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

2022 Annual Report

* For identification purpose only

Contents

Chairman's Statement

Dear shareholders,

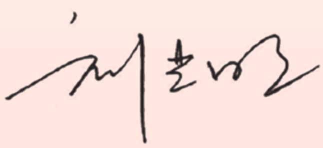
The year 2022 is a milestone year in the history of the Party and the country, and it will undoubtedly be recorded in the annals of history. It is also a crucial year in the development of our Company. The Company adheres to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guidance, fully, accurately, and comprehensively implements the new development concept, swiftly seizes the opportunities brought by the "dual carbon" targets. The Company is determined to make progress, work hard, and actively promote better efficiency, better structure, and safe and reliable high-quality development. It has achieved high-quality expansion and improvement in overcoming difficulties, and its comprehensive strength has made a qualitative leap.

This year, our Company's business performance has reached a new high. The installed capacity has reached 14,193.37 MW, almost doubling since our listing. The total profit amounted to RMB4.344 billion, representing an increase of RMB1.675 billion, or 62.79% year-on-year. Our stock has been successfully included in the "Hang Seng Composite Index" and the Shenzhen-Hong Kong Stock Connect list, and the shareholder structure has continued to be enriched. Our main business is stable, our financial condition is excellent, our market image is increasingly positive, our growth momentum is becoming stronger, and our investment value has significantly increased, resulting in a significant improvement in shareholder returns.

The year 2023 is the opening year for the full implementation of the spirit of the 20th National Congress of the Communist Party of China, and it is also an important year for linking the preceding and the following implementation of the "14th Five-Year Plan". We will seize the opportunity and strive to achieve our goals. We are determined to build a "China's best and world-class" company, while better coordinating our efforts to lay a solid foundation for development and promoting growth, expand capacity and optimize stock. We will place a strong emphasis on management, innovation and development, as we firmly shoulder our responsibilities and use our expertise to create a modern new energy company with Chinese characteristics. With every stroke of our pen, we will be fully committed to excellence, using our skills to write a new and inspiring chapter. As we navigate the challenges ahead, we are determined to create a new and outstanding response to our Shareholders and the society.

Finally, on behalf of the Board of Directors, I would like to express my sincere gratitude to all shareholders, investors, and friendly people from all walks of life who have long given us their trust and support over the years.

