.

4. Establish an energy-saving analysis system, hold energy-saving analysis meetings on a regular basis, check the completion of energy-saving measures and quotas, analyze the technical and economic quota, and put forward specific requirements for energy-saving tasks for problems affecting the energy consumption quota and implement them well.

The Group's Resources and Energy in 2020–2021[4][5]

Indicators	Unit	2021	2020
Gasoline	Liters	**2,290,457**	1,833,029
Diesel oil	Liters	**205,045**	164,095
Liquified gas	m^3	**29,817**	23,862
Total direct energy consumption	MWh	**23,700**	18,737
Total direct energy consumption density	MWh/million yuan income	**2.04**	2.00
Purchased electricity	MWh	**80,932.16**	73,321.91
Electricity used in operation sites	MWh	**50,384.91**	45,182.28
Total indirect energy consumption	MWh	**131,317.07**	118,504.19
Total indirect energy consumption density	MWh/million yuan income	**11.30**	12.64
Total water consumption (municipal water)	Tonnes	**150,140**	120,155
Total water consumption density	Tonnes/million yuan income	**12.92**	12.82

4 The statistical caliber of the use of resources and energy for the year is the Group and all branches, which is consistent with the statistical caliber of 2020. The parameters used for the calculation of direct energy consumption are based on the Guidelines for the Compilation of Provincial Greenhouse Gas Inventories issued by the Department of Climate Change under the National Development and Reform Commission and the China Greenhouse Gas Inventory Research issued by the Office of the National Climate Change Coordination Group and the Energy Research Institute under the National Development and Reform Commission

5 The Group's business characteristics are not applicable to the disclosure of packaging materials in the Stock Exchange A2.5, so no relevant disclosure is made.

5. CARE FOR EMPLOYEES

Datang Renewable always insists that talents are the cornerstone of technological innovation. The Group adheres to the principle of people-oriented and safety first, pays attention to every employee's rights and interests, cares about employees in all aspects, builds a completed training system, and provides rich and diversified development opportunities to attract talents. The Group is committed to creating an equal, diversified and fair working environment for all employees.

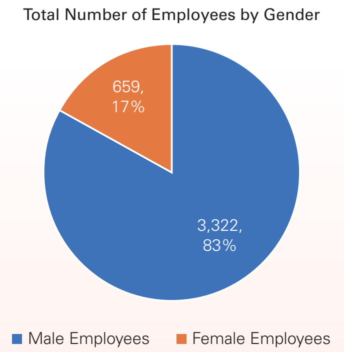
5.1 Equal and Standardized Employment

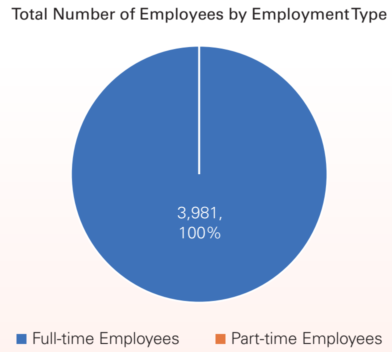
The Group strictly abides by *the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Labour Dispute Mediation and Arbitration Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China* and other laws and regulations. We regulates the Group's management in recruitment, dismissal, promotion, working hours, holidays, benefits and other aspects in combination with the Measures for Payment of Wages, the Measures for Management of Employee Reward and Punishment, the Measures for Management of Employee Attendance and the Measures for Management of Employee Recruitment. Based on the situation, the Group standardizes the employee recruitment procedures and improves recruitment efficiency. At the same time, we also take labour discipline seriously, safeguard employees' legitimate rights and interests, establish a binding and effective reward and punishment mechanism, and provide orderly production and work processes.

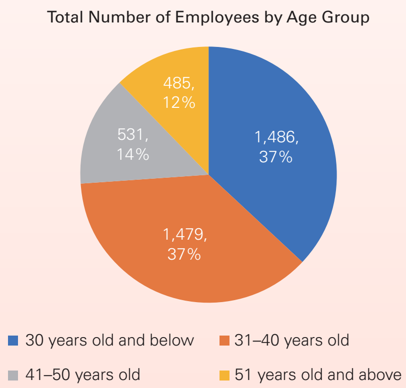
The Group strictly abides by *the Protection of Minors Law of the People's Republic of China, the Regulations on the Prohibition of Child Labour* and other laws and regulations, eliminates child labour and forced labour, and vets of employment conditions rigorously.

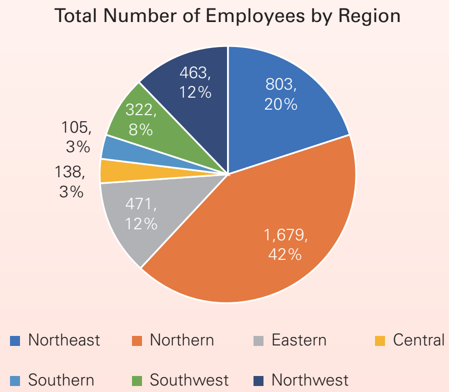
The Group strictly abides by *the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Law of the People's Republic of China on the Protection of Disabled Persons* and other laws and regulations. During the recruitment process, the Group guarantees fairness, impartiality and openness, opposes discrimination based on gender, race and belief, safeguards the legitimate rights and interests and equal opportunities of female employees, and builds a harmonious working atmosphere.

As at the end of the Reporting Period, the Group employed a total of 3,981 employees, 7% increasing approximately compared with 3,723 employees in 2020. The proportion of employees by gender, employment type, age and region[6] are shown in the following chart:









During the Reporting Period, the Group lost a total of 26 employees. The employee turnover rate by gender, age and region is shown in the following chart:

Indicators	2021
By gender	
Male employees *(%)*	1
Female employees *(%)*	1
By age	
30 years old and below *(%)*	1
31–40 years old *(%)*	1
41–50 years old *(%)*	1
51 years old and above *(%)*	/
By geographical region	
Employees in Mainland China *(%)*	1
Employees in Hong Kong, Macau and Taiwan *(%)*	/
Overseas employees *(%)*	/

6 The classification is based on the method of the National Bureau of Statistics of the People's Republic of China for dividing China's economic regions into eastern, western, central and northeastern regions.

5.2 Care for Employee Health

Adhering to the concept of "safety first", the Group strictly abides by *the Labour Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China* and other relevant laws and regulations, and has formulated internal measures such as the Measures for Safety Management, the Measures for Prevention and Control of Occupational Diseases and the Measures for Regular Medical Examination of Employees to strengthen the management of occupational health and safety.

In 2021, the Group has strengthened employees' occupational health education and carried out occupational health training. The Group provided employees with occupational safety training in six aspects, including occupational health design standards of industrial enterprises, management standards for occupational disease hazard notification and warning signs of employers, classification and catalogue of occupational diseases, classification catalogue of occupational disease hazard factors, management regulations for labour protection equipment of employers, and selection of personal protective equipment, which effectively improved employees' occupational safety awareness. Meanwhile, the Group provides a series of safety protection to ensure employees' occupational health and safety, including providing labour supplies and regular medical examinations, creating the safe working environment, and conducting occupational disease prevention training.

Datang Ningxia Renewable Power Company Limited
organized first aid skills training for Cardiopulmonary Resuscitation

During the Reporting Period, the health check-up rate and health record coverage rate of the Group's employees both reached 100%. The Group did not violate any laws and regulations related to health and safety that have a significant impact on the Group, and no workplace fatalities was caused.

Case 1: 25 April to 1 May of 2021 is the 19th National Occupational Disease Prevention and Control Law Propaganda Week. In accordance with the activity requirements of the National Health Commission and the Group Corporation, Datang Beijing-Tianjin-Hebei Renewable Power Company Limited carried out publicity activities with the theme of "Building a Healthy China with Occupational Health". The activity promoted the prevention of occupational diseases through videos, pictures, leaflets and other channels, and achieved good results.

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited conducted occupational disease prevention training

Case 2: Datang Gansu Renewable Power Company Limited established a three-level training network system to meet the promotion needs of production front-line workers, and built learning platforms such as QQ, DingTalk and video according to local conditions to provide convenience for on-site production staff. The Company has formulated the Management Measures for Employee Education, the Work Plan for Employee Education and Talent Development, the Basic Training Outline for New College Graduates and the Production Professional Training Plan. The Company organized science and technology lectures, technical Q&A, technical exchanges, "one question per week", etc., and actively contacts experts of wind turbine manufacturers to provide on-site staff training and answer questions. The Company organized daily examinations, annual professional knowledge examinations, and scientific and technological competitions, which effectively help continuous progress of on-site employees along with the Company development.

Datang Gansu Renewable Power Company Limited organized employee training

5.3 Empowering Talent Development

The Group adheres to the"people-oriented"principle and attaches great importance to the development of talents. The Group has developed systematic talent attraction, retention, training programs to achieve technological innovation and sustainable development of the Group.

In accordance with the principles of"unified planning, unified standards, hierarchical management, and hierarchical responsibility", the Group and its branches carried out employee education comprehensively under the guidance of strengthening the enterprise with talents, serving the common development of the enterprise and employees, meeting the actual work needs of the Group, the focus on-the-job training, and building a high-quality team of employees.

The Group leads the staff training to implement a hierarchical management model for its headquarters and branches. The branches are responsible for the education, implementing the education and training tasks and plans assigned by the superior companies, formulating and implementing the training plans of the Company. During the Reporting Period, the total training rate of the Group's employees reached 100%, and the training rate of new employees reached 100% as well.

	2021	2020
Percentage of employees trained by gender		
Male employees	83%	83%
Female employees	17%	17%
Percentage of employees trained by level		
Senior management	3%	4%
Department head	12%	18%
Other office staff	30%	11%
General workers, technicians	55%	67%

	2021	2020
Average training hours of employees by gender (hours)		
Male employees	143	146
Female employees	73	46
Average training hours of employees by level (hours)		
Senior management	110	61
Department head	90	53
Other office staff	60	57
General workers, technicians	60	79

Case 3: In order to enable new employees to grasp skills rapidly, the Human Resources Department of Datang Beijing-Tianjin-Hebei Renewable Power Company Limited organized centralized training for new employees to help them complete the transformation from students to qualified employees. Coding into the team and keeping up with the job to combine theoretical knowledge and on-site practice are more in line with the actual production.

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited launched induction training for new employees

5.4 Employee Communication and Care

The Group adheres to the"people-oriented"principle, cherishes employees' work, and provides more considerate care. Because of the scattered wind farms and power stations, it is challenging to concentrate personnel to carry out cultural and sports activities. The labour union has played critical role in response to this situation. Each labour union independently carried out recreational and sports activities practically. It carried out various activities to enrich the cultural life of employees to solve the problem that people could not gather. Since implementing this measure, each division of labour has carried out tug-of-war, chess and card games, basketball, billiards and other competitions. The headquarters of the Group has carried out activities for female, which enriches the spare time of employees, helping them relieve pressure, stimulating vitality, and effectively enhancing their sense of achievement, happiness and security.

Case 4: In order to promote the construction of Harmonious Datang and effectively serve the employees, Datang Renewable has included the"Home of Employees"into the list of the second batch of key livelihood projects of"doing practical things for public"on the basis of surveys in the form of heart-to-heart talks and questionnaires, and made great efforts to solve the worries. Members of the leadership team are personally responsible for clarifying work measures and time nodes, working hard and transforming the effectiveness of Party history learning into work efficiency. Based on the research, the Company reasonably formulated the construction plan of "Home for Employees", which was divided into three stages to promote the project, and followed the "three focuses" and "three builds". The Company built a recreation center to serve the public.

Employees practice calligraphy in"Home of Employees"

Case 5: Due to the advantage of "horsemen in Northern Datang", Datang Inner Mongolia Renewable Power Company Limited built a literary and artistic team. Since June 25 of 2021, the first batch of "follow the Party and head a new journey" condolence activities started. All 15 performers came from the grassroots organizations of the branches. The performance team went to the grassroots level of production such as wind power stations and photovoltaic bases in the grasslands of Inner Mongolia to bring joy to the workers and the public. The team was warmly welcomed by the employees at the frontline, enriching their work and life.

Datang Inner Mongolia Renewable Power Company Limited
carried out cultural activities

During the Reporting Period, the Group's branches provided a variety of activities for employees:

Basketball match organized by Datang Anhui Renewable Power Company Limited

Smile Collection Activity organized by Datang Ningxia Renewable Power Company Limited

"Riding to the Future" organized by Datang Fujian Renewable Power Company Limited

Flower Arrangement activity organized by Datang Heilongjiang Renewable Power Company Limited

6. PAYBACK TO SOCIETY

In 2021, Datang Renewable has always kept to be active in social welfare, poverty alleviation, combating the pandemic and other fields, and promotes social harmony and sustainable development with all parties while supplying clean energy to the society.

6.1 Social Welfare

The Group strictly complies with *the Law of the People's Republic of China on Donations for Public Welfare and the Circular of the Ministry of Finance on Strengthening the Financial Administration of the Donations Made by Enterprises* and other relevant laws and regulations. Also, the Group comprehensively control the flow of funds, prevent and resolve business risks, and ensure the standardization and accuracy of donations according to the Datang Group's External Donation Management Measures.

During the Reporting Period, the Group invested a total of RMB2.07 million in social welfare.

Case 1: On March 4 of 2021, Datang Inner Mongolia Renewable Power Company Limited organized league members to visit special children in Hohhot Special Education School. It is the 10th year of the branch's participation in the special school education, with more than 2,000 participants and more than RMB100,000 donations raised. The Group will continue the activities to show Datang Renewable's care for the society and children, and encourage more people to help the children in need.

Donation activity of Datang Inner Mongolia Renewable Power Company Limited

Case 2: In order to fully demonstrate the brand image of China Datang, Datang Inner Mongolia Renewable Power Company Limited carried out a wide range of social practice and volunteer service activities for farmers and herdsmen in the society and minority areas via "Datang Youth Hand in Hand"project, including the volunteer service activity of "removing grassland garbage and protecting the ecological environment", helping change the aging power lines and distributing safety knowledge brochures, etc. There were a total of 13 volunteer service activities carried out in 2021. The diversified volunteer service activities protect the grassland environment and help herdsmen better understand the scientific use of electricity, and the employees also have a great harvest.

Datang Inner Mongolia Renewable Power Company Limited
promotes knowledge on safe use of electricity

Case 3: On July 24 of 2021, Datang Ningxia Renewable Power Company Limited organized cadres to visit Wang Lanhua, the winner of the"July 1 Medal". Wang Lanhua's personal experience and her details in volunteer service impressed each party member and cadre so deeply which inspired everyone with the power of selfless dedication.

Employees of Datang Ningxia Branch visited Wang Lanhua, the winner of"July 1 Medal"

6.2 Poverty Alleviation

The Group actively responds to the national poverty alleviation strategy, and its branches deeply participate in local poverty alleviation, fulfill the Group's social responsibility, and contribute to the process of social poverty alleviation.

Case 4: In 2021, Datang Inner Mongolia Renewable Power Company Limited specially applied for the approval of supporting funds used for the maintenance of village and installation of street lamps. The company donated RMB200,000 to poverty alleviation village. Meanwhile in 2021, the branch company dispatched an additional village cadre to Gacha, designated by Xingan League, to carry out rural revitalization work. In addition, the consumption poverty alleviation project accumulated to RMB46,600 contributing to the consolidation of poverty alleviation achievements.

Special lecture on poverty alleviation delivered by
Datang Inner Mongolia Renewable Power Company Limited

Case 5: Datang Shanxi Renewable Power Company Limited held a series of activities in Huatan Village, Hunyuan County, the targeted poverty alleviation village. Combining of online and offline activities, the Company fully and intuitively demonstrated the huge changes brought by poverty alleviation and targeted poverty alleviation to this once poor village. During the live broadcast, the Company dispatched the head of poverty alleviation team of Huatan Village and the secretary of the Party Committee of Hexiang Village together with the head of the village to demonstrate the achievements in infrastructure construction, improvement of production and living conditions of villagers in the past three years, difficulties relief of poor students in school and development of flower industry. The live broadcast attracted a total of 1,700 viewers, which continuously improved the corporate image of "China Datang" and highly commended by the public.

Datang Shanxi Renewable Power Company Limited
launched a live broadcast of poverty alleviation

Case 6: In June of 2021, the labour union personnel of Datang Liaoning Renewable Power Company Limited led the employees to the primary school of Chaoyang Poverty Alleviation Village to carry out the activity of "Heart to the Party and Colorful Childhood". They introduced 100 years of Party history, popularized the electricity safety knowledge, sang red songs together with the students, and contributed Datang's strength in carrying forward the fine Chinese traditional virtues.

Datang Liaoning Renewable Power Company Limited launched the"star classroom"

6.3 Combating the Pandemic

Under the severe COVID-19 pandemic, the Group worked together to protect the health of employees and internal safe operation, while providing support for the community where it operates to fight against COVID-19.

Case 7: Datang Inner Mongolia Renewable Power Company Limited improved the management of pandemic prevention, reinforced the responsibility, strictly implemented the strategy of"preventing imported cases and preventing rebound within the country", focused on various prevention work, and ensured the realization the goal of zero infection in 2021.

Datang Inner Mongolia Renewable Power Company Limited
took actions to participate in the pandemic prevention and control

Case 8: Since November 3 of 2021, four party members of Datang Gansu Renewable Power Company Limited carried out volunteer service activities for pandemic prevention and control in the local community, actively undertaking environmental disinfection, gate duty, nucleic acid testing, QR code temperature measurement, investigation and registration, and material distribution. On November 4, Lanzhou City carried out the sixth nucleic acid test, which caused heavy work for volunteers. Since 6: 30 a.m. of that day, after more than 6 hours of unremitting efforts, the collection points completed the nucleic acid sample collection for 962 residents with the assistance of Datang volunteers.

Volunteers from Datang Gansu Renewable Power Company Limited participated in pandemic prevention and control

7. HKES ESG GUIDE CONTENT INDEX

A. ENVIRONMENTAL

Subject Areas, Aspects, General Disclosures and KPIs		Description	Locations of Disclosure or Remarks
Aspect A1: Emissions			
General Disclosure	Information on:		4. Green Operation
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
Key Performance Indicators	A1.1	The types of emissions and respective emissions data.	4. Green Operation
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4. Green Operation
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4. Green Operation
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4. Green Operation
	A1.5	Description of emission target (s) set and steps taken to achieve them.	4. Green Operation
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	4. Green Operation

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		4. Green Operation
Key Performance Indicators	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in' 000s) and intensity (e.g. per unit of production volume, per facility).	4. Green Operation
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4. Green Operation
	A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	4. Green Operation
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them.	4. Green Operation
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company's business nature does not involve packaging materials used for finished products
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.		4. Green Operation
Key Performance Indicators	A3.1	Policies on minimising the issuer's significant impacts on the environment and natural resources.	4. Green Operation
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		4. Green Operation
Key Performance Indicators	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4. Green Operation

B. SOCIETY

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect B1: Employment			
General Disclosure	Information on:		5. Care for Employees
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
Key Performance Indicators	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	5. Care for Employees
	B1.2	Employee turnover rate by gender, age group and geographical region.	5. Care for Employees
Aspect B2: Health and Safety			
General Disclosure	Information on:		5. Care for Employees
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
Key Performance Indicators	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3. Stable operation 5. Care for Employees
	B2.2	Lost days due to work injury.	3. Stable operation 5. Care for Employees
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3. Stable operation 5. Care for Employees

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		5. Care for Employees
Key Performance Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5. Care for Employees
	B3.2	The average training hours completed per employee by gender and employee category.	5. Care for Employees
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		5. Care for Employees
Key Performance Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5. Care for Employees
	B4.2	Description of steps taken to eliminate such practices when discovered.	5. Care for Employees
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.		3. Stable operation
Key Performance Indicators	B5.1	Number of suppliers by geographical region.	3 Stable operation
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	3 Stable operation
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3 Stable operation
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3 Stable operation

Subject Areas, Aspects, General Disclosures and KPIs		Description	Locations of Disclosure or Remarks
Aspect B6: Product Responsibility			
General Disclosure	Information on:		3. Stable operation
	(a)	the Policy; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
Key Performance Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3. Stable operation
	B6.2	Number of products and service related complaints received and how they are dealt with.	3. Stable operation
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3. Stable operation
	B6.4	Description of quality assurance process and recall procedures.	3. Stable operation
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	3. Stable operation
Aspect B7: Anti-corruption			
General Disclosure	Information on:		3. Stable operation
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
Key Performance Indicators	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	3. Stable operation
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	3. Stable operation
	B7.3	Description of anti-corruption training provided to directors and staff.	3. Stable operation

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		6. Payback to Society
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6. Payback to Society
	B8.2	Resources contributed (e.g. money or time) to the focus area.	6. Payback to Society

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2021

1. Investors' Routine Visits

During the Reporting Period, the Group always gave detailed answers to the queries raised by analysts in compliance with the information disclosure rules. The Company had adequate communications and exchange of ideas with investors and analysts from a number of institutions via meetings, telephone calls, emails and WeChat. As of the end of 2021, it held 71 investor's conferences, which were attended by a total of 475 investors.

2. Results Briefings

During the Reporting Period, the Group organised and convened conferences for 2020 annual results and 2021 interim results online after overcoming difficulties in pandemic prevention and control. A total of 137 analysts participated in the conferences, with whom the Group communicated in aspect of industry development, business planning and production operation.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2022

In 2022, the Group will continue to pay attention to important policies of the new energy industry and capital market trend, constantly optimize discloseable information taking into account external focus. Based upon required publication of regular announcements, the Group will strive to improve public discloseable information, continuously improve our work for information disclosure, and continue to strengthen positive and proactive communication with the capital markets.

Profile of Directors, Supervisors and Senior Management

I. NON-EXECUTIVE DIRECTORS

Mr. Liu Jianlong, born in October 1962, is currently a full-time director assigned to subsidiaries of China Datang Corporation Ltd. (中國大唐集團有限公司) ("CDC"). Mr. Liu Jianlong started his career in July 1982, and successively served as the secretary of the Party committee and deputy general manager of Hunan branch of CDC; secretary of the Party committee, deputy general manager and head of discipline inspection committee of Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司) (a company listed on the Shanghai Stock Exchange (the "SSE"), stock code: 600744); deputy director of safety and production department and director of science, technology and informatization department of CDC; secretary of the Party group and deputy general manager of Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司); general manager and deputy secretary of the Party committee of Jiangxi branch of CDC; general manager and secretary of the Party committee of Datang Hubei Energy Development Co., Ltd. (大唐湖北能源開發有限公司); general manager and deputy secretary of the Party committee of Jiangxi branch of Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司) (a company listed on the Stock Exchange (stock code: 0991), the SSE (stock code: 601991) and the London Stock Exchange (stock code: DAT)); and director of the Yangtze River Economic Belt Planning and Development Center of CDC; and member of the Party group, deputy general manager and head of discipline inspection committee of Hunan Huayin Electric Power Co., Ltd. (湖南華銀電力股份有限公司) (currently known as Datang Huayin Electric Power Co., Ltd.). Mr. Liu Jianlong graduated from Wuhan University majoring in mechanical design and theories, and abtained a master's degree in engineering. He is currently a senior engineer.

Mr. Kuang Lelin, born in September 1966, is currently a member of the Party committee, deputy general manager and the chairman of the labor union of Datang Jilin Power Generation Co., Ltd. (大唐吉林發電有限公司). Mr. Kuang Lelin started his career in July 1989, and successively served as the head of material management department and head of project management department of CDC; and the chief human resources officer of Tianjin Electric Power Construction Company (天津電建公司). Mr. Kuang Lelin graduated from the Department of Management Science and Engineering of Wuhan University of Hydraulic and Electrical Engineering (武漢水利電力大學), obtained a master's degree in management. He is currently a senior engineer.

Mr. Yu Fengwu, born in August 1964, currently serves as an appointed full-time director of a subsidiary of China Datang Group Corporation Limited (中國大唐集團有限公司) ("CDC"). Mr. Yu Fengwu started his career in March 1982, served successively as the secretary of the general branch of the Youth League of Beijing Shijingshan General Power Plant, Jingxi Power Plant (北京石景山發電總廠京西電廠); secretary of the General Office of the Department of Energy (能源部); secretary of the General Office, chief staff member and deputy director of the Minister's Office of the Ministry of Electric Power Industry (電力工業部); deputy chief of the Secretariat of the General Office, deputy chief and office clerk (division-level) of the Secretariat of the General Manager's Work Department of State Power Corporation (國家電力公司); director of the Secretariat of the General Manager's Work Department of CDC; member of the Party group and deputy general manager of Datang Environmental Technology & Engineering Company Limited (大唐環境科技工程有限公司); deputy general manager, member of the Party group and chairman of the labor union of Datang Technology Industry Group Co., Ltd. (大唐科技產業集團有限公司); deputy general manager, member of the Party group and chairman of the labor union of Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (a company listed on the Stock Exchange, stock code: 1272); secretary of the Party group, secretary of the Party committee, deputy general manager, general manager and chairman of Datang Guizhou Power Generation Company Limited (大唐貴州發電有限公司); general manager and deputy secretary of the Party committee of China Datang Techno-Economic Research Institute Co., Ltd. (中國大唐集團技術經濟研究院有限責任公司); dean, and director of the educational department of the Party School of CDC Cadre Training College (大唐集團幹部培訓學院); general manager, secretary of the Party committee and executive director of Beijing Datang Xingyuan Property Management Co., Ltd. (北京大唐興源物業管理有限公司). Mr. Yu Fengwu graduated from the School of Business Administration of North China Electric Power University, majoring in technical economy and management, and obtained a master's degree in management. He currently serves as a senior economist.

Mr. Ye Heyun, born in December 1962, is currently a full-time director assigned to subsidiaries of China Datang Corporation Ltd. (中國大唐集團有限公司). Mr. Ye Heyun started his career in July 1983, and successively served as the senior staff member of the equipment division of Material Bureau of the Ministry of Water Resources and Electric Power (水利電力部物資局); assistant to the general manager, deputy general manager and member of the Party Committee of China National Water Resources & Electric Power Materials & Equipment Corporation (中國水利電力物資總公司); general manager and deputy secretary of the Party committee of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. (中國水利電力物資有限公司); director of procurement department and director of tender and bidding center of China Datang Corporation Ltd.; chairman and secretary of the Party Committee of China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd. (中國水利電力物資集團有限公司); chairman and secretary of the Party Committee of China Datang International Trading Corporation (中國大唐集團國際貿易有限公司). Mr. Ye Heyun graduated from the School of Economics and Management of Wuhan University majoring in executive business administration, and obtained a master's degree in management. He is currently a senior economist.

II. EXECUTIVE DIRECTORS

Mr. Liu Guangming, born in December 1971, has been re-designated as an executive Director of the Company since March 2019, appointed as the Chairman of the Board on 28 June 2021 and is currently the chairman of the Strategic Committee of the Company. He served as the non-executive Director of the Company from June 2016 to February 2019. He has been appointed as the general manager of the Company since March 2019 and has served as the chief economist of Datang Corporation since February 2018, He is a director of Guangxi Guiguan Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600236) and Datang Huayin Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600744) and a non-executive director of Datang Environment Industry Group Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 1272) since June 2016, and a director of the capital operation and asset management department of Datang Corporation from March 2016 to June 2019. Mr. Liu Guangming began his career in September 1993, and had successively served as the assistant to the director of the power transformation segment, the deputy head of Party committee, the head of administration office and of the Party committee office of Baoding Electric Power Bureau; a staff of directors' and supervisors' office of the personnel and director management department of the State Power Corporation; the deputy head of administration office of leading cadres of human resources department, the head of directors' and supervisors' office, the head of division II of administration office of leading cadres of China Huadian Corporation Ltd. (formerly known as China Huadian Corporation); the assistant to the general manager of China Huadian Capital Holdings Company Limited; the assistant to the general manager, deputy general manager and member of Party group of China Huadian Finance Corporation Limited; the general manager and deputy secretary of Party group of China Datang Finance Co., Ltd.. Mr. Liu Guangming graduated from North China Electric Power University majoring in electrical system and automation, and obtained a master's degree in engineering. He is currently a senior engineer.

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Chaoan, born in March 1956, joined the Company as an independent non-executive Director in July 2010. He is the chairman of the Nomination Committee and a member of the Remuneration and Assessment Committee. Mr. Liu was the chairman of the board of China Power Engineering Consulting Corporation North China Power Engineering Co., Ltd. ("NCPE," a company mainly providing engineering design, consulting and other related services to the power companies in the PRC) from December 2009 to August 2016 and served as the chairman of the board of North China Power Engineering (Beijing) Co., Ltd. (a subsidiary of NCPE) from December 2005 to December 2009 and vice general manager of North China Power Engineering Co., Ltd. from October 2000 to December 2005. He also served as an independent non-executive director of Datang Power from January 2007 to July 2010. Mr. Liu worked as a technician in Beijing Electric Power Design Institute in 1980 and successively worked as the professional section chief, deputy division chief, assistant to general manager of North China Electric Power Design Institute (predecessor of NCPE). Mr. Liu graduated from the Geological Institute of Jilin University in 1980 majoring in hydrogeology and obtained double bachelor degree in management engineering from Business Administration School of North China Electric Power University in 2001. Mr. Liu holds the attestation qualification of Registered Consulting Engineer, Registered Civil Engineer (Geotechnical), Certified Senior Project Manager of International Project Management Association (IPMA Level B) and Royal Institution of Chartered Surveyors (FRICS) membership, Chartered Builder of the Chartered Institute of Building (FCIOB) and is a professor-grade senior engineer (教授級高級工程師) (a senior title of qualification of speciality and technology for engineering professionals in the PRC).

Mr. Lo Mun Lam, Raymond, born in September 1953, has been an independent non-executive Director since he joined the Company in August 2013. He is the chairman of the Audit Committee and a member of the Nomination Committee. Mr. Lo is currently an executive director of Amasse Capital Holdings Limited. Mr. Lo, served as an executive director and co-managing partner of South Asian Investment Management Company from 21 January 2002 to 2016 and currently serves as an executive director and the licensee of SPDB International Holdings Limited, an investment bank of Shanghai Pudong Development Bank. Trained as a Chartered Accountant in England & Wales, he also qualified as a Canadian Chartered Accountant and also the member of International Bar Association. Mr. Lo is now pursuing a doctorate in law in the University of California and is licensed as a Responsible Officer by the Securities & Futures Commission of Hong Kong for providing Type 1 and 6 (corporate finance) advisory. He held directorate level and strategist positions with multinational financial and emerging companies internationally. He served as former chairman of the board of directors and an independent non-executive director (resigned in August 2013) of Luk Fook Holdings (International) Limited (stock code: 00590), the former vice chairman and a non-executive director of The Asian Capital Resources (Holdings) Limited (stock code: 08025), a former non-executive director and the chairman of audit committee (resigned in 2014) of Guangshen Railway Co., Ltd. (stock code: 00525), and a former independent non-executive director of Shanghai Zendai Property Limited (stock code: 00755) (resigned in June 2015). Mr. Lo graduated from the University of Wisconsin-Madison in business administration and obtained a master degree in law from at the University of Hong Kong, also obtained the certificate for postgraduate of sustainable development courses of Cambridge University and achieved certification of independent non-executive director qualified by SSE.

Mr. Yu Shunkun, born in May 1963, has been appointed as an independent non-executive Director of the Company since March 2015 and is currently a chairman of the Remuneration and Assessment Committee and a member of the Audit Committee. He holds a doctorate in management from the School of Economics and Management of North China Electric Power University. He has been a professor and doctoral supervisor with the School of Economics and Management of North China Electric Power University since July 1991. From September 1983 to July 1991, Mr. Yu was a teacher with the Department of Business Administration of Communication University of China. Being long engaged in the teaching administration in human resources management major, Mr. Yu was one of the "First Batch Trans-century Academic Leader Candidates of the Electric Power Ministry of China" (電力部首批跨世紀學術帶頭人培養對象) and "Excellent Backbone Youth Teachers of Beijing" (北京市優秀青年骨幹教師). Mr. Yu has a considerable academic standing and influence in his expertise filed and holds various social positions, mainly including: the visiting professor of various universities such as Tsinghua University, Peking University and Zhejiang University and the visiting research fellow of Chinese Academy of Personnel Science (中國人事科學研究院客座研究員).

IV. SUPERVISORS

Mr. Liu Quancheng, born in October 1963, has been the chairman of the Supervisory Committee of the Company from May 2019 and has served as the supervisor of Datang International Power Generation Co., Ltd. (a company listed on the Stock Exchange (stock code: 0991), the SSE (stock code: 601991) and the London Stock Exchange (stock code: DAT)) ("Datang Power") and the director of Datang Huayin Electric Power Co., Ltd. (a company listed on the SSE, stock code: 600744) since June 2016, has served as the director of the financial business department of Datang Corporation and the chairman of China Datang Group Finance Co., Ltd since March 2020 and served as the director of the financial management department of Datang Corporation from December 2015 to March 2020. Mr. Liu Quancheng started his career since August 1983, and had served as the chief accountant of Xinxiang Coal-fired Plant; the chief accountant of Luoyang Shouyangshan Electricity Plant; the head of the supervision and audit department, the deputy chief accountant and the head of financial and asset management department, and the chief accountant of Henan Branch of Datang Corporation; the deputy head of financial management department of Datang Corporation; and the chief accountant and a member of the Party group of Datang Power. Mr. Liu Quancheng graduated from Zhongnan University of Economics and Law (formerly known as Zhongnan University of Economics) majoring in finance and accounting, and obtained a bachelor's degree. He then obtained a master's degree of philosophy from Huazhong University of Science and Technology, majoring in philosophy of scientific technology. He also obtained a degree of executive master of business administration from Xiamen University, majoring in business administration. He is currently a senior accountant.

Ms. Ding Yu, born in June 1972, has been a Supervisor since she joined the Company in June 2017. She is the deputy director and director of financial management department of Datang Jilin since March 2017. From December 2016 to March 2017, she served as the deputy director of planning and marketing department of Datang Jilin. She held the post of chief accountant of Datang Changshan Thermal Power Plant from January 2014 to December 2016. She took special responsibilities in supervision and audit department of Datang Jilin from January 2013 to January 2014. From July 2007 to January 2013, she held the positions as the deputy director (in charge) of finance department and director of the multi-production finance department of the multi-operation headquarter (多經總公司多產財務部) of Datang Changchun No. 2 Cogeneration Power Co., Ltd. She took charge of accountancy, taxation and project management of finance department of Datang Changchun No. 2 Co-generation Power Co., Ltd. from March 1998 to July 2007. Ms. Ding Yu graduated from the Department of Economics of Northeast Normal University in July 1997 majoring in enterprise management and obtained a bachelor's degree of economics (distance-learning). She is a senior accountant (高級會計師).

Ms. Bai Xuemei, born in February 1969, has joined the Company and served as an employee representative Supervisor since 11 October 2019, and has served as the secretary of discipline inspection committee and the chairlady of the trade union of the Company since June 2019. Ms. Bai started working in July 1991 and served as the chief and the deputy chief of the Division of Remuneration and Insurance (Social Insurance Center) and the chief of the Division of Talents Development (Talents Assessment Center) of the Human Resources Department of Datang Corporation; the secretary of discipline inspection committee of the Company; and the secretary of discipline inspection committee and the chairlady of the trade union of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. Ms. Bai graduated from Beijing Union University in 1991 with a bachelor of science degree in electrical automation. She completed off-the-job study majoring in human resources in Renmin University of China from September 1995 to June 1996. She is currently a senior engineer and senior economist.

V. SENIOR MANAGEMENT

For biographical details of Mr. Liu Guangming, please refer to the section headed "Profile of Directors, Supervisors and Senior Management – II. EXECUTIVE DIRECTORS" of this report.

Ms. Wang Haiyan, born in February 1976, has been the chief accountant of the Company since March 2020. She served as a member of the Party Committee and Chief Accountant of China Datang Capital Holdings Co., Ltd. from August 2016 to March 2020. She served as a member of the Party group and the chief accountant of China Datang Coal Industry Co., Ltd. from March 2012 to August 2016. She served as a director of the finance and property right management department of China Datang Coal Industry Co., Ltd. from September 2009 to March 2012. She served as head of the finance and property right management department of China Datang Coal Industry Co., Ltd. from January 2009 to September 2009. She served as the deputy director of the finance and property right management department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from March 2008 to January 2009. She served as the chief accountant of China National Water Resources & Electric Power Materials & Equipment Shanghai Corporation from March 2007 to March 2008. She served as the deputy director of the finance and property right management department and the director of the treasury management centre of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from June 2005 to March 2007. She served as the vice general manager of the operations and finance department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from September 2003 to June 2005. Ms. Wang graduated from Dongbei University of Finance and Economics majoring in accounting, with a master's degree in management in March 2001. She is currently a senior accountant.

Mr. Pan Xiaokai, born in August 1971, has served as the Secretary to the Board of the Company since June 2021. He has served as the deputy general manager of the Company since August 2020. He served as the vice general manager, a member of the Party Committee and the chairman of the trade union of China Datang Capital Holdings Co., Ltd. from December 2016 to August 2020. He served as the general manager of Shanghai Datang Financial Leasing Company Limited from June 2015 to December 2016. He served as the manager of the comprehensive management department and the manager of Party-mass work department of China Datang Group Finance Co., Ltd from February 2013 to June 2015. He served as the manager of the comprehensive management department of China Datang Group Finance Co., Ltd from March 2012 to January 2013. He served as the vice manager of the comprehensive management department of China Datang Group Finance Co., Ltd from February 2009 to March 2012. Mr. Pan obtained a MBA degree from School of Economics and Management, Tsinghua University, majoring in business administration through on-the-job learning in December 2009. He is currently a chief editor (a senior title).

Mr. Cui Jian, born in July 1975, has been the Deputy General Manager of the Company since 22 April 2022. He served as the associate dean and member of the Party Committee of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. (中國大唐集團新能源科學技術研究院有限公司) from March 2021 to April 2022. He served as the deputy general manager and member of the Party Committee of China Datang Corporation Intelligent Energy Industry Co., Ltd. (中國大唐集團智慧能源產業有限公司). from October 2020 to March 2021. He been the joint company secretary of the Company from March 2018 to March 2021. Mr. Cui Jian served as the director of Planning and Development Department and the director of headquarters Office (Human Resources Department) of the Company from July 2019 to October 2020. He served as the director of Planning and Marketing Department of the Company from January 2012 to July 2019. Mr. Cui Jian served as the deputy director of the Capital Operation and Equity Management Department of the Company from February 2011 to January 2012. He served successively as project manager of the Renewable Energy Department, the deputy director of the Planning and Developing Department and deputy director of the Marketing and Sales Department of China Datang Technologies & Engineering Co., Ltd. from April 2007 to February 2011, during which, he was temporarily transferred to the Company to assist on the Company's listing process of H shares on the Main Board of the Hong Kong Stock Exchange since February 2010 until the Company's successful listing in December 2010. Before that, he served successively as the account manager of Shangbu Sub-branch, deputy manager of Credit Business Department, the manager of Risk Department and assistant to president of Donghu Sub-branch of Shenzhen Branch of China Construction Bank Corporation from July 1999 to April 2007. From September 1995 to July 1999, Mr. Cui Jian studied at the Business Administration School of Northeast Normal University (東北師範大學) majored in Economic Management and obtained his bachelor's degree in July 1999. From September 2006 to July 2008, Mr. Cui Jian studied at the Economics School of Jilin University (吉林大學) majored in World Economy and obtained his master's degree in July 2008.

Mr. Jia Hong, born in April 1965, has been the joint company secretary of the Company since March 2021. Mr. Jia Hong has been the head of the Securities Capital Department of the Company since July 2019. Mr. Jia Hong served as the head of the Planning and Finance Department of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. (中國大唐集團新能源科學技術研究院有限公司) from March 2018 to July 2019. He served as the director of the Capital Operation and Equity Management Department of the Company from January 2017 to March 2018. Mr. Jia Hong served successively as the chief financial officer and director of the Audit Department, secretary of the board of directors at China Power Media Group Co., Ltd. (中國電力傳媒集團有限公司) and executive director and general manager of China Power Media Group Wuhan Company (中電傳媒(武漢)有限公司) from October 2013 to December 2016. He served successively as deputy director and director of the finance department and chief financial officer at China Power Media Corporation Limited (中電傳媒股份有限公司) from November 2007 to September 2013, chief accountant at Tongxin Certified Public Accountants (同新會計師事務所) from October 2003 to November 2007, audit manager at Zhongruihua Certified Public Accountants (中瑞華會計師事務所) from January 2000 to September 2003, accountant and director of the finance department of Keyu Pump Plant of China Institute of Water Resources and Hydropower Research (中國水利水電科學研究院科禹泵廠) from September 1990 to January 2000, worker at the Instrument Factory of China Institute of Water Resources and Hydropower Research (中國水利水電科學研究院儀器工廠) from July 1983 to August 1990. From September 2005 to January 2008, Mr. Jia Hong studied in Accounting (top-up degree programme) at the School of Continuing Education of Renmin University of China (中國人民大學繼續教育學院) and obtained his bachelor's degree in January 2008. Mr. Jia Hong has obtained qualifications of PRC Certified Public Accountant, PRC Certified Public Valuer and PRC Registered Tax Agent.

I. PROFILE OF HUMAN RESOURCES

As at 31 December 2021, the Group had 3,981 employees in total, including 1,486 employees aged 30 or below, representing approximately 37.33% of the total; 1,479 employees aged between 31 to 40, representing approximately 37.15% of the total; 531 employees aged between 41 to 50, representing approximately 13.34% of the total; 485 employees aged 51 or above, representing approximately 12.18% of the total.

II. STAFF INCENTIVES

Based on its development needs, the Group clearly defined targets for various posts and further established, improved the mechanism of KPI+MBO+360 performance assessment system, made clear of its approach of stressing on both motivations and regulations, stimulated employees' enthusiasm and initiatives for work; established a working atmosphere that is fair and equitable, free and harmonious, that affirms personal values, encourages innovation, and with unimpeded information and knowledge sharing, allowing employees to showcase their talents in an open and equal environment, stimulating their sense of competition and giving full play to their potentials. The Group fully understand the personal needs and career development aspirations of our employees and provide them with a career path that suits their characteristics, aiming to accomplish mutual development of the employees and the Company.

III. STAFF REMUNERATION POLICY

The Group strictly implements national policies on payroll distribution, performs a basic salary system based on the position-points salary and adopts various incentive mechanisms to attract and keep talents. The Group establishes a sound assessment and evaluation system for staff, carries out the remuneration mechanism where the total amount of staff's salary is linked with the result of performance assessment. The Group has made reasonable internal payroll distribution to truly arouse the enthusiasm of all the staff and exert the security, incentive and restriction functions of remuneration.

IV. STAFF TRAINING

Guided by the concept of "value-based, efficiency-oriented", the Company actively carried out the plan of building a strong enterprise relying on talents and vigorously worked on building up three talents teams in management, technical and skilled personnel. It aimed to gradually establish and improve the talents cultivation system with its characteristics through "fostering, selecting, motivating and utilizing" talents, thus enabling the talents to play important roles in the development of the Company.

In 2021, the Group provided training programmes on business management, professional techniques and production skills, with 100% employees attending the trainings. Average hours of training per employee by gender for male and female are 143 hours/person and 73 hours/person, respectively. Average hours of training per employee by ranking for senior management, heads of department, other office staff and general and technical workers are 110 hours/person, 90 hours/person, 60 hours/person and 60 hours/person, respectively.

V. GUARANTEE OF STAFF RIGHTS

The Group strictly complies with the Labour Law of the PRC and the Labour Contract Law of the PRC and makes contributions to social insurance and housing provident fund for employees according to these laws, among which the social insurance includes basic pension insurance, medical and maternity insurance, occupational injury insurance and unemployment insurance. Based on the actual conditions, the Group has established enterprise annuity and supplemental medical insurance, prepared labour protection appliances and regularly organized medical examination for staff to further safeguard their vital interests.

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

OPINION

We have audited the consolidated financial statements of China Datang Corporation Renewable Power Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 167 to 313, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (CONTINUED)

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

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment	
As of 31 December 2021, the Group held property, plant and equipment amounted to RMB70,274.3 million. The management of the Company identified impairment indicators for some of the Group's property, plant and equipment which included (i) continuous losses suffered by certain operating wind farms in recent years as a result of the curtailment of wind power in view of the constantly low electricity demand and the limitation of the electricity transmission capacity in Northeastern China and the Gansu province; and (ii) the suspension of certain wind farms and energy management projects under development or construction. As a result, the Group performed impairment tests for the relevant cash-generating units ("CGUs") for which impairment indicators were identified. The carrying amount of the property, plant and equipment with impairment indicator identified under the relevant CGUs as of 31 December 2021 was material to the consolidated financial statements. The assessment of their value-in-use and fair value less costs of disposal was complex and involved significant judgement by management, subjective assumptions and estimation uncertainty. The Group's disclosures about the impairment of property, plant and equipment are included in Notes 2.14, 3, and 13 to the consolidated financial statements.	We performed audit procedures on the key assumptions and methodologies used by management. We evaluated the forecasted cash flows made by management with reference to the long-term strategic plans that were approved by management and assessed the key assumptions adopted, such as the future sales volume affected by the improvement on curtailment of wind power, the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects and the utilisation efficiency and operating costs, by comparing with historical information, the budget and feasibility report and adjustment factors with reference to external industry outlook reports and electricity prices and by checking to the approval from the National Development and Reform Commission on the on-grid price of the wind power industry in the region. Our assessment was also based on our understanding of the current market conditions and the latest government policy. We assessed the recoverable amounts of certain property, plant and equipment pending for disposal based on fair values less costs of disposal. We evaluated the fair value determined by management with reference to recent sales prices of similar assets within the same industry. We involved our internal valuation specialists to assist in the assessment of the methodologies and discount rates applied in the cash flow forecast. We also assessed the adequacy of the Group's disclosures in the consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of long-aged receivables	
Certain long-aged receivables which aged over three years mainly comprised other receivables from the Clean Development Mechanism ("CDM") projects, equipment sales and proceeds from disposals of projects and subsidiaries, and a trade debtor for services rendered. The expected credit losses on the long-aged receivables were assessed by considering the individual debtors. The balance of these long-aged receivables as at 31 December 2021, of which RMB203.3 million was included in "trade receivables" and RMB234.9 million was included in "prepayments, other receivables and other assets", was material to the consolidated financial statements and significant estimation and judgement were required in determining the expected credit losses by management. In assessing the expected credit losses for these receivables, the management of the Group has considered the specific factors, such as the ageing of the balances, the creditworthiness of the debtors and the historical loss experience. The Group's disclosures about the impairment of the long-aged receivables are included in Notes 2.15, 3, 19 and 21 to the consolidated financial statements.	We reviewed the settlement agreements, obtained direct confirmations from the debtors, and reviewed subsequent cash receipt evidence on the long-aged receivables. We assessed management's estimation on the expected credit losses and evaluated the basis and factors used in the estimation by evaluating the credit status, financial conditions and reputation of the debtors and history of payments by the debtors. We also assessed the adequacy of the Group's disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Siu Ki Ricky.

Ernst & Young
Certified Public Accountants

Hong Kong
30 March 2022

Consolidated Statement of Profit or Loss

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2021	2020
Revenue	4	11,625,086	9,372,031
Other income and other gains, net	5	279,640	300,235
Depreciation and amortisation charges	6	(4,445,184)	(3,838,585)
Employee benefit expenses	6	(1,021,101)	(768,294)
Material costs		(148,960)	(65,955)
Repairs and maintenance expenses		(507,039)	(303,754)
Other operating expenses	7	(1,211,542)	(773,508)
Operating profit		4,570,900	3,922,170
Finance income	8	22,451	37,203
Finance expenses	8	(2,121,769)	(2,136,818)
Finance expenses, net	8	(2,099,318)	(2,099,615)
Share of profits and losses of associates and joint ventures	16	(9,389)	56,930
Profit before tax		2,462,193	1,879,485
Income tax expenses	9	(376,484)	(326,892)
Profit for the year		2,085,709	1,552,593
Attributable to:			
Owners of the parent		1,831,295	1,186,861
Non-controlling interests		254,414	365,732
		2,085,709	1,552,593
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	10	0.1802	0.1275

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2021	2020
Profit for the year		2,085,709	1,552,593
Other comprehensive income:			
Other comprehensive income that may be reclassified to profit or loss in the subsequent periods:			
Exchange differences on translation of foreign operations		(1,340)	501
Share of other comprehensive income of joint ventures		–	(436)
Net other comprehensive income that may be reclassified to profit or loss in the subsequent periods		(1,340)	65
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value, net of tax	17	42,062	2,666
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		42,062	2,666
Other comprehensive income for the year, net of tax		40,722	2,731
Total comprehensive income for the year		2,126,431	1,555,324
Attributable to:			
Owners of the parent		1,870,403	1,191,191
Non-controlling interests		256,028	364,133
		2,126,431	1,555,324

Consolidated Statement of Financial Position

31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	13	70,274,337	64,703,731
Investment properties		18,739	19,499
Intangible assets	14	382,607	364,285
Right-of-use assets	15(a)	3,651,206	3,569,431
Investments in associates and joint ventures	16	929,071	990,458
Equity investments designated at fair value through other comprehensive income	17	104,905	68,287
Financial assets at fair value through profit or loss		8,972	9,728
Deferred tax assets	18	27,664	12,430
Prepayments, other receivables and other assets	19	2,301,729	2,955,973
Total non-current assets		77,699,230	72,693,822
Current assets			
Inventories	20	124,227	221,592
Trade and bills receivables	21	16,470,899	12,405,648
Prepayments, other receivables and other assets	19	1,628,778	1,483,077
Restricted cash	22	35,486	32,402
Time deposits	22	18,000	19,490
Cash and cash equivalents	22	3,119,959	3,052,717
Total current assets		21,397,349	17,214,926
Total assets		99,096,579	89,908,748
LIABILITIES			
Current liabilities			
Trade and bills payables	23	369,964	282,580
Other payables and accruals	24	9,402,040	7,168,674
Interest-bearing bank and other borrowings	25(b)	12,461,757	14,154,713
Current income tax liabilities		105,286	131,082
Total current liabilities		22,339,047	21,737,049
Net current liabilities		(941,698)	(4,522,123)

Consolidated Statement of Financial Position (Continued)

31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2021	2020
Non-current liabilities			
Interest-bearing bank and other borrowings	25(a)	45,414,484	40,171,571
Deferred tax liabilities	18	17,623	15,939
Other payables and accruals	24	185,518	251,471
Total non-current liabilities		45,617,625	40,438,981
Total liabilities		67,956,672	62,176,030
Net assets		31,139,907	27,732,718
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	7,273,701	7,273,701
Share premium	26	2,080,969	2,080,969
Perpetual note and bonds	27	14,294,047	12,250,087
Retained profits		4,665,948	3,666,475
Other reserves	28	(1,106,784)	(1,238,889)
		27,207,881	24,032,343
Non-controlling interests		3,932,026	3,700,375
Total equity		31,139,907	27,732,718

Liu Guangming	Wang Haiyan
Director	*Chief Accountant*

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds *(Note 27)*	Other reserves *(Note 28)*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2021	7,273,701	2,080,969	12,250,087	(1,238,889)	3,666,475	24,032,343	3,700,375	27,732,718
Profit for the year	–	–	520,614	–	1,310,681	1,831,295	254,414	2,085,709
Other comprehensive income for the year:								
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	40,279	–	40,279	1,783	42,062
Exchange differences on translation of foreign operations	–	–	–	(1,171)	–	(1,171)	(169)	(1,340)
Total comprehensive income for the year	–	–	520,614	39,108	1,310,681	1,870,403	256,028	2,126,431
Capital contributions from non-controlling interests	–	–	–	–	–	–	86,889	86,889
Cancellation of subsidiaries	–	–	–	–	–	–	(1,716)	(1,716)
Final 2020 dividend declared *(Note 11)*	–	–	–	–	(218,211)	(218,211)	–	(218,211)
Issuance of perpetual note and bonds, net of issuance costs	–	–	3,992,246	–	–	3,992,246	–	3,992,246
Repayment of perpetual note and bonds	–	–	(2,000,000)	–	–	(2,000,000)	–	(2,000,000)
Dividends paid to holders of perpetual note and bonds	–	–	(468,900)	–	–	(468,900)	–	(468,900)
Transfer from retained profits	–	–	–	92,997	(92,997)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(109,550)	(109,550)
As at 31 December 2021	7,273,701	2,080,969	14,294,047	(1,106,784)	4,665,948	27,207,881	3,932,026	31,139,907

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds *(Note 27)*	Other reserves *(Note 28)*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2020	7,273,701	2,080,969	–	(1,237,002)	2,951,129	11,068,797	3,432,053	14,500,850
Profit for the year	–	–	259,521	–	927,340	1,186,861	365,732	1,552,593
Other comprehensive income for the year:								
Share of other comprehensive income of joint ventures	–	–	–	(436)	–	(436)	–	(436)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	4,326	–	4,326	(1,660)	2,666
Exchange differences on translation of foreign operations	–	–	–	440	–	440	61	501
Total comprehensive income for the year	–	–	259,521	4,330	927,340	1,191,191	364,133	1,555,324
Capital contributions from non-controlling interests	–	–	–	–	–	–	51,706	51,706
Final 2019 dividend declared	–	–	–	–	(218,211)	(218,211)	–	(218,211)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	–	(94,192)	94,192	–	–	–
Issuance of perpetual note and bonds, net of issuance costs	–	–	11,990,566	–	–	11,990,566	–	11,990,566
Transfer from retained profits	–	–	–	87,975	(87,975)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(147,517)	(147,517)
As at 31 December 2020	7,273,701	2,080,969	12,250,087	(1,238,889)	3,666,475	24,032,343	3,700,375	27,732,718

Consolidated Statement of Cash Flows

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2021	2020
Cash flows from operating activities			
Profit before tax		2,462,193	1,879,485
Adjustments for:			
Depreciation of property, plant and equipment	6	4,225,484	3,747,509
Depreciation of right-of-use assets	6	166,526	45,339
Amortisation of intangible assets, long-term prepaid expenses and depreciation of investment properties	6	53,174	45,737
Losses on disposal of property, plant and equipment and intangible assets	5	51,066	8,706
Impairment of receivables	6	263,227	32,283
Write-down of inventories to net realisable value	6	7,140	–
Impairment of property, plant and equipment	6	338,524	244,793
Impairment of right-of-use assets	6	–	1,739
Impairment of an investment in a joint venture	6	46,903	–
Foreign exchange gains, net		(5,476)	(14,770)
Interest income from finance lease receivables	8	(343)	(1,887)
Interest expenses	8	2,126,566	2,146,869
Share of losses/(profits) of associates and joint ventures		9,389	(56,930)
Gains on restructuring of debts	5	(7,499)	(438)
Fair value gains on financial assets at fair value through profit or loss	5	(243)	(388)
Others, net		(15,793)	(33,659)
		9,720,838	8,044,388
Changes in working capital:			
Decrease/(increase) in inventories		90,225	(27,861)
Increase in trade and bills receivables		(4,491,212)	(2,888,942)
Increase in prepayments, other receivables and other assets		(151,775)	(120,996)
(Increase)/decrease in restricted cash		(3,084)	11,639
Increase/(decrease) in trade and bills payables		106,737	(93,829)
Increase in other payables and accruals		1,124,454	856,425
Cash generated from operations		6,396,183	5,780,824
Interest received		22,108	35,316
Income tax paid		(416,394)	(326,013)
Net cash flows from operating activities		6,001,897	5,490,127

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2021	2020
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		(8,211,895)	(9,238,282)
Proceeds from disposal of property, plant and equipment and intangible assets		20,590	1,555
Investments in associates and joint ventures	16(b)	(10,499)	(120,335)
Investments in equity investments designated at fair value through other comprehensive income	17	–	(9,749)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	17	–	357,138
Proceeds from disposal of financial assets at fair value through profit or loss		1,361	5,079
Proceeds from disposal of associates and joint ventures		1,656	9,382
Decrease/(increase) in time deposits		1,490	(19,490)
Dividends received from associates		38	26,893
Net cash flows used in investing activities		(8,197,259)	(8,987,809)
Cash flows from financing activities			
Proceeds from issuance of corporate bonds, medium-term notes and short-term bonds, net of issuance costs		15,745,912	10,745,846
Proceeds from issuance of perpetual note and bonds, net of issuance costs		3,992,246	11,990,057
Capital contributions from non-controlling interests		86,889	51,706
Proceeds from borrowings		16,112,579	20,051,846
Loans from related parties	29(a)	6,874,284	9,250,620
Repayments of perpetual note and bonds		(2,000,000)	–
Repayments of borrowings		(13,478,490)	(21,073,805)
Repayments of corporate bonds and short-term bonds		(12,150,000)	(12,000,000)
Repayments of loans from related parties	29(a)	(9,752,119)	(13,516,350)
Dividends paid	11	(218,211)	(218,211)
Dividends paid to non-controlling interests		(80,201)	(21,567)
Dividends paid to holders of perpetual note and bonds		(468,900)	–
Interest paid		(2,020,901)	(2,089,673)
Repayments of working capital provided by related parties		–	(12,550)
Principal portion of lease payments		(380,469)	(119,241)
Net cash flows from financing activities		2,262,619	3,038,678

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2021	2020
Net increase/(decrease) in cash and cash equivalents		67,257	(459,004)
Cash and cash equivalents at beginning of year		3,052,717	3,517,159
Effect of foreign exchange rate changes, net		(15)	(5,438)
Cash and cash equivalents at end of year	22	3,119,959	3,052,717
Analysis of balances of cash and cash equivalents:			
Cash and bank balances	22	3,119,959	3,052,717
Cash and cash equivalents as stated in the consolidated statement of cash flows	22	3,119,959	3,052,717

1. CORPORATE INFORMATION

China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (the "Company") was established as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 9 July 2010, as part of the reorganisation of the wind power generation business of China Datang Group Corporation Limited (中國大唐集團有限公司) ("Datang Corporation"), a limited liability company established in the PRC and controlled by the PRC government. As at 31 December 2021, in the opinion of the directors of the Company, the ultimate holding company of the Company was Datang Corporation.

The Company and its subsidiaries (together, 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 6197, Floor 6, Building 4, Yard 49,Badachu Road of Shijingshan District, Beijing, the PRC.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRSs (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except that certain bills receivable, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern

As at 31 December 2021, the Group's current liabilities exceeded its current assets by approximately RMB941.7 million (31 December 2020: RMB4,522.1 million). The Group meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks and other financial institutions. The following is the Group's available sources of funds considered by the directors of the Company:

- The Group's expected net cash inflows from operating activities in 2022;
- Unutilised banking facilities of approximately RMB15,956.7 million (Note 31.1(c)) as at 31 December 2021, of which banking facilities of RMB1,500.0 million are not subject to renewal during the next 12 months from the end of the reporting period. As at 31 December 2021, the directors of the Company were of the opinion that such covenants of unutilised banking facilities have been complied with and are confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing; and
- Other available sources of financing from banks and other financial institutions given the Group's credit history. There were corporate bonds of RMB10,000.0 million approved by the China Securities Regulatory Commission ("CSRC") but not yet issued, asset-backed notes of RMB2,000.0 million, short-term financing bonds of RMB4,250.0 million and medium-term notes of RMB6,200.0 million registered in the National Association of Financial Market Institutional Investors ("NAFMII") but not yet issued as at 31 December 2021. Except for the asset-backed notes that are valid until August 2022, the approvals and registrations mentioned above are effective and valid for the next 12 months from the end of the reporting period.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries for the year ended 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation (Continued)

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

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

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)*

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

The nature and the impact of the revised IFRSs are described below:

(a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

As at 31 December 2021, the Group had certain interest-bearing bank and other borrowings denominated in RMB based on various Interbank Offered Rates or the Loan Prime Rate announced by the People's Bank of China ("PBOC"). Since the interest rates of these borrowings were not replaced by RFR during the current year, these amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFR in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met. The group does not expect the changes and the application of the amendments will result in significant gains or losses.

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

(b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. As there is no rent concession event occurred in the Group in the current period, the amendment did not have any significant impact on the Group's financial statements.

2.3 Issued but not yet effective International Financial Reporting Standards

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

Amendments to IFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17	*Insurance Contracts*[2]
Amendments to IFRS 17	*Insurance Contracts*[2, 4]
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparation Information*[2]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to IAS 8	*Definition of Accounting Estimates*[2]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Annual Improvements to IFRSs 2018–2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41[1]

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for annual periods beginning on or after 1 January 2023

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is described below:

(a) Amendments to IFRS 3 are intended to replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(b) Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

(c) Amendments to IAS 1 *Classification of liabilities as current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(d) Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

(e) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

(f) Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(g) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The Group is currently assessing the impact that the amendments will have on current practice.

(h) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(i) *Annual Improvements to IFRSs 2018–2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.4 Business combinations and goodwill

(a) Common control business combinations

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations and goodwill (Continued)

(a) Common control business combinations (Continued)

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

(b) Other business combinations

The Group applies the acquisition method to account for business combinations other than common control business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations and goodwill (Continued)

(b) Other business combinations (Continued)

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

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

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Investments in associates and joint ventures

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

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates and joint ventures are accounted for using the equity method. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

The Group's share of the post-acquisition profit or loss is recognised in profit or loss. Any change in other comprehensive income of those investees is included in the Group's consolidated other comprehensive income. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Investments in associates and joint ventures (Continued)

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

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

2.6 Segment reporting

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

2.7 Related parties

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

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

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

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

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

or

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Related parties (Continued)

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

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

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

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

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

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

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

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

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

2.8 Fair value measurement

The Group measures its certain trade and bills receivables, equity investments designed at fair value through other comprehensive income, financial assets at fair value through profit or loss at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Fair value measurement (Continued)

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

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

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

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

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

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

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

2.9 Foreign currency translation

(a) Functional and presentation currency

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign currency translation (Continued)

(b) Transactions and balances

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

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

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

(c) Group companies

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

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

(ii) income and expenses in each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates at the dates of the transactions); and

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign currency translation (Continued)

(d) Disposal of a foreign operation and partial disposal

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

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

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Buildings and plant	8 – 50 years
Generators and related equipment	
– Wind turbines	20 years
– Others	5 – 30 years
Transportation facilities	10 years
Office equipment and others	3 – 9 years

The Group adjusted the estimated useful life of transportation facilities from 6 years to 10 years from 1 July 2021 (Note 13).

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investment properties

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

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

Buildings	30 years

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

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

2.12 Intangible assets (other than goodwill)

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets (other than goodwill) (Continued)

(a) Concession assets

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

(b) Computer software

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

(c) Development costs

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

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

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Intangible assets (other than goodwill) (Continued)

(c) Development costs (Continued)

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

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

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

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

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

2.13 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land & Sea use rights	10 – 50 years
Buildings and structures	2 – 20 years
Generators and related equipment	4 – 20 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease.

The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, (only if there are revalued assets in the financial statements) unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets

(a) Classification

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(a) Classification (Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets designated at fair value through other comprehensive income (equity investments)

The Group elects to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(a) Classification (Continued)

Subsequent measurement (Continued)

(iii) Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(c) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

(c) Impairment of financial assets (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.16 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables by the Group as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, interest-bearing bank and other borrowings and financial liabilities included in other payables and accruals.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Financial liabilities (Continued)

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.17 Offsetting of financial instruments

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Inventories

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

2.19 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.20 Borrowing costs

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

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxation

(a) Current and deferred income tax

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxation (Continued)

(a) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

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

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

(iii) Offsetting

Deferred income tax assets and liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity and the same taxation authority or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Taxation (Continued)

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

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

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

2.22 Employee benefits

(a) Pension and other social obligations

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

(b) Housing fund

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Contingencies

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

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

2.24 Provisions

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

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

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

2.25 Perpetual securities

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of electricity and goods

Revenue from the sale of electricity and goods is recognised at the point in time when control of the asset is transferred to the customer, generally when electricity is supplied to the provincial grid companies.

(b) Rendering of other services

The Group provides certain energy performance services, repairs and maintenance services, and other services to external parties, and recognises the related revenue over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2.27 Dividend distribution

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

Proposed final dividends are disclosed in the notes to the financial statements.

2.28 Contract liability

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Going concern

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

(b) The control assessment of Shanghai Dong Hai Wind Power Generation Co., Ltd. ("Shanghai Dong Hai") and Jilin Wind Power Generation Co., Ltd. ("Jilin Wind Power")

The Group regards Shanghai Dong Hai (details of which are included in Note 32) and Jilin Wind Power as subsidiaries. In determining whether the Group has control over these entities, the Group has taken into account its power through contractual arrangements with other shareholders of Shanghai Dong Hai and Jilin Wind Power over their financial and operating policies. In the opinion of the Company's directors, the Group has control over Shanghai Dong Hai and Jilin Wind Power even if the Group holds less than a majority of their equity interests.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

(c) Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of buildings and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Useful lives of property, plant and equipment

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment and concession assets

The Group performs impairment test on property, plant and equipment and concession assets whenever any impairment indication exists. In accordance with Note 2.14 to the financial statements, an impairment is recognised at the amount by which the asset's or related cash-generating unit's carrying amount exceeds its recoverable amount which is the higher of its value in use and fair value less cost of disposal. Certain operating wind farms of the Group have suffered continuous losses in recent years as a result of the curtailment of wind power in view of the constantly low electricity demand and the limitation of the electricity transmission capacity in Northeastern China and the Gansu province; and the suspension of certain wind and energy management projects under development or construction. These wind farms and projects are affected by the future market demand on wind electricity in their regions, the progress of the grid connection system which transmits electricity from power generation companies and the approval of projects from governmental authorities.

When value in use calculations are undertaken, the management's critical estimates and assumptions include future sales volume affected by the improvement on curtailment of wind power, the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects and the utilisation efficiency, operating costs, electricity prices and discount rates applied to the forecasted future cash flows. The Group assesses the recoverable amounts of concession assets and certain property, plant and equipment based on the fair values less costs of disposals which involved significant management judgements and estimations over the sales prices and the related disposal costs. When the actual results of the assessment of the recoverable amounts of these property, plant and equipment and concession assets are different from their original estimates, the carrying amounts of these assets will be adjusted accordingly against profit or loss.

(c) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(c) Provision for expected credit losses on trade receivables (Continued)

As at 31 December 2021, the long-aged account receivables except for tariff premium of renewable energy was RMB203.3 million. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 21 to the financial statements.

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

As at 31 December 2021, the Group reviews its CDM assets and other long-aged receivables amounting to RMB234.9 million in aggregate to assess impairment. The Group makes judgements and assumptions in determining the allowance for ECLs on these financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Factors affecting this estimate include, among other things, the credit status and financial conditions and reputation of the debtors, history of payments by the debtors (e.g. payment delinquency or default) and forward-looking factors specific to the debtors and the economic environment. The effect of these factors requires significant judgement to be applied in the estimation of future recoverable amounts. The Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from CDM assets and other long-aged receivables. It is reasonably possible that if there is a significant change in circumstances including the Group's business in relation to CDM projects, the status of and relationship with the debtors and the external environment, the financial performance within the next financial year would be significantly affected and the ECL allowance would be adjusted. The information about the ECLs on the Group's other receivables is disclosed in Note 19 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(e) Income tax

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

(f) Fair value of unlisted equity investments

Some of the unlisted equity investments have been valued based on a market-based valuation technique as detailed in Note 30 to the financial statements or assessed by third party through evaluating the discounted cash flow. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2021 was RMB62.6 million (31 December 2020: RMB60.4 million). Further details are included in Note 30 to the financial statements.

(g) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION

(a) Segment information

Management has determined the operating segments based on the information reviewed by the executive directors and certain senior management (including chief accountant) (together referred to as the "Executive Management") for the purposes of allocating resources and assessing performance.

The Executive Management considers the performance of all businesses on a consolidated basis as all other renewable power businesses except the wind power business were relatively insignificant for the years ended 31 December 2021 and 2020. Therefore, the Group has one single reportable segment, which is the wind power segment.

The Company is domiciled in the PRC. During the year ended 31 December 2021, all (2020: all) of the Group's revenue was derived from external customers in the PRC.

As at 31 December 2021, all (31 December 2020: all) of the non-current assets were located in the PRC (including Hong Kong).

For the year ended 31 December 2021, all (2020: all) revenue from the sales of electricity was charged to the provincial power grid companies in which the Group operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

(b) Revenue

An analysis of revenue is as follows:

	2021	2020
Revenue from contracts with customers	**11,605,188**	9,361,499
Revenue from other sources		
Gross rental income from investment properties leases:		
Other lease payments, including fixed payments	**19,898**	10,532
	11,625,086	9,372,031

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

Wind power segment	2021	2020
Types of goods or services		
Sale of electricity	11,568,431	9,334,458
Other services	36,757	27,041
Total revenue from contracts with customers	11,605,188	9,361,499
Timing of revenue recognition		
Goods transferred at a point in time	11,568,431	9,334,458
Services transferred over time	36,757	27,041
Total revenue from contracts with customers	11,605,188	9,361,499

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2021	2020
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Other services	2,638	3,057

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of electricity

The Group's contracts with customers for the power generation and sale generally include one performance obligation. The Group has concluded that the performance obligation is satisfied at a point in time and revenue continues to be recognised upon transmission to the customers.

Rendering of other services

The Group provides energy performance services, repairs and maintenance services, and other services to external parties, and recognises the related revenue over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and 2020 were as follows:

	2021	2020
Within one year	461	2,640
After one year	2,522	2,981
	2,983	5,621

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year related to construction and maintaining services, of which the performance obligations are to be satisfied within two to fifteen years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

(Amounts expressed in thousands of RMB unless otherwise stated)

5. OTHER INCOME AND OTHER GAINS, NET

	2021	2020
Government grants	296,079	311,465
Fair value gains on financial assets at fair value through profit or loss	243	388
Gain on disposal of financial assets at fair value through profit or loss	361	51
Compensation from wind turbine suppliers *(Note)*	2,250	7,942
Losses on disposal of property, plant and equipment and intangible assets	(51,066)	(8,706)
Compensation, liquidated damages and fines	32,553	(5,609)
Gains on restructuring of debts	7,499	438
Gains/(losses) on disposal of investment in associates and joint ventures	656	(1,270)
Others	(8,935)	(4,464)
	279,640	300,235

Note: Compensation from wind turbine suppliers represents compensation for revenue losses incurred due to the delays of the provision of maintenance services and poor conditions of spare parts within the warranty periods provided by relevant suppliers.

(Amounts expressed in thousands of RMB unless otherwise stated)

6. PROFIT BEFORE TAX

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

	2021	2020
Employee benefit expenses (including directors' and supervisors' remuneration *(Note 12)*)		
– salaries and staff welfares	731,678	680,133
– retirement benefits – defined contribution plans *(Note (i))*	133,312	54,389
– staff housing fund *(Note (ii))*	65,310	51,653
– other staff costs	119,378	83,619
	1,049,678	869,794
Less: Employee benefit expenses capitalised in property, plant and equipment and intangible assets	(28,577)	(101,500)
	1,021,101	768,294
Depreciation of property, plant and equipment *(Note 13)*	4,225,484	3,747,509
Amortisation of intangible assets *(Note 14)*	23,554	21,375
Amortisation of long-term prepaid expenses and depreciation of investment properites	29,620	24,362
Depreciation of right-of-use assets *(Note 15)*	166,526	45,339
Research and development costs *(Note 7)*	9,941	631
Auditors' remuneration		
– audit and audit related services	9,320	8,000
– non-audit services	350	650
Foreign exchange gains, net *(Note 8)*	(4,797)	(10,051)
Impairment of property, plant and equipment *(Note 7)*	338,524	244,793
Impairment of right-of-use assets *(Note 7)*	–	1,739
Impairment of investment in a joint venture *(Note 7)*	46,903	–
Write-down of inventories to net realisable value *(Note 7)*	7,140	–
Impairment of receivables *(Note 7)*	263,227	32,283
Lease payments not included in the measurement of lease liabilities *(Note 7)*	50,338	17,431
Government grants *(Note 5)*	(296,079)	(311,465)
Fair value gains on financial assets at fair value through profit or loss *(Note 5)*	(243)	(388)
Gain on disposal of financial assets at fair value through profit or loss *(Note 5)*	(361)	(51)
Losses on disposal of property, plant and equipment and intangible assets *(Note 5)*	51,066	8,706
Gains on restructuring of debt *(Note 5)*	(7,499)	(438)
Compensation from wind turbine suppliers *(Note 5)*	(2,250)	(7,942)
Compensation, liquidated damages and fines *(Note 5)*	(32,553)	5,609

6. PROFIT BEFORE TAX (CONTINUED)

Notes:

(i) Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at rates ranging from 14% to 20% (2020: 14% to 20%) of the specified salaries of the employees in the PRC. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

In addition, the Group has implemented a supplementary defined contribution retirement scheme in accordance with Datang Corporation's policy. Under this scheme, the Group is required to make specified contributions at a rate of 5% (2020: 5%) of the total salaries of qualified employees. These employees will receive the total contributions and any returns thereon upon their retirements.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions for the state-regulated retirement plan. For the supplementary defined contribution retirement scheme, provided that employees are dismissed or cancelled the employment contract due to the violation of laws or disciplines, unvested contributions by the Company will be transferred back to the Company's account for the supplementary retirement scheme.

(ii) Housing fund

In accordance with the PRC housing reform regulations, the Group is required to make contributions to the state-sponsored housing fund at a rate of 12% (2020: 12%) of the specified salaries of the employees in the PRC. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances. The Group has no further obligations for housing benefits beyond the contributions made.

(Amounts expressed in thousands of RMB unless otherwise stated)

7. OTHER OPERATING EXPENSES

	2021	2020
Impairment of property, plant and equipment *(Note 13)*	338,524	244,793
Impairment of right-of-use assets *(Note 15(a))*	–	1,739
Impairment of investment in a joint venture *(Note 16)*	46,903	–
Write-down of inventories to net realisable value *(Note 20)*	7,140	–
Impairment of receivables	263,227	32,283
Tax and surcharges	115,657	108,172
Insurance premium	65,288	62,281
Utility fees	32,087	57,132
Travelling expenses	33,109	32,777
Professional service and consulting fees	43,378	33,604
Lease payments not included in the measurement of lease liabilities *(Note 15(c))*	50,338	17,431
Transportation expenses	17,027	17,755
Information technology expenses	27,733	22,377
Property management fees	13,281	10,891
Office expenses	11,403	9,646
Technical supervision service fees	21,419	23,893
Entertainment expenses	3,308	2,983
Research and development costs	9,941	631
Others	111,779	95,120
	1,211,542	773,508

(Amounts expressed in thousands of RMB unless otherwise stated)

8. FINANCE INCOME/FINANCE EXPENSES

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

	2021	2020
Finance income		
Interest income on deposits with banks and other financial institutions	7,825	10,146
Interest income on deposits with a related party	14,283	25,170
Interest income from finance lease receivables	343	1,887
	22,451	37,203
Finance expenses		
Interest on bank and other borrowings	(2,095,967)	(2,301,178)
Interest on lease liabilities *(Note 15 (b))*	(124,599)	(73,505)
Unwinding of discount on asset retirement obligations *(Note 24 (ii))*	(6,420)	(6,025)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	100,420	233,839
	(2,126,566)	(2,146,869)
Foreign exchange gains, net	4,797	10,051
	(2,121,769)	(2,136,818)
Finance expenses, net	(2,099,318)	(2,099,615)
Interest capitalisation rate	3.95%-5.22%	4.05%-5.22%

(Amounts expressed in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSES

	2021	2020
Current tax		
PRC enterprise income tax	379,970	320,346
Underprovision in prior years	10,064	9,073
	390,034	329,419
Deferred tax		
Recognition of temporary differences *(Note 18)*	(13,550)	(2,527)
Income tax expenses	376,484	326,892

For the year ended 31 December 2021, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 20% (2020: 7.5% to 15%), all other subsidiaries established in the PRC were subject to income tax at a rate of 25% (2020: 25%). Tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The preferential tax policies applicable to the Group are described as follows:

(a) Pursuant to CaiShui [2008] No. 116 issued by the Ministry of Finance and the State Administration of Taxation, and Guoshuifa [2009] No.80 issued by the State Administration of Taxation, the public infrastructure projects authorised after 1 January 2008 are each entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating years for the investment operating income.

(b) Pursuant to CaiShui [2011] No. 58 issued by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, from 1 January 2011 to 31 December 2020, the enterprise income tax will be levied at a reduced rate of 15% on the encouraged industrial enterprises in the western region. Pursuant to CaiShui [2020] No. 23 issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, this preferential tax policies validity was extended to 31 December 2030.

(c) Pursuant to CaiShui [2021] No.12 issued by the Ministry of Finance and the State Administration of Taxation, for the qualified small and micro enterprises, the income tax of the first RMB1.0 million of annual taxable profits, and the remaining part exceeding RMB1.0 million but not more than RMB3.0 million shall be calculated at 12.5% and 50% of taxable income respectively, with a reduced tax rate of 20%.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSES (CONTINUED)

The preferential tax policies applicable to the Group are described as follows: (Continued)

(d) Pursuant to CaiShui [2009] No.203 issued by the State Administration of Taxation, the enterprise income tax will be levied at a reduced rate of 15% for the eligible qualified high-tech enterprises.

For the year ended 31 December 2021, the joint ventures and associates were subject to an income tax rate of 25% (2020: 25%), and the share of income tax attributable to joint ventures and associates of nil (2020: RMB0.1 million) and RMB10.0 million (2020: RMB21.1 million) respectively, was included in "Share of profits and losses of associates and joint ventures".

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

	2021	2020
Profit before tax	2,462,193	1,879,485
Taxation calculated at the statutory tax rate	615,548	469,871
Income tax effects of:		
– Preferential income tax treatments	(467,350)	(313,953)
– Profits and losses attributable to associates and joint ventures	2,347	(14,233)
– Expenses not deductible for tax purposes	7,144	3,544
– Tax losses and temporary differences for which no deferred income tax asset was recognised	226,763	182,365
– Utilisation of previously unrecognised tax losses and temporary differences	(18,032)	(9,775)
– Underprovision for prior years	10,064	9,073
	376,484	326,892
Weighted average effective income tax rate	15.3%	17.4%

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in 2021 and were entitled to income tax exemption pursuant to the preferential tax regulation in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(a) Basic earnings per share

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, adjusted to reflect the interest on perpetual note and bonds, and the weighted average number of ordinary shares in issue during the year.

	2021	2020
Earnings		
Profit attributable to owners of the parent *(RMB'000)*	1,831,295	1,186,861
Interest on perpetual note and bonds *(RMB'000)*	(520,614)	(259,521)
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation *(RMB'000)*	1,310,681	927,340
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation *(thousands of shares)*	7,273,701	7,273,701
Basic earnings per share *(RMB)*	0.1802	0.1275

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2021 and 2020 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

(Amounts expressed in thousands of RMB unless otherwise stated)

11. DIVIDENDS

	2021	2020
Proposed final dividend – RMB0.03 (before tax) (2020: RMB0.03 (before tax)) per ordinary share	218,211	218,211

The dividend paid by the Company in 2021 was RMB218.2 million (2020: RMB218.2million).

A final dividend in respect of the year ended 31 December 2021 of RMB0.03 (before tax) per ordinary share, amounting to a total final dividend of RMB218.2 million, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

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

(a) Directors' and supervisors' remuneration

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

	2021	2020
Fees	600	600
Other emoluments:		
Salaries, allowances and benefits in kind	292	459
Discretionary bonuses	1,010	582
Pension scheme contributions	63	117
	1,365	1,158
	1,965	1,758

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

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

For the year ended 31 December 2021

	Notes	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors						
– Mr. Liu Guangming (劉光明)*		–	–	–	–	–
– Mr. Meng Lingbin (孟令賓)	(i)	–	96	449	23	568
Non-executive directors						
– Mr. Kou Wei (寇偉)*	(ii)	–	–	–	–	–
– Mr. Hu Shengmu (胡繩木)*	(iii)	–	–	–	–	–
– Mr. Wang Qiying (王琪瑛)*	(iv)	–	–	–	–	–
– Mr. Kuang Lelin (匡樂林)*	(v)	–	–	–	–	–
– Mr. Yu Fengwu (于鳳武)*	(vi)	–	–	–	–	–
– Mr. Liu Jianlong (劉建龍)*	(vii)	–	–	–	–	–
– Mr. Li Yi (李奕)*		–	–	–	–	–
– Mr. Liu Baojun (劉寶君)*	(viii)	–	–	–	–	–
Independent non-executive directors						
– Mr. Liu Chaoan (劉朝安)		200	–	–	–	200
– Mr. Lo Mun Lam (盧敏霖)		200	–	–	–	200
– Mr. Yu Shunkun (余順坤)		200	–	–	–	200
Supervisors						
– Mr. Liu Quancheng (劉全成)*		–	–	–	–	–
– Ms. Dingyu (丁宇)*		–	–	–	–	–
– Ms. Bai Xuemei (白雪梅)		–	196	561	40	797
		600	292	1,010	63	1,965

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

For the year ended 31 December 2020

	Notes	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors						
– Mr. Liu Guangming (劉光明)*		–	–	–	–	–
– Mr. Meng Lingbin (孟令賓)		–	231	367	63	661
Non-executive directors						
– Mr. Chen Feihu (陳飛虎)*	(ix)	–	–	–	–	–
– Mr. Kou Wei (寇偉)*	(ii)	–	–	–	–	–
– Mr. Hu Shengmu (胡繩木)*		–	–	–	–	–
– Mr. Li Yi (李奕)*		–	–	–	–	–
– Mr. Liu Baojun (劉寶君)*		–	–	–	–	–
Independent non-executive directors						
– Mr. Liu Chaoan (劉朝安)		200	–	–	–	200
– Mr. Lo Mun Lam (盧敏霖)		200	–	–	–	200
– Mr. Yu Shunkun (余順坤)		200	–	–	–	200
Supervisors						
– Mr. Liu Quancheng (劉全成)*		–	–	–	–	–
– Ms. Dingyu (丁宇)*		–	–	–	–	–
– Ms. Bai Xuemei (白雪梅)		–	228	215	54	497
		600	459	582	117	1,758

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

Notes:

(i) Mr. Meng Lingbin has resigned as an executive director of the Company with effect from 29 December 2021.

(ii) Mr. Kou Wei has been appointed as a non-executive director of the Company with effect from 11 May 2020 and resigned with effect from 25 October 2021.

(iii) Mr. Hu Shengmu has resigned as a non-executive director of the Company with effect from 25 October 2021.

(iv) Mr. Wang Qiying has been appointed as a non-executive director of the Company with effect from 29 December 2021.

(v) Mr. Kuang Lelin has been appointed as a non-executive director of the Company with effect from 25 October 2021.

(vi) Mr. Yu Fengwu has been appointed as a non-executive director of the Company with effect from 29 December 2021.

(vii) Mr. Liu Jianlong has been appointed as a non-executive director of the Company with effect from 25 October 2021.

(viii) Mr. Liu Baojun has resigned as a non-executive director of the Company with effect from 25 October 2021.

(ix) Mr. Chen Feihu has resigned as a non-executive director of the Company with effect from 11 May 2020.

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

During the year ended 31 December 2021, no emoluments were paid by the Group to any director or supervisor as an inducement to join or upon joining the Group or as compensation for loss of office (2020: Nil); and no director or supervisor waived or agreed to waive any emoluments (2020: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(b) Five highest paid individuals

The number of directors and supervisors and non-director/non-supervisor employees included in the five highest paid individuals for the years ended 31 December 2021 and 2020 is set forth below:

	2021	2020
Directors or supervisors	2	2
Non-director or non-supervisor employees	3	3
	5	5

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

	2021	2020
Salaries and other emoluments	614	443
Discretionary bonuses	1,505	755
Retirement benefits – defined contribution plans	113	87
	2,232	1,285

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

	Number of individuals	
	2021	2020
Nil to Hong Kong dollars ("HKD") 1,000,000	4	5
HKD1,000,001 to HKD1,500,000	1	–

During the year ended 31 December 2021, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2020: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings and plant	Generators and related equipment	Others *(Note)*	Construction In progress	Total
Year ended 31 December 2021					
Opening net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731
Additions	4,710	547,489	16,252	9,699,201	10,267,652
Transfer and reclassification	400,343	12,285,056	63,469	(12,767,223)	(18,355)
Other disposals	(4,097)	(66,387)	(1,172)	–	(71,656)
Depreciation	(192,664)	(4,040,270)	(35,577)	–	(4,268,511)
Impairment during the year	–	(10,764)	–	(327,760)	(338,524)
Closing net carrying amount	3,212,484	58,110,280	173,860	8,777,713	70,274,337
As at 31 December 2021					
Cost	4,638,328	88,978,868	522,365	9,180,643	103,320,204
Accumulated depreciation	(1,377,345)	(30,738,465)	(347,791)	–	(32,463,601)
Accumulated impairment	(48,499)	(130,123)	(714)	(402,930)	(582,266)
Net carrying amount	3,212,484	58,110,280	173,860	8,777,713	70,274,337
Year ended 31 December 2020					
Opening net carrying amount	2,996,179	47,559,698	132,700	8,366,553	59,055,130
Additions	1,795	161,509	9,188	9,500,338	9,672,830
Transfer and reclassification	234,666	5,347,796	22,931	(5,617,175)	(11,782)
Other disposals	(3,350)	(2,406)	(4,139)	–	(9,895)
Depreciation	(176,599)	(3,552,082)	(29,078)	–	(3,757,759)
Impairment during the year	(48,499)	(119,359)	(714)	(76,221)	(244,793)
Closing net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731
As at 31 December 2020					
Cost	4,239,680	76,242,611	452,085	12,339,303	93,273,679
Accumulated depreciation	(1,186,989)	(26,728,096)	(320,483)	–	(28,235,568)
Accumulated impairment	(48,499)	(119,359)	(714)	(165,808)	(334,380)
Net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731

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

(Amounts expressed in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the years ended 31 December 2021 and 2020, depreciation expense is analysed as follows:

	2021	2020
Depreciation expense recognised in profit or loss *(Note 6)*	4,225,484	3,747,509
Capitalisation as construction in progress	43,027	10,250
	4,268,511	3,757,759

As at 31 December 2021, certain property, plant and equipment was pledged as security for certain bank and other borrowings of the Group as set out in Note 25(c).

Impairment test for property, plant and equipment

For the year ended 31 December 2021, certain construction in progress was considered impaired due to the suspension of the construction progress for a long time and future discontinue plan of relevant subsidiaries. The Group's management estimated the recoverable amount based on fair value less costs of disposal of those assets was nil. An impairment loss of RMB327.8 million (2020: RMB53.7 million) was recognised in profit or loss in "other operating expenses". Certain subsidiaries and branch of the Company, namely China Datang Corporation Renewable Power Co., Ltd. Beijing Maintenance Branch, Datang Taihua Qiqihar Renewable Power Co., Ltd. and Datang Weifang New Energy Co., Ltd. were discontinued this year, and the accumulated impairment loss on construction in progress of RMB90.6 million was written off.

For the year ended 31 December 2021, certain property, plant and equipment for energy performance service were considered impaired as the related service contract was terminated and the management estimated the recoverable amount based on fair value less costs of disposal. Accordingly, an impairment loss of RMB10.8 million (2020: nil) was recognised in profit or loss in "other operating expenses". In 2020, Datang Qiannan Renewable Power Co., Ltd. ("Qiannan Renewable"), a subsidiary of the Company, planned to dismantle 17 wind turbines and booster stations in its wind farm named as the Dafengping project before 30 April 2021, in order to cooperate with the protection of the Duliu River Source Wetland Provincial Nature Reserve Protection Zone by Guizhou Province Duliu City. Impairment losses of RMB191.1 million and RMB1.7 million provided for the property, plant and equipment and right-of-use assets respectively, including RMB22.5 million provided for construction in progress, were recognised in profit or loss in "other operating expenses" as a result of the assessment as at 31 December 2020. The management reassessed the recoverable amounts of those assets based on fair values less costs of disposal at 31 December 2021, and no additional impairment need to be recognised.

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment test for property, plant and equipment (Continued)

For the year ended 31 December 2021, no impairment losses were provided for other property, plant and equipment of the Group based on value in use (2020: Nil). When indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each asset or CGU. The CGU is an entity. The carrying values of the assets or entities for which indication of impairment was identified were compared to their recoverable amounts, which were based predominantly on value in use. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the same cash flows of the fifth year. Other key assumptions applied in the impairment tests include the future sales volume, affected by the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects, and the utilisation efficiency, operating costs, electricity prices and discount rates. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopted pre-tax rates at 8.24% and 9.33% (31 December 2020: 9.41% and 14.67%) that reflect specific risks related to CGUs as the discount rates as at 31 December 2021.

According to the approval of the committee of the Communist Party of the Company during the twenty fourth meeting, the Group adjusted the estimated useful life of transportation facilities from 6 years to 10 years since 1 July 2021. Management adopts prospective application for the changes in accounting estimates. Upon adoption of the new useful life of transportation facilities, the depreciation charges of the Group would have decreased by approximately RMB1.7 million and the profit before taxation of the Group would have increased by approximately RMB1.6 million for the year ended 31 December 2021.

(Amounts expressed in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS

	Goodwill *(Note (iii))*	Concession assets *(Note (i))*	Computer and software	Technologies and tools *(Note (ii))*	Total
Year ended 31 December 2021					
Opening net carrying amount	58,055	227,023	72,317	6,890	364,285
Additions	–	–	2,594	21,265	23,859
Transferred from CIP	–	–	18,355	–	18,355
Other disposals	–	–	(338)	–	(338)
Amortisation charges	–	(15,282)	(8,272)	–	(23,554)
Closing net carrying amount	58,055	211,741	84,656	28,155	382,607
As at 31 December 2021					
Cost	58,055	640,028	147,473	28,155	873,711
Accumulated amortisation	–	(198,000)	(62,817)	–	(260,817)
Impairment	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	211,741	84,656	28,155	382,607
Year ended 31 December 2020					
Opening net carrying amount	58,055	242,619	54,342	6,634	361,650
Additions	–	–	6,645	13,859	20,504
Transfer and reclassification	–	–	5,692	(5,692)	–
Transferred from CIP	–	–	11,782	–	11,782
Transferred to property, plant and equipment	–	–	–	(7,911)	(7,911)
Other disposals	–	(315)	(50)	–	(365)
Amortisation charges	–	(15,281)	(6,094)	–	(21,375)
Closing net carrying amount	58,055	227,023	72,317	6,890	364,285
As at 31 December 2020					
Cost	58,055	640,028	128,381	6,890	833,354
Accumulated amortisation	–	(182,718)	(56,064)	–	(238,782)
Impairment	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	227,023	72,317	6,890	364,285

14. INTANGIBLE ASSETS (CONTINUED)

Notes:

(i) Concession assets represent the rights the Group obtained for the usage of the concessions in relation to wind/solar power plants for the generation of electricity (Note 2.12(a)). The Group recognised the intangible assets at the fair value of the concession construction service. The concession assets are amortised over the original contracted operating period of the relevant service concession projects of 25 years.

(ii) As at 31 December 2021, technologies and tools represented internally generated technologies and tools pertaining to certain wind farm performance optimisation technology.

(iii) Impairment test for goodwill

The Group allocates goodwill to CGUs that are determined by different operating entities. The Group completed its annual impairment test for goodwill allocated to the respective CGUs by comparing their recoverable amounts to their carrying amounts as at the reporting date.

The recoverable amount of a CGU is determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period with a terminal value related to the future earnings potential of the CGU beyond the next five years. Future cash flows are discounted at the pre-tax rate of 8.24% (31 December 2020: 9.41%). The estimated growth rates adopted do not exceed the long-term average growth rates for the businesses in which the CGU operates. Other key assumptions include expected tariff rates and demand for electricity in specific locations where these power plants are located. Management determined these assumptions based on the existing production capacity of the related power plants and adopted a pre-tax interest rate that can reflect the specific risk of the CGU as the discount rate.

Based on the assessments, the directors of the Company concluded that there was no impairment loss on the goodwill of the Group as at 31 December 2021 (31 December 2020: Nil).

For the years ended 31 December 2021 and 2020, all the amortisation expense was recognised in profit or loss.

At 31 December 2021 and 2020, certain concession assets were pledged as security for long-term bank loans and other loans of the Group (Note 25(c)).

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and equipment, buildings, and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 10 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and equipment generally have lease terms between 4 and 20 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year were as follows:

	Buildings and plant	Generators and related equipment	Land use rights	Others *(Note (i))*	Total
As at 1 January 2020	79,299	960,129	646,345	44,394	1,730,167
Additions	23,236	1,968,356	135,756	74,199	2,201,547
Revision of a lease term arising from a change in the non-cancellable period of a lease	(11,779)	(234,789)	–	–	(246,568)
Other changes *(Note (ii))*	–	–	–	6,311	6,311
Impairment charge *(Note (iii))*	–	–	(1,739)	–	(1,739)
Depreciation charge	(10,508)	(82,873)	(23,992)	(2,914)	(120,287)
As at 31 December 2020 and 1 January 2021	80,248	2,610,823	756,370	121,990	3,569,431
Additions	64,977	132,831	254,923	9,210	461,941
Revision of a lease term arising from a change in the non-cancellable period of a lease	(21,730)	(108,422)	–	–	(130,152)
Other changes *(Note (ii))*	411	3,696	(28,437)	(31,804)	(56,134)
Depreciation charge	(14,218)	(146,682)	(31,125)	(1,855)	(193,880)
As at 31 December 2021	109,688	2,492,246	951,731	97,541	3,651,206

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessee (Continued)

(a) Right-of-use assets (Continued)

Notes:

(i) Others represent the rights the Group obtained for the usage of sea use rights.

(ii) Other changes represent the reductions due to contract expiration or contract changes.

(iii) An impairment of RMB1.7 million was provided for land use rights as at 31 December 2020. Details are disclosed in Note 13.

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2021	2020
Carrying amount as at 1 January	2,932,815	1,097,187
New leases	251,802	2,142,408
Accretion of interest recognised during the year *(Note 8)*	124,599	73,505
Payment	(508,480)	(184,388)
Revision of a lease term arising from a change in the non-cancellable period of a lease	(124,476)	(177,368)
Covid-19-related rent concessions from lessors	–	(115)
Other changes	(40,370)	(18,414)
Carrying amount as at 31 December	2,635,890	2,932,815
Analysed into:		
Current portion *(Note 25(a))*	162,307	50,323
Non-current portion *(Note 25(a))*	2,473,583	2,882,492

The maturity analysis of lease liabilities is disclosed in Note 31 to the financial statements.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2021	2020
Interest on lease liabilities	103,418	73,505
Depreciation charge of right-of-use assets	166,526	45,339
Expense relating to short-term leases and other leases (included in other operating expenses)	46,625	14,610
Variable lease payments not included in the measurement of lease liabilities (included in other operating expenses)	3,713	2,821
Impairment of right-of-use assets	–	1,739
Total amount recognised in profit or loss	320,282	138,014

(d) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. There are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease terms.

(e) Variable lease payments

The Group has lease contracts that contain variable payments based on the generating capacity. Management's objective is to align the lease expense with the units generated and revenue earned.

(f) The total cash outflow for leases is disclosed in Note 34(c) to the financial statements.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessor

The Group leases its property, plant, and equipment (Note 13) and investment properties consisting of industrial properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB19.9 million (2020: RMB10.5 million), details of which are included in Note 4(b) to the financial statements.

As at 31 December 2021 and 2020, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2021	2020
Within 1 year	7,239	7,232
After 1 year but within 2 years	6,543	7,232
After 2 years but within 3 years	5,382	6,535
After 3 years but within 4 years	5,382	5,375
After 4 years	97,901	77,609
	122,447	103,983

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Investments in joint ventures

Movements in investments in joint ventures are as follows:

	2021	2020
As at 1 January	91,175	99,420
Disposal	–	(11,087)
Share of (losses)/profits for the year	(3,020)	2,842
Impairment *(Note)*	(46,903)	–
As at 31 December	41,252	91,175

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Investments in joint ventures (Continued)

Note: In 2021, Asia New Energy Technology Engineering Co., Ltd., a joint venture of the Group, was suffering continuous losses and liquidated damages from court decisions. The Group assessed the recoverable amount of the investment based on fair value less costs of disposal and made full provision for impairment of RMB46.9 million as at 31 December 2021.

As at 31 December 2021, the Group did not have significant commitments relating to its joint ventures, and there were no contingent liabilities relating to the Group's interests in the joint ventures.

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

(b) Investments in associates

Movements in investments in associates are as follows:

	2021	2020
As at 1 January	899,283	733,753
Capital injections	10,499	120,335
Disposal *(Note(i))*	(1,000)	–
Dividends declared	(20,038)	(8,893)
Share of (losses)/profits for the year	(6,369)	54,088
Reclassification *(Note(ii))*	5,444	–
As at 31 December	887,819	899,283

Notes:

(i) Datang Xianghuang Qi New Energy Co., Ltd., a subsidiary of the Group, disposed of its 3.03% interests in Datang Barn Duolun New Energy Co., Ltd. as at 12 April 2021 to Beijing Naquan Heli Renewable Energy Technology Co., Ltd., resulting in a reduction of RMB1.0 million in investments in associates.

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Notes: (Continued)

(ii) As at 31 December 2020, the Group's investment in Inner Mongolia East Power Trading Center Co., Ltd. ("Inner Mongolia East Power") was RMB5.4 million and was classified as an equity investment designated at fair value through other comprehensive income. In 2021, the Group increased its investment to Inner Mongolia East Power with an amount of RMB8.0 million, whereby the Group has the right to nominate a director in the board of directors and can have significant impact on Inner Mongolia East Power. As a result, the Group reclassified the equity investment to investments in associates.

(iii) As at 31 December 2021, for certain associates, the Group has long term interests of less than 20% of the equity voting rights. However, the Group has the right to nominate a director in the board of directors and can have the power to participate in the financial and operating policy decisions of the investees. In the opinion of the Company's directors, the Group has significant influence over the investees even if the Group holds less than 20% of their equity voting rights and treated the investees as associates.

(iv) Loans from an associate and lease liabilities under lease arrangements are as follows:

	2021	2020
Loans from an associate	**2,898,327**	2,883,395
Lease liabilities under lease arrangements with an associate	**1,477,509**	1,573,754
As at 31 December	**4,375,836**	4,457,149

As at 31 December 2021, the loans from an associate and lease liabilities under lease arrangements with an associate included in the Group's "other payables and accruals" were nil (31 December 2020: RMB133.1 million) and "Interest-bearing bank and other borrowings" of RMB4,375.8 million (31 December 2020: RMB4,324.0 million) were payables to Datang Financial Leasing Co., Ltd. ("Datang Financial Leasing") which bore interest at rates ranging from 3.80% to 5.80% (31 December 2020: 3.80% to 5.80%).

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Notes: (Continued)

(v) Set out below are the associates of the Group as at 31 December 2021, which, in the opinion of the directors of the Company, are material to the Group.

Name of entity	Place of business/ country of establishment	Percentage of ownership interest	Nature of relationship	Measurement method
Datang Financial Leasing	PRC/Mainland China	20%	Note 1	Equity method
Guangdong Yueneng Datang Renewable Power Co., Ltd. (广東粵能大唐新能源有限公司) ("Guangdong Yueneng")	PRC/Mainland China	49%	Note 2	Equity method

Note 1: Datang Financial Leasing, a limited liability company established in the PRC, and the Company are under the common control of Datang Corporation. The Group's shareholdings in Datang Financial Leasing is held through a wholly-owned subsidiary of the Company. Datang Financial Leasing provides financing services to the Group and other companies under the common control of Datang Corporation (see Note 25(a)(i) for more details).

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

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

The Group has discontinued the recognition of its share of losses of an associate, Rongcheng Shengu New Energy Technology Co., Ltd., because the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this associate for the current year and cumulatively losses were RMB0.1 million (2020: RMB3.1 million) and RMB5.7 million (2020: RMB5.6 million), respectively.

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Summarised financial information of associates

The following table illustrates the summarised financial information in respect of Datang Financial Leasing and Guangdong Yueneng adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	Datang Financial Leasing		Guangdong Yueneng	
	2021	2020	2021	2020
Total current assets	12,979,832	10,847,788	80,070	65,947
Total current liabilities	(12,077,046)	(12,740,588)	(19,172)	(41,236)
Total non-current assets	13,764,507	17,002,621	273,821	291,013
Total non-current liabilities	(7,845,355)	(7,896,832)	(138,983)	(136,180)
Net assets	6,821,938	7,212,989	195,736	179,544
Reconciliation to the Group's interests in the associates:				
Proportion of the ownership	20%	20%	49%	49%
Group's share of net assets of associates, excluding goodwill	1,364,388	1,442,598	95,910	87,977
Goodwill and other adjustments	(670,884)	(711,710)	6,129	6,037
Carrying amount of the investments	693,504	730,888	102,039	94,014
Revenue	1,169,684	1,107,163	57,073	55,228
Profit before tax	150,202	325,917	21,891	29,569
Net profit for the year	114,459	243,108	16,378	22,186
Total comprehensive income	114,459	243,108	16,378	22,186
Interest on perpetual note classified as equity	201,382	41,153	–	–
Dividends received from associates	–	18,000	–	7,981

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Summarised financial information of associates (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material (adjusted for differences in the accounting policies between the Group and the associates):

	2021	2020
Share of the associates' profit for the year	2,991	2,826
Share of the associates' total comprehensive income	2,991	2,826
Aggregate carrying amount of the Group's investments in associates	92,276	74,381

As at 31 December 2021 and 2020, the Group had no significant contingent liabilities and unconfirmed commitments related to joint ventures and associates.

(Amounts expressed in thousands of RMB unless otherwise stated)

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2021	2020
As at 1 January	**68,287**	413,010
Addition	–	9,749
Disposal	–	(357,138)
Changes in fair value recorded in other comprehensive income	42,062	2,666
Reclassification *(Note 16(b))*	(5,444)	–
As at 31 December	**104,905**	68,287

As at 31 December 2021 and 2020, the Group's equity investments designated at fair value through other comprehensive income include the following:

	2021	2020
Listed equity investments, at fair value:		
Guodian Technology & Environment Group Corporation Limited	51,238	17,642
	51,238	17,642
Unlisted equity investments, at fair value:		
Inner Mongolia Hohhot Pumped Storage Power Generation Co., Ltd.	49,362	40,896
Inner Mongolia East Power *(Note 16(b))*	–	5,444
Ningxia Electric Power Trading Center Co., Ltd.	4,305	4,305
	53,667	50,645
	104,905	68,287

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

(Amounts expressed in thousands of RMB unless otherwise stated)

18. DEFERRED TAX

The movements in deferred tax assets and liabilities are as follows:

Deferred tax assets:

	Tax losses	Provision for impairment	Intra-group unrealised profits	Deferred Income	Total
As at 1 January 2020	3,937	6,202	2,252	–	12,391
Credited to profit or loss	–	–	(86)	125	39
As at 31 December 2020 and 1 January 2021	3,937	6,202	2,166	125	12,430
Credited/(charged) to profit or loss	–	15,251	(85)	68	15,234
As at 31 December 2021	3,937	21,453	2,081	193	27,664

Deferred tax liabilities:

	Asset revaluation	Depreciation allowance in excess of related depreciation	Total
As at 1 January 2020	(18,427)	–	(18,427)
Credited to profit or loss	2,488	–	2,488
As at 31 December 2020 and 1 January 2021	(15,939)	–	(15,939)
(Credited)/charged to profit or loss	2,410	(4,094)	(1,684)
As at 31 December 2021	(13,529)	(4,094)	(17,623)

(Amounts expressed in thousands of RMB unless otherwise stated)

18. DEFERRED TAX (CONTINUED)

Deferred tax assets are recognised for tax losses carried forward and temporary differences to the extent that the realisation of the related income tax benefits through the future taxable profits is probable. The unrecognised deductible temporary tax differences and the expiry dates of the related tax losses are summarised as follows:

	2021	2020
Tax losses	3,092,753	3,618,913
Other deductible temporary tax differences	1,177,699	673,550
	4,270,452	4,292,463

	2021	2020
Year of expiry		
2021	–	530,848
2022	450,431	505,718
2023	338,889	346,587
2024	403,160	428,065
2025	480,565	538,746
2026	553,260	402,501
After 2027	866,448	866,448
	3,092,753	3,618,913

Note: According to the Announcement of the State Administration of Taxation on Issues Concerning the Treatment of Enterprise Income Tax for Extending the Period of Carrying Forward Losses of High-tech Enterprises and Small and Technological Enterprises effective from January 2018, the qualified enterprises' unrecognised losses incurred in the five years prior to the qualifying year are allowed to be carried forward to make up for use in subsequent years, with a maximum carry-over period of 10 years.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2021	2020
CDM assets/receivables *(Note (i))*	68,665	69,361
Less: impairment allowance *(Note (i))*	(66,349)	(67,029)
	2,316	2,332
Receivables from the provision of services	–	16,123
Proceeds receivables from the disposal of subsidiaries *(Note (i))*	127,324	127,324
Receivable from the disposal of a wind farm project *(Note (i))*	21,166	22,971
Dividend receivable	20,000	–
Deposits for project investments *(Note (i))*	17,762	23,410
Deposits for borrowings *(Note 25(a)(i))*	48,705	48,705
Receivables under a lease arrangement *(Note (ii))*	25,924	32,843
Other receivables *(Note (i))*	421,107	237,561
	681,988	508,937
Less: impairment allowance *(Note (i))*	(86,706)	(32,838)
	597,598	478,431
Value-added tax recoverables	2,454,235	2,315,387
Current tax prepayments	23,242	9,128
Prepayments for constructions and equipment	596,188	1,221,896
Other prepayments	259,244	414,208
	3,930,507	4,439,050
Less: Non-current portion of		
– Receivables under a lease arrangement *(Note(ii))*	(18,684)	(25,924)
– Deposits for borrowings *(Note 25(a)(i))*	(48,705)	(48,705)
– Value-added tax recoverables	(1,519,773)	(1,558,393)
– Prepayments for constructions and equipment	(596,188)	(1,221,896)
– Other prepayments	(118,379)	(101,055)
	(2,301,729)	(2,955,973)
Total current portion of prepayments, other receivables and other assets	1,628,778	1,483,077

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes:

(i) The movement in the allowance for doubtful debts is as follows:

	2021	2020
As at 1 January	99,867	96,530
Impairment losses, net	53,188	3,337
As at 31 December	153,055	99,867

An impairment analysis is performed on other receivables at each reporting date and expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. For prepayments for constructions and equipment, value-added tax recoverable, dividend receivable, deposits for borrowings, receivables under a lease arrangement and current tax prepayments and certain amounts included in other prepayments and receivables, they have specific due dates or settlement schedules. Management considers the probability of default to be nil.

As at 31 December 2021, certain long-aged other receivables which aged over three years, included in CDM assets/receivables, proceeds receivables from the disposal of subsidiaries, a receivable from the disposal of a wind farm project and a deposit for project investments, amounted to RMB234.9 million. The management has assessed the expected credit losses on the long-aged other receivables as following:

- In relation to CDM assets/receivables, except for the CDM receivables expected to receive from a subsidiary of Datang Corporation, the remaining assets with an amount of RMB66.3 million (31 December 2020: RMB67.0 million) were expected to be fully impaired as at 31 December 2021 based on the assessment of recoverability with an expected credit loss rate of 100%. For the year ended 31 December 2021, the impairment of RMB0.7 million of CDM receivables was reversed due to exchange rate fluctuation in current year.

- The proceeds receivable from the disposal of a subsidiary with an amount of RMB28.7 million (31 December 2020: RMB28.7 million) were expected to be fully impaired as at 31 December 2021, as the debtor was in abnormal operation condition.

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(i) (Continued)

Other receivables amounting to RMB421.1 million (31 December 2020: RMB237.6 million) were mainly comprised of receivables from government grants, an external wind turbine supplier and fund of disbursement. The management has assessed the expected credit losses on those receivables as following:

- In 2021, the Group terminated a contract with an external wind turbine supplier ("the Supplier") as the Supplier could not supply the turbines as scheduled. Advance payment to the Supplier was recorded in other receivables and an impaired loss of RMB53.9 million was provided by the Group for the year ended 31 December 2021 due to the abnormal operation condition of the Supplier.

- Certain receivables included in other receivables amounting to RMB4.2 million (31 December 2020: RMB4.2 million) were fully impaired considering the recoverability as at 31 December 2021.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(ii) During the year ended 31 December 2021, the Group provided a service to an external customer under an energy performance contract for a period of 12 years, pursuant to which certain facilities were constructed and operated by the Group and the service fee was determined at a monthly fixed amount plus a contingent fee which was linked to coal price. The transaction was accounted for as a finance lease and the implied interest rate was 4.54% per annum.

	2021	2020
Non-current receivables		
Finance lease – gross receivables	25,500	34,000
Unearned finance income from finance lease receivables	(6,816)	(8,076)
	18,684	25,924
Current receivables		
Finance lease – gross receivables	8,500	8,500
Unearned finance income from finance lease receivables	(1,260)	(1,581)
	7,240	6,919
Net investment in a finance lease	25,924	32,843

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(ii) (Continued)

	2021	2020
Gross receivables from the finance lease:		
– No later than 1 year	8,500	8,500
– Later than 1 year and no later than 5 years	25,500	34,000
	34,000	42,500
Unearned future finance income from finance lease receivables	(8,076)	(9,657)
Net investment in a finance lease	25,924	32,843
The net investment in the finance lease is analysed as follows:		
– No later than 1 year	7,240	6,919
– Later than 1 year but no later than 5 years	18,684	25,924
Total	25,924	32,843

No contingent income was recognised during the years ended 31 December 2020 and 2021.

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

	2021	2020
RMB	570,744	450,898
Euro ("EUR")	26,854	27,533
Total	597,598	478,431

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(iv) As at 31 December 2021 and 2020, the fair values of the current receivables approximated to their carrying amounts. The maximum exposure to credit risk at the reporting date was the carrying value of each class of the receivables. The Group does not hold any collateral as security.

20. INVENTORIES

	2021	2020
Spare parts	131,367	221,592
Less: provision for impairment of inventories	7,140	–
	124,227	221,592

During the year ended 31 December 2021, the Group wrote down RMB7.1 million for inventories carried at net realisable value, which was recorded in other operating expenses.

As at 31 December 2021 and 2020, the Group had no pledged inventories for interest-bearing bank and other borrowings.

21. TRADE AND BILLS RECEIVABLES

	2021	2020
Trade receivables	16,552,604	12,093,097
Bills receivable	160,932	345,149
	16,713,536	12,438,246
Less: impairment losses	(242,637)	(32,598)
	16,470,899	12,405,648

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of trade and bills receivables based on the revenue recognition date, less impairment losses, is as follows:

	2021	2020
Within 1 year	**7,019,881**	6,321,150
Between 1 year and 2 years	**5,092,403**	4,281,844
Between 2 years and 3 years	**3,637,104**	1,419,041
Over 3 years	**721,511**	383,613
	16,470,899	12,405,648

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

For trade and bills receivables arising from tariff revenue, the Group usually grants credit periods of approximately one month to local power grid companies from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local power grid companies, except for the tariff premium of renewable energy. The collection of renewable energy tariff premium is subject to the allocation of funds by the relevant government authorities to the local power grid companies, which consequently takes a relatively longer time for settlement.

As at 31 December 2021 and 2020, the Group has pledged a portion of its tariff collection rights as security for certain bank and other loans (Note 25(c)).

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

As at 31 December 2021, bills receivable which have not matured but discounted or endorsed with a right of recourse and were not derecognised in the financial statements were nil (31 December 2020: nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movements in the impairment loss of trade and bills receivables are as follows:

	2021	2020
As at 1 January	32,598	3,652
Impairment losses	210,039	28,946
As at 31 December	242,637	32,598

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group is satisfied that recovery of the amount is remote.

The financial resource for the renewable energy tariff premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. Pursuant to 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) jointly issued by the Ministry of Finance (the ''MOF”), the National Development and Reform Commission (the “NDRC”) and the National Energy Administration (the “NEA”) in March 2012, the standardised application and approval procedures on a project by project basis for the settlement of the tariff premium came into force in 2012, and such applications were accepted and approved batch by batch jointly by the MOF, NDRC and NEA at intervals in form of announcing renewable energy subsidy catalogues (the “Subsidy Catalogues”).

In February 2020, the MOF, NDRC and NEA jointly issued new guidelines and notices (collectively referred to “New Guidelines”), i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法). Pursuant to the New Guidelines, the quota of new subsidies should be decided based on the scale of subsidy funds, there will be no new Subsidy Catalogues published for tariff premium and as an alternative, power grid enterprises will publish the list of renewable energy projects qualified for tariff premium (the “Subsidy List”) periodically after the renewable energy enterprises have gone through certain approval and information publicity process.

21. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2021, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. Based on the above, the directors estimated that there are no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogues or the Subsidy List. The tariff premium receivables are settled in accordance with prevailing government policies and prevalent payment trends of the MOF. There is no due date for settlement.

The Group applies the simplified approach to the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The assessment on the expected credit losses are as follows:

- For the trade receivables from tariff premium amounting to RMB15,374.6 million (31 December 2020: RMB11,000.2 million) as at 31 December 2021. The Group is of the opinion that the approvals will be obtained in due course and these trade receivables from tariff premium are fully recoverable considering such tariff premium is funded by the PRC government, except for RMB2.3 million (31 December 2020: RMB2.3 million) representing a past due tariff premium from a power grid company in dispute which was assessed to be not recoverable.

- For the tariff receivables from grid companies amounting to RMB887.7 million (31 December 2020: RMB819.2 million) as at 31 December 2021, no credit loss is expected considering there were no bad debt experiences with the grid companies in the past.

- For the trade receivable from a trade debtor for services rendered amounting to RMB238.0 million (31 December 2020: RMB238.0 million) among which aged over three years was RMB193.8 million (31 December 2020: RMB114.2 million) as at 31 December 2021, due to the debtor's significant increase in credit risk in 2021, the management made a full provision of RMB238.0 million (31 December 2020: RMB28.0 million) as at 31 December 2021.

- For other trade receivables amounting to RMB52.3 million (31 December 2020: RMB35.7 million) among which aged over three years was RMB9.5 million (31 December 2020: RMB7.2 million) as at 31 December 2021, the management considered the amount was insignificant and loss allowance of RMB2.3 million (31 December 2020: RMB2.3 million) was provided resulting from individual credit risk assessment.

(Amounts expressed in thousands of RMB unless otherwise stated)

22. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

	2021	2020
Restricted cash *(Note (i))*	35,486	32,402
Time deposits *(Note (ii))*	18,000	19,490
Cash and bank balances	3,119,959	3,052,717
	3,173,445	3,104,609

Notes:

(i) As at 31 December 2021, restricted cash mainly represented deposits held for use as land reclamation deposits, issued notes payable and unsettled suits.

(ii) As at 31 December 2021, time deposits of the Group were RMB18.0 million (31 December 2020: RMB19.5 million) with a deposit period of 6 months and annual interest rates of 1.3% and 1.5% (31 December 2020: 1.3%).

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

	2021	2020
RMB	3,167,291	3,095,464
HKD	4,943	8,809
EUR	376	–
United States dollars ("USD")	699	192
AUD	136	144
	3,173,445	3,104,609

(Amounts expressed in thousands of RMB unless otherwise stated)

23. TRADE AND BILLS PAYABLES

	2021	2020
Trade payables	369,964	263,227
Bills payable	–	19,353
	369,964	282,580

The ageing analysis of trade payables, based on the invoice date, is as follows:

	2021	2020
Within 1 year	291,392	164,798
After 1 year but within 2 years	32,686	49,698
After 2 years but within 3 years	24,206	22,727
After 3 years	21,680	26,004
	369,964	263,227

The trade and bills payables are non-interest-bearing and are normally settled within one year.

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

(Amounts expressed in thousands of RMB unless otherwise stated)

24. OTHER PAYABLES AND ACCRUALS

	2021	2020
Payables for property, plant and equipment	8,420,408	5,882,175
Loans from related parties *(Note (i))*	80,304	461,854
Dividends payable to non-controlling interests	376,293	352,436
Accrued staff related costs	44,505	42,556
Payables for CDM projects	3,649	3,649
Payables for taxes other than income taxes	80,481	108,762
Asset retirement obligations *(Note (ii))*	104,437	98,017
Amounts due to a non-controlling interest	44,911	44,911
Contract liabilities	2,983	5,621
Other payables	347,380	335,667
	9,505,351	7,335,648
Deferred government grants	13,905	15,069
Other accruals and deferrals	68,302	69,428
	9,587,558	7,420,145
Less: Non-current portion of		
– Loans from related parties *(Note (i))*	–	(70,083)
– Asset retirement obligations *(Note (ii))*	(104,437)	(98,017)
– Deferred government grants	(13,905)	(15,069)
– Other accruals and deferrals	(67,176)	(68,302)
	(185,518)	(251,471)
Total current portion of other payables and accruals	9,402,040	7,168,674

Notes:

(i) As at 31 December 2021, except for the amount of RMB67.5 million which will be paid before January 2022 and carries the effective interest rate of 4.033%, the loans from other related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

(ii) Under the relevant laws and regulations, the Group is generally required to restore and rehabilitate areas caused by the Group's temporary occupation of pieces of land during the construction of the relevant power plant facilities. In addition, the Group may have contractual obligations to dismantle the relevant facilities and rehabilitate the pieces of land occupied at the end of the concession periods for wind or solar farms operated under the relevant service concession agreements.

For the year ended 31 December 2021, the unwinding of discount of RMB6.4 million (2020: RMB6.0 million) was included in "Finance expenses" in the consolidated statement of profit or loss.

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	2021	2020
Bank loans		
– Unsecured	23,725,866	22,021,298
– Guaranteed *(Note 25(c))*	809,292	1,059,634
– Secured	11,921,658	9,217,252
– Secured and guaranteed *(Note 25(c))*	34,661	89,716
	36,491,477	32,387,900
Other loans		
– Unsecured	2,566,758	5,918,254
– Secured *(Note (i))*	5,590,750	5,694,898
	8,157,508	11,613,152
Corporate bonds and medium-term notes		
– Unsecured *(Note (ii))*	4,862,689	2,219,499
Lease liabilities *(Note 15(b))*	2,635,890	2,932,815
Total long-term borrowings	52,147,564	49,153,366
Less: current portion of long-term borrowings *(Note 25(b))*		
– Bank loans	(3,532,963)	(4,009,648)
– Other loans	(1,774,175)	(3,900,321)
– Corporate bonds and medium-term notes	(1,263,635)	(1,021,503)
– Lease liabilities *(Note 15(b))*	(162,307)	(50,323)
	(6,733,080)	(8,981,795)
Total non-current portion of long-term borrowings	45,414,484	40,171,571

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) Long-term borrowings (Continued)

Notes:

(i) As at 31 December 2021 and 2020, the details of secured other loans were as follows:

	2021	2020
Datang Financial Leasing*	2,519,922	2,618,770
Shanghai Datang Financial Leasing Company Limited ("Shanghai Datang Financial Leasing")*	1,218,690	1,050,068
ICBC Financial Leasing Company Limited*	611,646	856,820
CMB Financial Leasing Company Limited*	393,093	503,142
China Reform Financial Leasing Company Limited*	43,415	93,416
State Grid International Leasing Company Limited*	18,433	203,891
Bank of Communications Financial Leasing Company Limited*	–	14,202
Datang Factoring Company Limited	755,527	354,589
Taiping & Sinopec Financial Leasing Company Limited*	30,024	–
Total	5,590,750	5,694,898

* According to the respective loan agreements with the aforementioned companies, certain subsidiaries of the Company agreed to sell and lease back certain property, plant and equipment to and from the aforementioned companies for periods ranging from 3 to 15 years under certain conditions. The underlying property, plant and equipment will be transferred to the relevant subsidiaries of the Group at a notional consideration of RMB1.00 at the end of the lease term. In accordance with IFRS 16 *Leases*, if the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the seller-lessee shall continue to recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds applying IFRS 9, and 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 31 December 2021, cash amounting to RMB48.7 million (31 December 2020: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) Long-term borrowings (Continued)

Notes: (Continued)

(ii) The Company issued several corporate bonds and medium-term notes amounting to RMB500.0 million, RMB500.0 million, RMB1,200.0 million, RMB1,000.0 million, RMB1,000.0 million, RMB500.0 million, RMB800.0 million and RMB300.0 million with a unit par value of RMB100 each on 28 September 2016, 21 October 2016, 26 September 2019, 6 May 2021, 15 July 2021, 9 August 2021, 26 September 2021 and 20 October 2021, respectively. The annual interest rates for these corporate bonds and medium-term notes are 3.15%, 3.10%, 3.58%, 3.32%, 2.95%, 2.85%, 3.00% and 3.39%, respectively. The first two issued corporate bonds have already matured and settled in September 2021 and October 2021, respectively.

(b) Short-term borrowings

	2021	2020
Bank loans		
– Unsecured	875,687	1,449,855
– Guaranteed *(Note 25 (c))*	–	99,671
– Secured and guaranteed *(Note 25 (c))*	–	131,246
	875,687	1,680,772
Short-term bonds – Unsecured *(Note)*	3,772,764	2,759,071
Other loans		
– Unsecured	362,328	223,033
– Secured	717,898	510,042
	1,080,226	733,075
Current portion of long-term borrowings *(Note 25(a))*	6,733,080	8,981,795
	12,461,757	14,154,713

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) Short-term borrowings (Continued)

Note: The information of short-term bonds issued by the Company is listed in the below table:

Type of instruments	Issuance date	Par value	Interest rate	1 January 2021	Issued	Interest	Payment	31 December 2021
2020 short-term bonds (the fifth tranche)	29 October 2020	1,000,000	2.45%	1,003,795	–	2,247	1,006,042	–
2020 short-term bonds (the sixth tranche)	2 November 2020	1,000,000	1.80%	1,002,860	–	1,578	1,004,438	–
2020 short-term bonds (the seventh tranche)	12 November 2020	750,000	2.40%	752,416	–	1,775	754,191	–
2021 short-term bonds (the first tranche)	26 January 2021	2,000,000	2.28%	–	2,000,000	9,370	2,009,370	–
2021 short-term bonds (the second tranche)	4 February 2021	1,000,000	2.69%	–	1,000,000	2,948	1,002,948	–
2021 short-term bonds (the third tranche)	12 March 2021	1,000,000	2.42%	–	1,000,000	4,310	1,004,310	–
2021 short-term bonds (the fourth tranche)	7 April 2021	800,000	2.42%	–	800,000	3,448	803,448	–
2021 short-term bonds (the fifth tranche)	14 May 2021	1,000,000	2.38%	–	1,000,000	5,803	1,005,803	–
2021 short-term bonds (the sixth tranche)	9 June 2021	800,000	2.19%	–	800,000	2,784	802,784	–
2021 short-term bonds (the seventh tranche)	19 July 2021	800,000	2.09%	–	800,000	1,466	801,466	–
2021 short-term bonds (the eighth tranche)	4 August 2021	1,000,000	2.31%	–	1,000,000	9,430	–	1,009,430
2021 short-term bonds (the ninth tranche)	11 August 2021	1,000,000	2.28%	–	1,000,000	8,870	–	1,008,870
2021 short-term bonds (the tenth tranche)	18 August 2021	1,000,000	2.09%	–	1,000,000	5,153	1,005,153	–
2021 short-term bonds (the eleventh tranche)	12 November 2021	1,000,000	2.45%	–	1,000,000	3,155	–	1,003,155
2021 short-term bonds (the twelfth tranche)	3 December 2021	750,000	2.45%	–	750,000	1,309	–	751,309
Total		14,900,000		2,759,071	12,150,000	63,646	11,199,953	3,772,764

The issuance cost of above-mentioned short-term bonds for the year ended 31 December 2021 was RMB3.0 million (2020: RMB2.5 million).

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

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

As at 31 December 2021 and 2020, the effective interest rates per annum on borrowings are as follows:

	2021	2020
Long-term borrowings		
Bank loans	2.15%-4.95%	2.82%-5.50%
Other loans	2.95%-5.80%	3.30%-5.80%
Corporate bonds and medium-term notes	2.85%-3.58%	3.10%-3.58%
Short-term borrowings		
Bank loans	2.15%-4.35%	3.00%-4.65%
Other loans	1.01%-5.70%	1.01%-5.70%
Short-term bonds	2.28%-2.45%	1.80%-2.45%

As at 31 December 2021 and 2020, details of the Group's guaranteed bank loans are as follows:

	2021	2020
Guarantor		
– The Company	686,346	1,131,047
– Non-controlling interests and an ultimate holding company of subsidiaries and a fellow subsidiary of the Company *(Note 29(b))**	157,607	249,220
	843,953	1,380,267

* The loans of certain subsidiaries of the Company from China Merchants Bank Co., Ltd. were guaranteed by Datang Yunnan Power Generation Co., Ltd., a fellow subsidiary of the Company. As at 31 December 2021, the guaranteed balance was RMB34.7 million.

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

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

As at 31 December 2021 and 2020, the Group has pledged certain assets as collateral for certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	2021	2020	**2021**	2020
Property, plant and equipment	**1,314,324**	1,432,299	**7,511,790**	7,551,020
Concession assets	**168,810**	184,089	**–**	–
Tariff collection rights	**5,156,683**	2,276,492	**1,670,579**	803,328
	6,639,817	3,892,880	**9,182,369**	8,354,348

As at 31 December 2021 and 2020, long-term borrowings were repayable as follows:

	2021	2020
Within 1 year	**6,733,080**	8,981,795
After 1 year but within 2 years	**9,393,806**	6,889,979
After 2 years but within 5 years	**20,118,909**	19,314,139
After 5 years	**15,901,769**	13,967,453
	52,147,564	49,153,366

As at 31 December 2021 and 2020, the carrying amounts of borrowings were all denominated in the RMB.

26. SHARE CAPITAL AND SHARE PREMIUM

As at 31 December 2021 and 2020, ordinary shares comprised the following:

	2021 Number of shares *(in thousands)*	2020 Number of shares *(in thousands)*
Domestic shares	**4,772,630**	4,772,630
H shares	**2,501,071**	2,501,071
	7,273,701	7,273,701

The total number of authorised ordinary shares was 7,273.7 million with a par value of RMB1.00 per share. At 31 December 2021 and 2020, all issued shares were registered, fully paid and ranked pari passu with one another.

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

	Number of shares *(in thousands)*	Ordinary shares *(RMB'000)*	Share premium *(RMB'000)*	Total *(RMB'000)*
As at 31 December 2021 and 2020	7,273,701	7,273,701	2,080,969	9,354,670

(Amounts expressed in thousands of RMB unless otherwise stated)

27. PERPETUAL NOTE AND BONDS

(a) Perpetual note and bonds as at 31 December 2021

The information of the the perpetual note and bonds issued by the Company is listed in the below table:

Type of instruments	Issuance date	Category	Initial distribution rate	Issue price *RMB'000*	Number	Par value *RMB'000*	Initial period	First coupon payment date	First call date
2020 medium-term note (the first tranche)	June 2020	Equity Instrument	3.90%	0.1	20,000,000	2,000,000	3 Years	29 June 2021	29 June 2023
2020 renewable bonds (the first tranche)	January 2020	Equity Instrument	3.88%	0.1	20,000,000	2,000,000	3 Years	16 January 2021	16 January 2023
2020 renewable bonds (the second tranche)	February 2020	Equity Instrument	3.58%	0.1	20,000,000	2,000,000	3 Years	27 February 2021	27 February 2023
2020 renewable bonds (the third tranche)	July 2020	Equity Instrument	4.15%	0.1	20,000,000	2,000,000	3 Years	20 July 2021	20 July 2023
2020 renewable bonds (the fourth tranche)	August 2020	Equity Instrument	4.00%	0.1	10,000,000	1,000,000	3 Years	20 August 2021	20 August 2023
2020 renewable bonds (the fifth tranche)	September 2020	Equity Instrument	4.45%	0.1	10,000,000	1,000,000	3 Years	8 September 2021	8 September 2023
2021 renewable bonds (the first tranche)	April 2021	Equity Instrument	3.84%	0.1	20,000,000	2,000,000	3 Years	6 April 2022	6 April 2024
2021 renewable bonds (the second tranche)	October 2021	Equity Instrument	3.07%	0.1	10,000,000	1,000,000	1 Year	13 October 2022	13 October 2022
2021 renewable bonds (the third tranche)	October 2021	Equity Instrument	3.48%	0.1	10,000,000	1,000,000	3 Years	25 October 2022	25 October 2024
Total					140,000,000	14,000,000			

27. PERPETUAL NOTE AND BONDS (CONTINUED)

(a) Perpetual note and bonds as at 31 December 2021 (Continued)

The perpetual note and bonds as at 31 December 2021 have no fixed maturity dates and are callable at the Company's option on the first call date or on any coupon payment date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. After the first call date, the coupon rate will be reset every 1 or 3 years to a percentage per annum equal to the sum of (a) the initial spreads of the difference between the nominal interest rate and the initial benchmark interest rate, (b) the current benchmark interest rate, and (c) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce the registered capital. Pursuant to the terms of these perpetual note and bonds, the Company has no contractual obligations to repay its principal or to pay any coupon interest. Accordingly, the perpetual note and bonds do not meet the definition of financial liabilities in accordance with IAS 32 *Financial Instruments: Presentation*, and are classified as equity and subsequent coupon payments will be treated as distributions to equity owners.

In 2021, the Company accrued interest of RMB520.6 million (2020: RMB259.5 million) in terms of the perpetual note and bonds.

(Amounts expressed in thousands of RMB unless otherwise stated)

27. PERPETUAL NOTE AND BONDS (CONTINUED)

(b) Changes of perpetual note and bonds during 2021

Type of instruments	As at 1 January 2021	Issuance amount	Cumulative distributions Accrued	Cumulative distributions Appropriation	Repayment amount	As at 31 December 2021
2020 medium-term note (the first tranche)	2,037,861	–	78,000	78,000	–	2,037,861
2020 renewable bonds (the first tranche)	2,072,737	–	77,600	77,600	–	2,072,737
2020 renewable bonds (the second tranche)	2,058,728	–	71,600	71,600	–	2,058,728
2020 renewable bonds (the third tranche)	2,035,634	–	83,000	83,000	–	2,035,634
2020 renewable bonds (the fourth tranche)	1,013,742	–	40,000	40,000	–	1,013,742
2020 renewable bonds (the fifth tranche)	1,013,077	–	44,500	44,500	–	1,013,077
2020 renewable bonds (the sixth tranche)	1,010,424	–	26,876	37,300	1,000,000	–
2020 renewable bonds (the seventh tranche)	1,007,884	–	29,016	36,900	1,000,000	–
2021 renewable bonds (the first tranche)	–	1,998,018	56,810	–	–	2,054,828
2021 renewable bonds (the second tranche)	–	997,114	6,729	–	–	1,003,843
2021 renewable bonds (the third tranche)	–	997,114	6,483	–	–	1,003,597
Total	12,250,087	3,992,246	520,614	468,900	2,000,000	14,294,047

(Amounts expressed in thousands of RMB unless otherwise stated)

28. OTHER RESERVES

A summary of the movements in the Group's other reserves for the years ended 31 December 2021 and 2020 is as follows:

	Statutory surplus reserve *(Note (i))*	Other reserves *(Note (ii))*	Fair value reserve	Exchange fluctuation reserve	Total
As at 1 January 2020	332,435	(1,465,731)	(95,793)	(7,913)	(1,237,002)
Transfer from retained profits	87,975	–	–	–	87,975
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	(94,192)	–	(94,192)
Share of other comprehensive income of joint ventures	–	(436)	–	–	(436)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	4,326	–	4,326
Exchange differences on translation of foreign operations	–	–	–	440	440
As at 31 December 2020 and 1 January 2021	420,410	(1,466,167)	(185,659)	(7,473)	(1,238,889)
Transfer from retained profits	92,997	–	–	–	92,997
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	40,279	–	40,279
Exchange differences on translation of foreign operations	–	–	–	(1,171)	(1,171)
As at 31 December 2021	513,407	(1,466,167)	(145,380)	(8,644)	(1,106,784)

28. OTHER RESERVES (CONTINUED)

Notes:

(i) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, the Company is required to appropriate 10% of its net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of the PRC, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such a reserve reaches 50% of the registered capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of the registered capital. The statutory surplus reserve is non-distributable.

(ii) Other reserves

Other reserves of the Group are mainly the difference between the fair value of assets injected by Datang Corporation and its share in the share capital as part of the reorganisation, and merger reserves arising from business combinations under common control.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The Company is controlled by Datang Corporation, the parent company and a state-owned enterprise established in the PRC. Datang Corporation itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24 *Related Party Disclosures*, government-related entities and their subsidiaries directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include Datang Corporation and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("Other State-owned Enterprises"), other entities and corporations over which the Company is able to control or exercise significant influence, and key management personnel of the Company and Datang Corporation as well as their close family members.

Some of the related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

For the purpose of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

(a) Significant related party transactions

	2021	2020
Transactions with fellow subsidiaries of the Group:		
– Provision of installation, construction, general contracting services	1,316	2,478
– Sales of electricity and equipment	13,673	613
– Purchases of engineering, construction, supervisory services, insurance services and general contracting services *(Note (i))*	(200,980)	(393,026)
– Purchases of key and auxiliary materials, equipment and finished goods *(Note (ii))*	(3,058,795)	(2,549,538)
– Loans from related parties *(Note (iii))*	6,874,284	9,250,620
– Repayments of loans from related parties	(9,752,119)	(13,516,350)
– Interest income earned	14,897	27,678
– Interest expense charged	(384,738)	(464,185)
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (contracted, but not provided for)	751,135	875,513

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

Notes:

(i) The purchases of engineering, construction, supervisory services, insurance services, and general contracting services by certain fellow subsidiaries of Datang Corporation included purchases of equipment and construction services mainly from China Datang Corporation Renewable Energy Science and Technology Research Institute and Datang Huayin Electric Power Limited and insurance services from Beijing Datang Taixin Insurance Brokers Company Limited. The transaction prices were determined based on the prescribed prices or guidance prices published by the government authorities. Where a government-prescribed price or guidance price was not available, a market price as determined through a bidding process was adopted; where a bidding process was impractical, the transaction prices were determined on the basis of cost plus reasonable profit according to the historical prices and price trends of the relevant products.

(ii) The purchases of key and auxiliary materials, equipment and finished goods are mainly purchases of wind turbines, tower tubes and auxiliary materials from China National Water Resources & Electric Power Materials & Equipment Group Company Limited and China Datang International Trading Corporation. The transaction prices were determined by the prescribed prices or guidance prices published by the government authorities. Where a government-prescribed price or guidance price was not available, a market price as determined through a bidding process was adopted; where a bidding process was impractical, the transaction prices were determined on the basis of cost plus reasonable profit according to the historical prices and price trends of the relevant products.

(iii) During the year ended 31 December 2021, included in "Loans from related parties" were borrowings from Datang Financial Leasing, Shanghai Datang Financial Leasing, Datang Factoring Company and Datang Finance. The due dates of the related borrowings fall within the period from 27 June 2021 to 14 December 2035, and the interest rates range from 2.95%~5.80% per annum.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

Notes: (Continued)

(iv) In addition to the above transactions, on 17 March 2015, the Company and Datang Finance entered into an agreement, pursuant to which Datang Finance agreed to provide certain loans, depository and other financial services to the Group for a period of three years, which expired at 31 December 2017. The financial service agreement was renewed on 12 May 2017 with a term from 1 January 2018 to 31 December 2020. On 23 August 2018, the Company and Datang Finance entered into a supplemental agreement in relation to the financial service agreement to make revision on the annual transaction cap. The financial service agreement was renewed again on 20 October 2020 with a term from 1 January 2021 to 31 December 2023. The deposit interest rates and loan interest rates stipulated in the financial service agreement are determined with reference to the benchmark deposit interest rates and loan interest rates announced by the People's Bank of China and the equivalent deposit interest rates and loan interest rates provided by independent domestic commercial banks in China. The agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As at 31 December 2021, the Group had a cash deposit held at Datang Finance amounting to RMB2,854.3 million (31 December 2020: RMB2,635.1 million), and the interest income on the deposit was RMB14.9 million for the year ended 31 December 2021 (31 December 2020: RMB27.7 million).

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

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Year-end balances due from/to related parties

Other than those disclosed elsewhere in the consolidated financial statements, the outstanding balances with related entities at the year end are as follows:

	2021	2020
Cash and cash equivalents deposited with		
A subsidiary of Datang Corporation *(Note 29 (a) (iv))*	**2,854,338**	2,635,115
Trade and bills receivables		
Datang Corporation and its subsidiaries	**21,993**	6,298
Prepayments, other receivables and other assets		
Datang Corporation and its subsidiaries	**354,078**	298,205
Other related parties	**5,000**	22,656
Trade and bills payables		
Datang Corporation and its subsidiaries	**(26,328)**	(30,124)
Other related parties	**–**	(35,081)
Other payables and accruals		
Datang Corporation and its subsidiaries	**(1,070,457)**	(1,565,490)
Other related parties	**(57,624)**	(12,196)
Interest-bearing bank and other borrowings		
Subsidiaries of Datang Corporation	**(14,034,488)**	(10,254,841)

All balances with related parties arose primarily from transactions as disclosed in Note 29(a).

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Year-end balances due from/to related parties (Continued)

As at 31 December 2021, amounts included in "Other payables and accruals" of RMB67.5 million (31 December 2020: RMB447.9 million) and "Interest-bearing bank and other borrowings" of RMB14,034.5 million (31 December 2020: RMB10,254.8 million) were payables to Datang Corporation and certain fellow subsidiaries which bore interest at rates ranging from 2.95% to 5.80% per annum (2020: 3.30% to 5.80%). Except for the above-mentioned balances, all (2020: all) other balances with Datang Corporation and its subsidiaries are interest-free, unsecured and due on demand.

As at 31 December 2021, the Company's ultimate holding company, a fellow subsidiary and the non-controlling shareholders of certain subsidiaries of the Company have guaranteed certain bank loans and other loans made to the Group of up to RMB11.3 million (31 December 2020: RMB42.1 million), RMB34.7 million (31 December 2020: RMB89.7 million) and RMB111.6 million (31 December 2020: RMB117.4 million), respectively.

(c) Significant transactions with other state-owned enterprises

For the year ended 31 December 2021, all (2020: all) revenue was derived from the sales of electricity made to the provincial power grid companies. These power grid companies are directly or indirectly owned or controlled by the PRC government. At 31 December 2021, substantially all (31 December 2020: substantially all) of the trade and bills receivables (Note 21) were due from these power grid companies.

Apart from the above, for the years ended 31 December 2021 and 2020, a large portion of the Group's other significant transactions with other state-owned enterprises were its purchases of materials, property, plant and equipment and services. Substantially all cash and cash equivalents and borrowings at 31 December 2021 and 2020, and the relevant interest income earned and expenses incurred were transacted with banks and other financial institutions owned/controlled by the PRC government.

The transactions of revenue and expense in nature conducted with other state-owned enterprises are based on terms as set out in the underlying agreements, based on statutory rates or actual costs incurred, or as mutually agreed.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Compensation of key management personnel

	2021	2020
Basic salaries, housing fund, other allowances and benefits in kind	972	1,159
Discretionary bonuses	2,587	1,407
Pension costs	189	260
	3,748	2,826

Details of directors' and supervisors' remuneration are included in Note 12 to the financial statements.

(e) Commitments with related parties

As at 31 December 2021 and 2020, except for the other capital commitments disclosed in Note 29(a) to the financial statements, the Group had no significant commitments with other related parties.

(f) In 2021, the Group recognised right-of-use assets of RMB173.5 million (2020: RMB2,112.8 million), and lease liabilities of RMB191.3 million (2020: RMB1,950.1 million) for new leases from related parties.

Also in 2021, the Group recognised depreciation expenses of RMB158.9 million (2020: RMB80.1 million) from right-of-use assets, and interest expenses of RMB111.7 million (2020: RMB63.7 million) from lease liabilities and paid an amount of RMB493.4 million (2020: RMB148.7 million) under all lease agreements with related parties.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS

30.1 Financial instruments by category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

	2021				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Equity investments designated at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income	Total
Equity investments designated at fair value through other comprehensive income	–	–	104,905	–	104,905
Trade and bills receivables	–	16,322,850	–	148,049	16,470,899
Time deposits	–	18,000	–	–	18,000
Restricted cash	–	35,486	–	–	35,486
Cash and cash equivalents	–	3,119,959	–	–	3,119,959
Financial assets included in prepayments, other receivables and other assets	–	597,598	–	–	597,598
Financial assets at fair value through profit or loss	8,972	–	–	–	8,972
	8,972	20,093,893	104,905	148,049	20,355,819

Financial liabilities

	2021	
	Financial liabilities at amortised cost	Total
Trade and bills payables	369,964	369,964
Financial liabilities included in other payables and accruals	9,272,945	9,272,945
Interest-bearing bank and other borrowings	57,876,241	57,876,241
	67,519,150	67,519,150

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Financial instruments by category (Continued)

Financial assets

	2020				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Equity investments designated at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income	Total
Equity investments designated at fair value through other comprehensive income	–	–	68,287	–	68,287
Trade and bills receivables	–	12,060,499	–	345,149	12,405,648
Time deposits	–	19,490	–	–	19,490
Restricted cash	–	32,402	–	–	32,402
Cash and cash equivalents	–	3,052,717	–	–	3,052,717
Financial assets included in prepayments, other receivables and other assets	–	478,431	–	–	478,431
Financial assets at fair value through profit or loss	9,728	–	–	–	9,728
	9,728	15,643,539	68,287	345,149	16,066,703

Financial liabilities

	2020	
	Financial liabilities at amortised cost	Total
Trade and bills payables	282,580	282,580
Financial liabilities included in other payables and accruals	7,080,692	7,080,692
Interest-bearing bank and other borrowings	54,326,284	54,326,284
	61,689,556	61,689,556

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Financial instruments by category (Continued)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2021, the Company and its certain subsidiaries endorsed or discounted certain bills receivable accepted by banks in the PRC and Datang Finance to certain of its suppliers in order to settle the trade payables or other payables due to such suppliers with a carrying amount in aggregate of RMB215.9 million (31 December 2020: RMB78.0 million). The derecognised bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the derecognised bills have a right of recourse against the Group if the PRC banks or the financial institutions default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the derecognised bills. Accordingly, it has derecognised the full carrying amounts of the derecognised bills and the associated trade payables or other payables. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised bills and the undiscounted cash flows to repurchase these derecognised bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the derecognised bills are not significant.

30.2 Fair value and fair value hierarchy

Fair value

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 and those carried at fair values, are as follows:

	Carrying amount		Fair value	
	2021	2020	**2021**	2020
Financial liability:				
Long-term interest bearing bank and other borrowings (other than lease liabilities)	**42,940,901**	37,289,079	**41,419,808**	36,411,060

Management has assessed that the fair values of cash and cash equivalents, time deposits, restricted cash, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and short-term interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value (Continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and bills receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings and bills receivable as at 31 December 2021 were assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates, or assessed by a third party through evaluating the discounted cash flow. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings and net assets measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value (Continued)

For the fair value of the unlisted equity investments at fair value, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2021 and 2020:

	Valuation technique	Significant unobservable input	Range/Weighted average	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	2021: 1.4x (2020: 1.3x to 1.7x)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB4,938,278 (2020: RMB4,774,199)
		Discount for lack of marketability	2021: 30% (2020: 20% to 30%)	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB2,116,405 (2020: RMB1,924,149)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Trade and bills receivables	–	148,049	–	148,049
Equity investments designated at fair value through other comprehensive income	51,238	–	53,667	104,905
Financial assets at fair value through profit or loss	–	–	8,972	8,972
	51,238	148,049	62,639	261,926

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Trade and bills receivables	–	345,149	–	345,149
Equity investments designated at fair value through other comprehensive income	17,642	–	50,645	68,287
Financial assets at fair value through profit or loss	–	–	9,728	9,728
	17,642	345,149	60,373	423,164

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy (Continued)

The movements in fair value measurement within Level 3 during the year are as follows:

	2021	2020
As at 1 January	60,373	67,490
Total gains/(losses) recognised in the other comprehensive income	8,467	(7,986)
Total gains recognised in the statement of profit or loss included in other income	243	388
Investments in equity investments designated at fair value through other comprehensive income	–	9,749
Disposals of equity investments designated at fair value through other comprehensive income	–	(4,240)
Reclassified to investments in associates *(Note 16(b))*	(5,444)	–
Disposals of financial assets at fair value through profit or loss	(1,000)	(5,028)
As at 31 December	62,639	60,373

During the year, the Group had no transfers of fair value measurements between Level 1 and Level 2 (2020: Nil).

There were no assets for which fair values were disclosed as at 31 December 2021 and 2020.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Long-term interest-bearing bank and other borrowings (other than lease liabilities)	–	41,419,808	–	41,419,808

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Long-term interest-bearing bank and other borrowings (other than lease liabilities)	–	36,411,060	–	36,411,060

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury management department (the "Group Treasury") under policies approved by the board of directors of the Company. The Group Treasury identifies, evaluates and hedges financial risks through close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the HKD, AUD, EUR and USD. Foreign exchange risk arises mainly from CDM assets/receivables, recognised assets and liabilities and net investments in foreign operations.

As at 31 December 2021, substantially all of the revenue-generating operations of the Group were located in the PRC and transacted in RMB. To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group have the policy to minimise foreign currency transactions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

As at 31 December 2021, if RMB had weakened/strengthened by 5% (31 December 2020: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB1.2 million lower/higher (31 December 2020: RMB1.4 million lower/higher) mainly as a result of foreign exchange gains/losses on translation of recognised monetary assets and liabilities.

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

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Foreign currency risk (Continued)

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

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from bank borrowings and other loans. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2021, the Group's borrowings at variable rates were denominated in RMB (2020: in RMB).

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

As at 31 December 2021, if interest rates on RMB denominated loans both had been 50 basis points higher/lower, respectively, with all other variables held constant, interest expenses charged to profit or loss for the year would have been RMB251.1 million (31 December 2020: RMB242.2 million) higher/lower, respectively.

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

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(a) Market risk (Continued)

(iii) Price risk

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

As at 31 December 2021, the Group was exposed to equity security price risk primarily arising from the investments classified as equity investments designated at fair value through other comprehensive income. These securities are publicly traded in Hong Kong. To manage the risk, the Group closely monitors the market prices of these securities and market trends.

If prices of the equity security investments had increased/decreased by 10% with the stock price, the investment valuation reserve within equity would have been increased/decreased by RMB4.3 million (31 December 2020: RMB1.5 million) as a result of the increase/decrease in equity securities classified as at fair value through other comprehensive income.

(b) Credit risk

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

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(b) Credit risk (Continued)

The receivables from sales of electricity mainly represent receivables from the provincial power grid companies. The Group has no significant credit risk with any of these power grid companies, which are major state-owned entities, and the Group maintains long-term and stable business relationships with these companies. With regard to the trade receivable from a trade debtor for services rendered, certain long-aged other receivables which aged over three years, advance payment with an external wind turbines supplier of abnormal operation, the management centrally assesses the credit quality of the debtors, taking into account their financial positions, past experience and other factors. The Group performs periodic credit evaluations of its customers and believes that adequate provision for impairment of receivables/assets has been made (Notes 19 and 21). The Group does not expect any further losses from non-performance by these counterparties.

The concentrations of trade receivables are disclosed in Note 21.

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

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Treasury. The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. This forecast takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

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

(Amounts expressed in thousands of RMB unless otherwise stated)

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to Datang Finance. Datang Finance places the surplus cash with banks after considering sufficient liquidity to provide sufficient headroom as determined by Datang Finance.

As at 31 December 2021, the Group held cash and cash equivalents of RMB3,120.0 million (31 December 2020: RMB3,052.7 million) (Note 22). In addition, the Group held listed equity securities of RMB51.2 million (31 December 2020: RMB17.6 million) (Note 17), which could be readily realised to provide a further source of cash should the need arise.

As at 31 December 2021, the Group's net current liabilities amounted to approximately RMB941.7 million (31 December 2020: RMB4,522.1 million). The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs through i) maintaining flexibility by placing reliance primarily on bank loans; ii) periodically evaluating banking facilities position and maintaining sufficient headroom on its undrawn committed borrowing facilities; iii) complying with borrowing limits or covenants on any of its borrowing facilities – for example, appropriate management of pledged assets, compliance with certain debt ratios, and other credit rating requirements. Such forecast takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal debt ratio targets.

As at 31 December 2021 and 2020, the Group had the following undrawn borrowing facilities at floating rates:

	2021	2020
Expiring within one year	14,456,656	4,000,000
Expiring beyond one year	1,500,000	500,000
	15,956,656	4,500,000

Based on the above and other available sources of financing from other financial institutions stated in Note 2.1.1, the directors of the Company are confident that the Group will be able to meet its payment and settlement obligations and that the liquidity risk is low.

(Amounts expressed in thousands of RMB unless otherwise stated)

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
As at 31 December 2021					
Lease liabilities	272,828	384,762	1,145,713	1,516,225	3,319,528
Long-term loans *(Note 25(a))*	7,009,450	10,724,017	18,573,362	17,080,789	53,387,618
Long-term bonds *(Note 25(a))*	1,307,768	111,120	3,710,173	–	5,129,061
Short-term loans *(Note 25(b))*	1,993,330	–	–	–	1,993,330
Short-term bonds *(Note 25(b))*	3,782,682	–	–	–	3,782,682
Financial liabilities included in other payables and accruals	9,275,665	–	–	–	9,275,665
Trade and bills payables *(Note 23)*	369,964	–	–	–	369,964
	24,011,687	11,219,899	23,429,248	18,597,014	77,257,848
As at 31 December 2020					
Lease liabilities	180,940	299,323	1,326,089	1,983,650	3,790,002
Long-term loans *(Note 25(a))*	9,884,299	7,143,938	21,588,616	13,882,849	52,499,702
Long-term bonds *(Note 25(a))*	1,097,057	1,244,133	–	–	2,341,190
Short-term loans *(Note 25(b))*	2,469,064	–	–	–	2,469,064
Short-term bonds *(Note 25(b))*	2,767,555	–	–	–	2,767,555
Financial liabilities included in other payables and accruals	7,013,064	3,125	26,380	59,437	7,102,006
Trade and bills payables *(Note 23)*	282,580	–	–	–	282,580
	23,694,559	8,690,519	22,941,085	15,925,936	71,252,099

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.2 Capital risk management

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

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

The Group monitors their capital structure on the basis of the liability-to-asset ratio, which is calculated by dividing total liabilities by total assets. The liability-to-asset ratio of the Group as at 31 December 2021 was 68.6% (31 December 2020: 69.2%).

The decrease in the liability-to-asset ratio was primarily due to the issuance of perpetual note and bonds which were classified as equity. Taking into consideration the expected operating cash flows of the Group, the unutilised banking facilities, other available sources of financing from other financial institutions and the Group's past experience in refinancing its short-term borrowings, the directors and the management of the Company believe that the Group can meet its obligations when they fall due.

(Amounts expressed in thousands of RMB unless otherwise stated)

32. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

As at 31 December 2021, the Company directly and indirectly held equity interests in its subsidiaries, all of which are unlisted securities. The Company's principal subsidiaries, all of which are limited liability companies established and operate in the PRC in the business of wind power generation, are as follows:

Name	Registered and fully paid-in capital	Proportion of equity interest held by the Group	
		Direct	Indirect
Datang (Chifeng) Renewable Power Co., Ltd. (大唐(赤峰)新能源有限公司) ("Chifeng Renewable")	2,120.5 million	60%	–
Datang (Qingdao) Wind Power Generation Co., Ltd. (大唐(青島)風力發電有限公司)	529,263	96%	–
Datang Alukeerqinqi Renewable Power Co., Ltd. (大唐阿魯科爾沁旗新能源有限公司)	543,516	100%	–
Datang Renewable Shuozhou Wind Power Generation Co., Ltd. (大唐新能源朔州風力發電有限公司)	Paid-in capital: 483,770 Registered capital: 449,910	100%	–
Shanghai Dong Hai (上海東海風力發電有限公司) *(Note (i))*	Paid-in capital: 949,800 Registered capital: 1,009,000	28%	–
Datang Xiangyang Wind Power Generation Co., Ltd. (大唐向陽風電有限公司)	1,557,920	100%	–
Datang (Tongliao) Huolinhe Renewable Power Co., Ltd. (大唐(通遼)霍林河新能源有限公司)	809,570	100%	–
Datang Tongxin Renewable Power Co., Ltd. (大唐同心新能源有限公司)	585,983	100%	–
Datang Xilinguole Wind Power Generation Co., Ltd. (大唐錫林郭勒風力發電有限責任公司)	474,525	100%	–
Datang Wenniuteqi Renewable Power Co., Ltd. (大唐翁牛特旗新能源有限公司)	129,548	100%	–
Datang Guoxin Bin Hai Wind Power Co., Ltd. (大唐國信濱海海上風力發電有限公司) ("Guoxin Bin Hai")	958,458	60%	–

32. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

All English names of the subsidiaries represent the best effort made by the Company's directors to translate their Chinese names and are for reference only. The official names of these entities are in Chinese.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

(i) The Company has power to govern the financial and operating policies of Shanghai Dong Hai and certain subsidiaries by virtue of acting in concert arrangements with other shareholders who undertook to act in concert with the Group. The Company's proportion of voting rights of Shanghai Dong Hai was up to 60% as at 31 December 2021 which was included in the consolidation.

(ii) As at 31 December 2021, the Company's share in the paid-in capital of certain subsidiaries differed from its proportionate share in the share capital as specified in the articles of association due to the delay in capital injection by certain shareholders. As a consequence, the Company's effective interest held was determined in accordance with the articles of association of the respective entities, or the share in the paid-in capital as mutually agreed among the respective shareholders.

(iii) During the year ended 31 December 2021, in order to improve management efficiency, the Group cancelled three subsidiaries and one branch with a total net asset value of RMB41.7 million before liquidation.

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2021	2020
Percentage of equity interest held by non-controlling interests:		
Chifeng Renewable	40%	40%
Shanghai Dong Hai	72%	72%
Guoxin Bin Hai	40%	40%
Datang Handian (Chaoyang) Renewable Power Co., Ltd. (大唐韓電(朝陽)新能源有限公司) ("Handian (Chaoyang)")	40%	40%
Datang Zhongdian (Jilin) Renewable Power Co., Ltd. (大唐中電(吉林)新能源發電有限公司) ("Zhongdian (Jilin)")	49%	49%
Datang Sanhe (Linxi) Renewable Power Co., Ltd. (大唐三合(林西)新能源有限公司) ("Sanhe (Linxi)")	49%	49%
Datang Sino Japan (Chifeng) new energy Co., Ltd. (大唐中日(赤峰)新能源有限公司) ("Zhongri Renewable")	49%	49%
Comprehensive income for the year allocated to non-controlling interests:		
Chifeng Renewable	57,416	91,042
Shanghai Dong Hai	27,887	76,113
Guoxin Bin Hai	157,998	118,489
Handian (Chaoyang)	8,803	6,821
Zhongdian (Jilin)	7,104	7,779
Sanhe (Linxi)	2,020	11,534
Zhongri Renewable	9,076	11,133

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Details of the Group's subsidiaries that have material non-controlling interests are set out below: (Continued)

	2021	2020
Dividends paid to non-controlling interests:		
Chifeng Renewable	84,211	78,784
Shanghai Dong Hai	–	52,861
Guoxin Bin Hai	–	–
Handian (Chaoyang)	15,044	–
Zhongdian (Jilin)	–	–
Sanhe (Linxi)	–	–
Zhongri Renewable	–	–
Accumulated balances of non-controlling interests at the reporting date:		
Chifeng Renewable	1,088,623	1,115,417
Shanghai Dong Hai	770,280	695,033
Guoxin Bin Hai	683,407	525,409
Handian (Chaoyang)	242,958	264,938
Zhongdian (Jilin)	198,035	190,931
Sanhe (Linxi)	137,080	135,106
Zhongri Renewable	133,284	124,207

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2021	Chifeng Renewable	Shanghai Dong Hai	Guoxin Bin Hai
Revenue	681,899	327,986	765,999
Total cost and expenses	(542,816)	(289,254)	(371,004)
Profit for the year	139,083	38,732	394,995
Total comprehensive income for the year	143,540	38,732	394,995
Current assets	1,334,487	778,910	946,640
Non-current assets	3,105,056	2,613,577	3,792,934
Current liabilities	(962,802)	(521,683)	(488,666)
Non-current liabilities	(729,180)	(1,777,948)	(2,542,386)
Net cash flows from operating activities	263,246	209,314	472,441
Net cash flows used in investing activities	(77,404)	(360,710)	(72,254)
Net cash flows (used in)/from financing activities	(172,393)	169,605	(430,867)
Net increase/(decrease) in cash and cash equivalents	13,449	18,209	(30,680)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2020	Chifeng Renewable	Shanghai Dong Hai	Guoxin Bin Hai
Revenue	701,987	384,552	636,070
Total cost and expenses	(470,231)	(278,840)	(339,847)
Profit for the year	231,756	105,712	296,223
Total comprehensive income for the year	227,606	105,712	296,223
Current assets	1,119,790	655,987	551,524
Non-current assets	3,355,851	2,374,297	4,100,483
Current liabilities	(982,168)	(449,869)	(954,978)
Non-current liabilities	(674,470)	(1,615,092)	(2,383,503)
Net cash flows from operating activities	299,428	242,699	401,041
Net cash flows used in investing activities	(72,733)	(348)	(667,624)
Net cash flows (used in)/from financing activities	(367,649)	(197,207)	307,903
Net (decrease)/increase in cash and cash equivalents	(140,954)	45,144	41,320

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2021	Handian (Chaoyang)	Zhongdian (Jilin)	Sanhe (Linxi)
Revenue	163,974	86,656	85,904
Total cost and expenses	(141,966)	(72,158)	(81,782)
Profit for the year	22,008	14,498	4,122
Total comprehensive income for the year	22,008	14,498	4,122
Current assets	264,773	193,351	219,545
Non-current assets	800,377	344,909	441,645
Current liabilities	(149,607)	(130,459)	(116,005)
Non-current liabilities	(294,320)	(3,648)	(265,336)
Net cash flows from operating activities	79,749	36,810	31,510
Net cash flows (used in)/from investing activities	(31,704)	12,240	(7,288)
Net cash flows used in financing activities	(42,042)	(24,645)	(8,383)
Net increase in cash and cash equivalents	6,003	24,405	15,839

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2020	Handian (Chaoyang)	Zhongdian (Jilin)	Sanhe (Linxi)
Revenue	154,365	79,466	104,328
Total cost and expenses	(137,312)	(63,591)	(80,790)
Profit for the year	17,053	15,875	23,538
Total comprehensive income for the year	17,053	15,875	23,538
Current assets	209,235	137,641	180,179
Non-current assets	882,413	391,402	466,024
Current liabilities	(137,865)	(64,065)	(96,700)
Non-current liabilities	(316,959)	(75,323)	(273,777)
Net cash flows from operating activities	100,764	41,495	43,604
Net cash flows used in investing activities	(15,438)	(3,588)	(11,518)
Net cash flows used in financing activities	(99,908)	(46,026)	(62,465)
Net decrease in cash and cash equivalents	(14,582)	(8,119)	(32,379)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2021	Zhongri Renewable
Revenue	54,090
Total cost and expenses	(35,567)
Profit for the year	18,523
Total comprehensive income for the year	18,523
Current assets	108,044
Non-current assets	214,547
Current liabilities	(30,183)
Non-current liabilities	(20,400)
Net cash flows from operating activities	30,004
Net cash flows used in investing activities	(5,153)
Net cash flows used in financing activities	(24,789)
Net increase in cash and cash equivalents	62

2020	Zhongri Renewable
Revenue	57,152
Total cost and expenses	(34,431)
Profit for the year	22,721
Total comprehensive income for the year	22,721
Current assets	98,318
Non-current assets	231,293
Current liabilities	(33,327)
Non-current liabilities	(42,800)
Net cash flows from operating activities	18,781
Net cash flows used in investing activities	(1,165)
Net cash flows used in financing activities	(25,958)
Net decrease in cash and cash equivalents	(8,342)

(Amounts expressed in thousands of RMB unless otherwise stated)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions of right-of-use assets and lease liabilities of RMB461.9million (2020: RMB2,201.5 million) and RMB251.8 million (2020: RMB2,142.4 million), respectively, in respect of lease arrangements for plant and equipment and other use rights.

(b) Changes in liabilities arising from financing activities

2021

	Interest-bearing bank and other borrowings	Other payables and accruals
As at 1 January 2021	54,326,284	7,420,145
Changes from financing cash flows	1,336,435	(684,051)
Foreign exchange movement	–	(5,491)
Dividends payable	–	327,761
Interest expense	2,226,986	–
New leases	251,802	–
Reassessment and revision of lease terms	(164,846)	–
Changes from operating cash flows	–	1,124,454
Changes from investing cash flows	(100,420)	1,404,740
As at 31 December 2021	57,876,241	9,587,558

(Amounts expressed in thousands of RMB unless otherwise stated)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(b) Changes in liabilities arising from financing activities (Continued)

2020

	Interest-bearing bank and other borrowings	Other payables and accruals
As at 1 January 2020	56,780,547	8,230,806
Changes from financing cash flows	(6,547,643)	(2,455,951)
Foreign exchange movement	–	(14,770)
Dividends payable	–	365,728
Interest expense	2,380,708	–
Covid-19-related rent concessions from lessors	(115)	–
New leases	2,142,408	–
Reassessment and revision of lease terms	(195,782)	–
Changes from operating cash flows	–	856,425
Changes from investing cash flows	(233,839)	437,907
As at 31 December 2020	54,326,284	7,420,145

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2021	2020
Within operating activities	**50,338**	17,431
Within financing activities	**508,480**	184,388
	558,818	201,819

(Amounts expressed in thousands of RMB unless otherwise stated)

35. CONTINGENT LIABILITIES

As at 31 December 2021 and 2020, the Group had no significant contingent liabilities.

36. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	2021	2020
Contracted, but not provided for	6,821,983	7,951,612

(b) The Group has no lease contracts that have not yet commenced as at 31 December 2021.

37. EVENTS AFTER THE REPORTING PERIOD

As at 30 March 2022, the board of directors of the Company proposed to distribute the final dividend for the year ended 31 December 2021 of RMB0.03 per share (before tax) in cash to the shareholders with an amount of RMB218.2 million. The proposal is subject to the approval by the shareholders at the 2021 Annual General Meeting of the Company.

The Company has completed the public issue of its short-term bonds (first tranche) of 2022 (the "Short-term Bonds I") and received the proceeds therefrom as at 12 January 2022. The amount of the Short-term Bonds I issued is RMB1.0 billion, with a maturity period of 95 days. The unit par value is RMB100 and the interest rate is 2.24%. The interest started to accrue on 13 January 2022.

The Company has completed the public issue of its short-term bonds (second tranche) of 2022 (the "Short-term Bonds II") and received the proceeds therefrom as at 19 January 2022. The amount of the Short-term Bonds II issued is RMB1.0 billion, with a maturity period of 90 days. The unit par value is RMB100 and the interest rate is 2.16%. The interest started to accrue on 20 January 2022.

The Company has completed the public issue of its corporate bonds (first tranche) of 2022 (the "Corporate Bonds I") and received the proceeds therefrom on 2 March 2022. The amount of the Corporate Bonds I issued is RMB1.0 billion, with a term of 3 years. The unit par value is RMB100 and the interest rate is 2.97%. The interest started to accrue on 2 March 2022.

The Company has completed the public issue of its short-term bonds (third tranche) of 2022 (the "Short-term Bonds III") and received the proceeds therefrom as at 9 March 2022. The amount of the Short-term Bonds III issued is RMB1.0 billion, with a maturity period of 72 days. The unit par value is RMB100 and the interest rate is 2.00%. The interest started to accrue on 10 March 2022.

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2021	2020
Assets		
Non-current assets		
Property, plant and equipment	235,206	250,433
Intangible assets	8,759	8,752
Right-of-use assets	11,722	10,662
Investments in subsidiaries	25,248,704	23,023,774
Investments in associates and joint ventures	172,821	222,821
Equity investments designated at fair value through other comprehensive income	4,305	4,305
Financial assets at fair value through profit or loss	8,972	9,728
Prepayments, other receivables and other assets	9,293,156	8,831,649
Total non-current assets	34,983,645	32,362,124
Current assets		
Inventories	83	180
Trade and bills receivables	101,347	111,820
Prepayments, other receivables and other assets	9,304,324	8,251,234
Cash and cash equivalents	402,741	313,113
Total current assets	9,808,495	8,676,347
Total assets	44,792,140	41,038,471

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

	2021	2020
Liabilities		
Current liabilities		
Interest-bearing bank and other borrowings	5,926,235	6,273,239
Trade and bills payables	41	1,673
Current income tax liabilities	2,142	2,142
Other payables and accruals	133,767	112,681
Total current liabilities	6,062,185	6,389,735
Net current assets	3,746,310	2,286,612
Non-current liabilities		
Interest-bearing bank and other borrowings	11,853,229	9,986,799
Other payables and accruals	9,851	10,018
Total non-current liabilities	11,863,080	9,996,817
Net assets	26,866,875	24,651,919
Equity		
Share capital	7,273,701	7,273,701
Share premium	2,080,969	2,080,969
Perpetual note and bonds	14,294,047	12,250,087
Retained profits	1,423,057	1,345,058
Other reserves	1,795,101	1,702,104
Total equity	26,866,875	24,651,919

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's retained profits and other reserves is as follows:

		Other reserves			
	Retained profits	Statutory surplus reserves	Fair value reserve	Others	Total
As at 1 January 2020	1,024,662	323,143	2,344	1,290,986	2,641,135
Profit for the year	624,342	–	–	–	624,342
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	(104)	–	(104)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	2,240	–	(2,240)	–	–
Transfer from retained profits	(87,975)	87,975	–	–	–
Dividends paid	(218,211)	–	–	–	(218,211)
As at 31 December 2020 and 1 January 2021	1,345,058	411,118	–	1,290,986	3,047,162
Profit for the year	389,207	–	–	–	389,207
Transfer from retained profits	(92,997)	92,997	–	–	–
Dividends paid	(218,211)	–	–	–	(218,211)
As at 31 December 2021	1,423,057	504,115	–	1,290,986	3,218,158

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 30 March 2022.

Glossary of Terms

"Articles of Association"	the articles of association of the Company
"average on-grid tariff"	electricity sales revenue in a period divided by the corresponding electricity sales in such period
"average utilisation hours"	the consolidated power generation in a specified period (in MWH or GWH) divided by the average consolidated installed capacity in the same period (in MW or GW)
"biomass"	plant material, vegetation or agricultural waste used as a fuel or energy source
"Board"	the board of Directors of the Company
"capacity"	if used alone, is an abbreviated form of installed capacity for operating projects, constructing capacity for projects under construction, or prospective capacity for pipeline projects (as the case may be)
"CDC Capital Holding"	China Datang Corporation Capital Holding Co. Limited (中國大唐集團資本控股有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Datang Corporation
"Certified Emission Reductions"	certified emission reductions, which are carbon credits issued by CDM Executive Board for emission reductions achieved by CDM projects and verified by a designated operating entity under the Kyoto Protocol
"Clean Development Mechanism" or "CDM"	the Clean Development Mechanism, an arrangement under the Kyoto Protocol allowing industrialized countries to invest in projects that reduce greenhouse gas emissions in developing countries in order to earn emission credits
"consolidated installed capacity"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidate in our consolidated financial statements only. This is calculated by including 100% of the installed capacity or capacity under construction of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated installed capacity and consolidated capacity under construction do not include the capacity of our associated companies
"consolidated power generation"	the aggregate gross power generation or net electricity sales (as the case may be) of our project companies that we fully consolidate in our financial statements for a specified period

"Datang Corporation"	China Datang Corporation Ltd.* (中國大唐集團有限公司), a state-owned corporation incorporated in the PRC and a controlling shareholder and one of the promoters of our Group
"Datang Factoring Company"	Datang Commercial Factoring Company Limited* (大唐商業保理有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Datang Corporation
"Datang Finance"	China Datang Group Finance Co., Ltd (中國大唐集團財務有限公司), a company incorporated in the PRC with limited liability, which is a fellow subsidiary of the Company
"Datang Financial Leasing"	Datang Financial Leasing Co., Ltd (大唐融資租賃有限公司), a company incorporated in the PRC with limited liability, which is a fellow subsidiary as well as an associate of the Company
"Datang Jilin"	Datang Jilin Power Generation Company Limited (大唐吉林發電有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of Datang Corporation and just like Datang Corporation, also our controlling shareholder and one of the promoters of the Group
"Datang Power"	Datang International Power Generation Co., Ltd., a company incorporated in the PRC with limited liability and a subsidiary of Datang Corporation, being concurrently listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: 991)
"Datang Renewables (H.K.)"	Datang Renewables (H.K.) Co., Limited (大唐新能源(香港)有限公司), a company with limited liability incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
"Director(s)"	the director(s) of the Company
"electricity sales"	gross power generation less (i) auxiliary electricity; and (ii) the electricity generated during the construction and testing period. Income attributable to the sales of electricity generated during the construction and testing period is not included in the electricity sales revenue, but is offset against the cost of property, plant and equipment
"generation capacity"	the capacity of wind turbines that have started to produce electricity, which capacity corresponds to the amount of power generation salable to the power grid companies plus the auxiliary electricity

"Group" or "we" or "us"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股有限公司) and its subsidiaries
"GWh"	unit of energy, gigawatt-hour. 1 GWh=1 million kWh
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"installed capacity"	the capacity of those wind power projects in which the wind turbines have been completely assembled and erected
"kW"	unit of energy, kilowatt. 1 kW=1,000 watts
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy generally used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"Latest Practicable Date"	26 April 2022, being the latest practicable date prior to the printing of this report for ascertaining certain information contained in this report
"Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"MW"	unit of energy and unit of power, megawatt. 1 MW=1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh=1,000 kWh
"on-grid tariff"	the price of electricity per kWh for which a power project could sell the electricity it generates to the power grid companies. On-grid tariff includes (1) benchmark or approved on-grid tariff; (2) tariff premiums for wind power companies to compensate the costs of transmission lines that wind power companies constructed and owned (if applicable); and/or (3) discretionary tariff subsidies granted by the local government (if applicable)
"operating projects" or "projects in operation"	projects in which the wind turbines have been completely assembled and erected
"Our Company" or "Company" or "Datang Renewable"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司)

"pipeline projects"	wind power projects that have been identified and reserved for future development pursuant to the wind energy investment and development agreements that we entered into with local governments at all levels under which we are authorized to develop wind farms at specified sites with certain estimated total capacity
"PRC"	the People's Republic of China, unless it has specifically specified, it excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"projects under construction"	projects for which the construction work on the roads, foundations or electrical infrastructure have commenced, the approvals of the NDRC or provincial development and reform committee have been received and detailed engineering and construction blueprints have been completed
"prospective capacity"	the capacity of pipeline projects reserved for future development
"renewable energy sources"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, sunlight or water (based on industry consensus, hydro power less than 50 MW is categorized as renewable energy, which is encouraged by the Renewable Energy Law)
"RMB"	Renminbi, the current lawful currency of the PRC
"Shanghai Leasing Company"	Shanghai Datang Finance Leasing Co., Ltd.* (上海大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and a fellow subsidiary of the Company
"SSE"	the Shanghai Stock Exchange
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the board of supervisors of the Company
"USD"	United States dollars, the current lawful currency of the United States
"Year"	for the year ended 31 December 2021
"%"	per cent

Corporate Information

LEGAL NAME OF THE COMPANY

中國大唐集團新能源股份有限公司

ENGLISH NAME OF THE COMPANY

China Datang Corporation Renewable Power Co., Limited*

REGISTERED OFFICE

Room 6197, 6/F, Building 4, Courtyard 49, Badachu Road, Shijingshan District, Beijing, the PRC

HEAD OFFICE IN THE PRC

8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Liu Guangming

AUTHORISED REPRESENTATIVES

Ms. Kwong Yin Ping Yvonne
Mr. Liu Guangming

JOINT COMPANY SECRETARIES

Mr. Jia Hong
Ms. Kwong Yin Ping Yvonne

COMMITTEES UNDER THE BOARD

Audit Committee

Mr. Lo Mun Lam, Raymond *(independent non-executive Director) (Chairman)*
Mr. Kuang Lelin *(non-executive Director)*
Mr. Yu Shunkun *(independent non-executive Director)*

Nomination Committee

Mr. Liu Chaoan *(independent non-executive Director) (Chairman)*
Mr. Ye Heyun *(non-executive Director)*
Mr. Lo Mun Lam, Raymond *(independent non-executive Director)*

Remuneration and Assessment Committee

Mr. Yu Shunkun *(independent non-executive Director) (Chairman)*
Mr. Liu Jianlong *(non-executive Director)*
Mr. Liu Chaoan *(independent non-executive Director)*

Strategic Committee

Mr. Liu Guangming *(executive Director) (Chairman)*
Mr. Wang Qiying *(non-executive Director)*
Mr. Yu Fengwu *(non-executive Director)*

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Ernst & Young Hua Ming LLP
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As to the PRC law
Beijing Yingke Law Firm
Floors 19-25, Building 2 of CP Center, No. 20 Jinhedong Road, Chaoyang District, Beijing

PRINCIPAL BANKS

- Industrial and Commercial Bank of China Limited Beijing Branch

  Tower B, Tianyin Mansion, No. 2 Fuxingmen South Avenue, Xicheng District, Beijing, the PRC

- Bank of Communications Co., Ltd. Beijing Branch

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

- China Development Bank Co., Ltd.

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

H SHARE REGISTRAR

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STOCK CODE

01798

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E-mail:	dtrir@china-cdt.com

* *For identification purposes only*

Note: The annual report is prepared in both traditional Chinese and English. If there is any discrepancy between the Chinese and English versions of this annual report, the traditional Chinese version shall prevail.

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

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