Chairman of the Board and General Manager
Liu Guangming



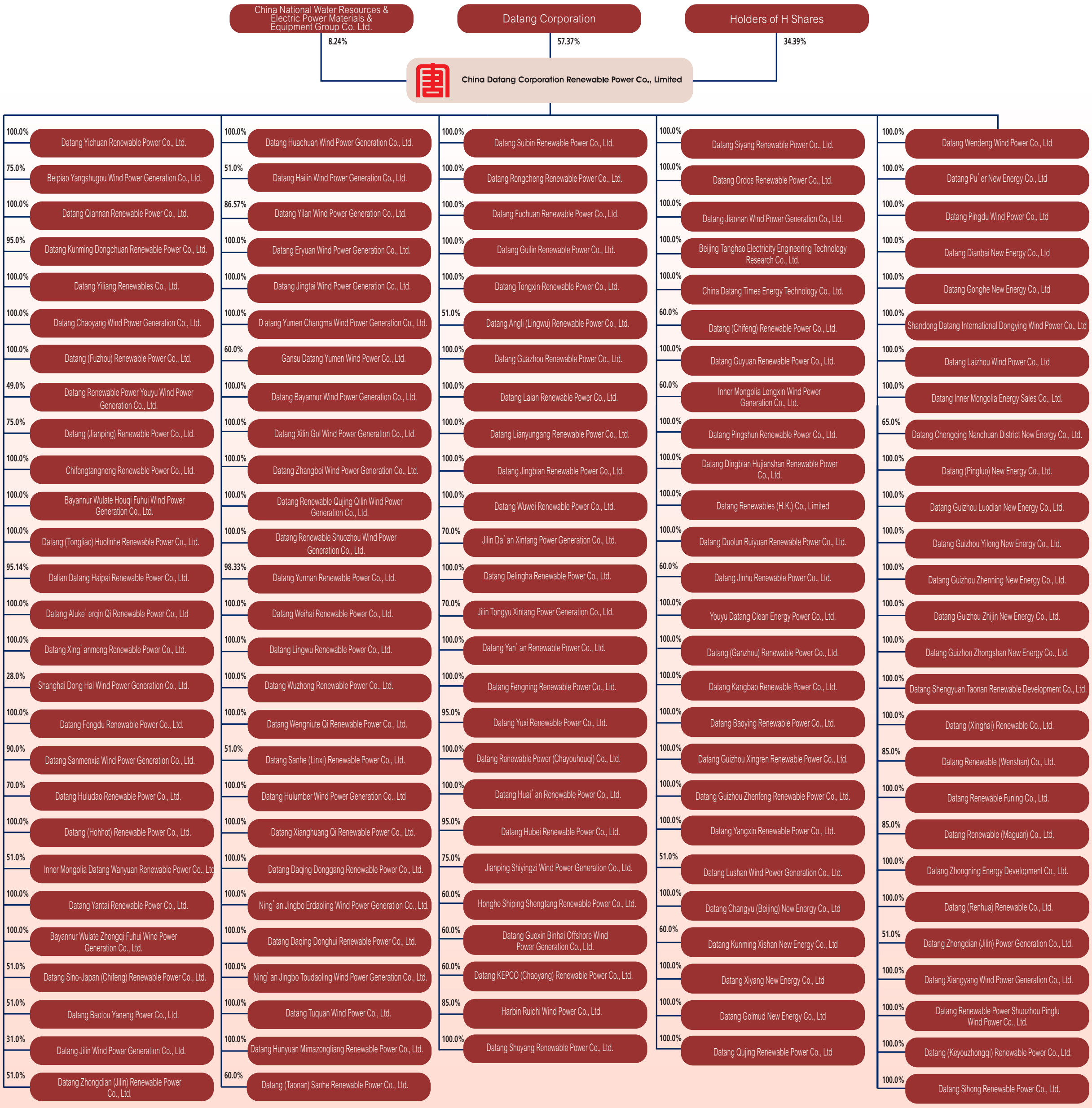
Company Profile

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 2022, 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.

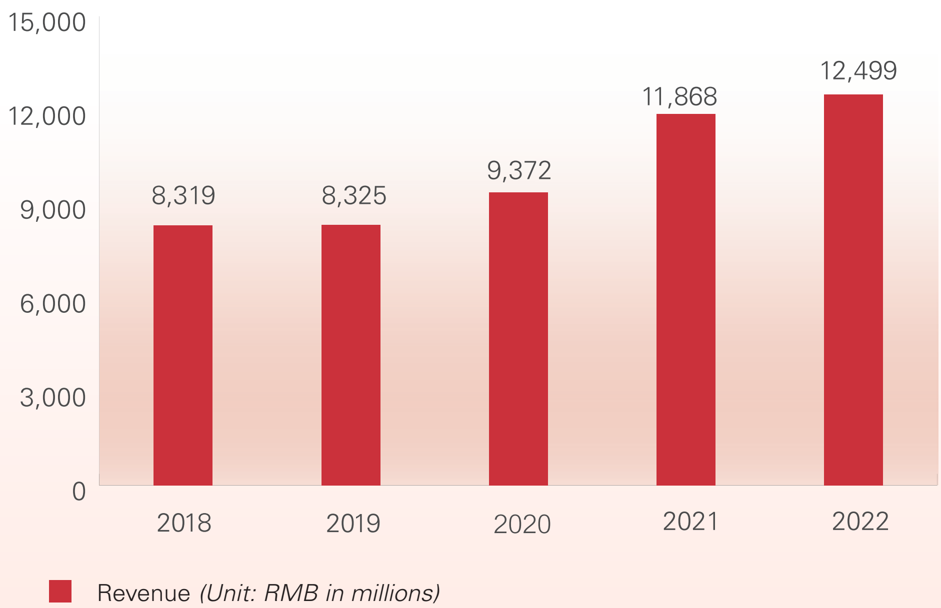
The Group is actively engaged in the renewable sources business including wind power and solar power. As at 31 December 2022, the Group's consolidated installed capacity amounted to 14,193.37 MW, including 12,687.90 MW of wind power consolidated installed capacity and 1,500.47 MW of Photovoltaic consolidated installed capacity.

Corporate Structure: As at 31 December 2022, the Company's major corporate structure was as follows:

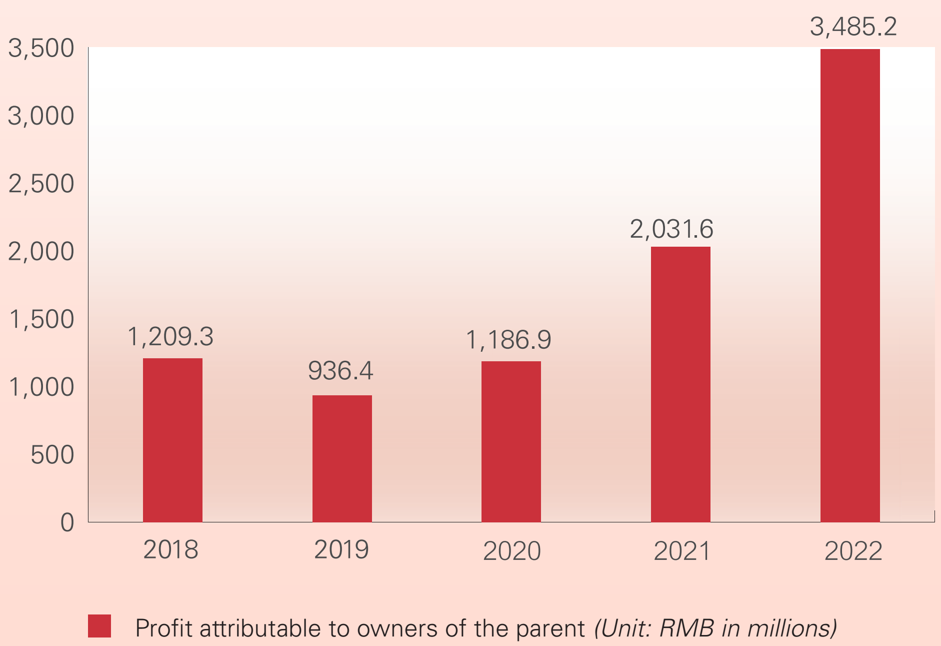


Key Operating and Financial Data

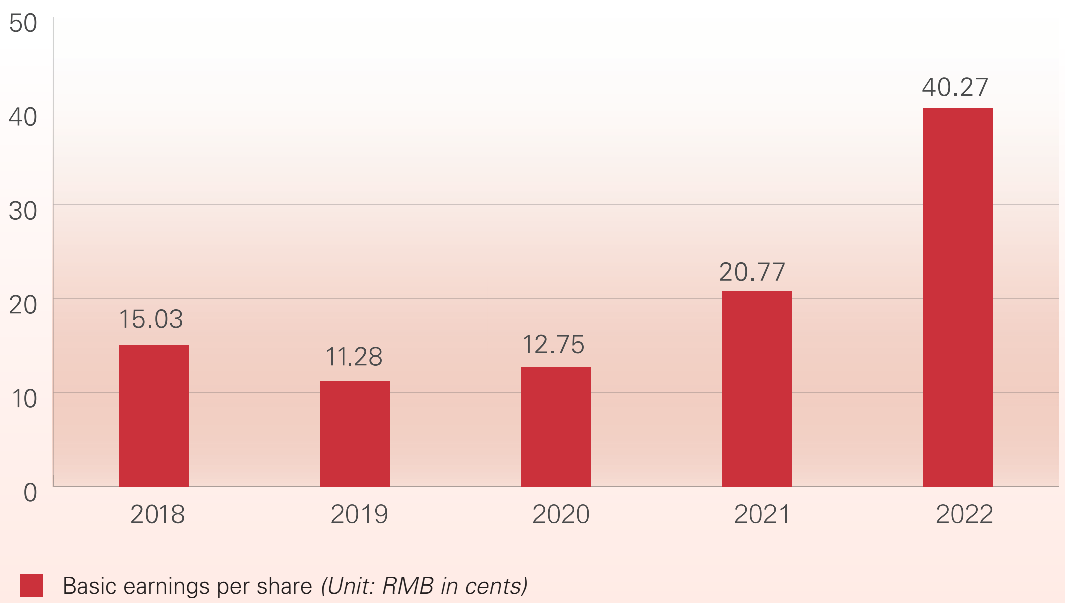
1. REVENUE



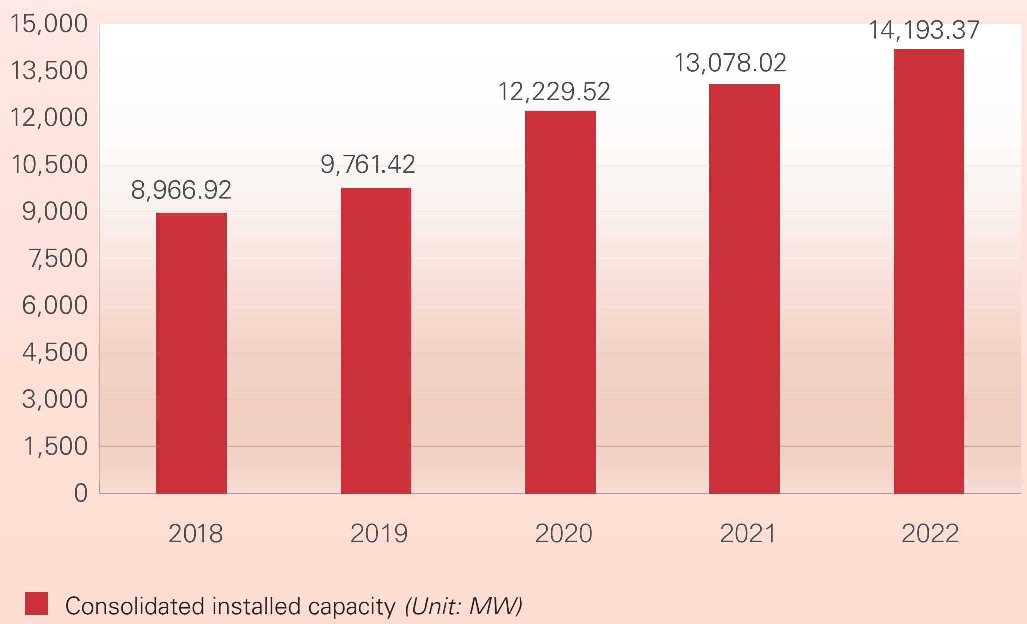
2. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT



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



4. CONSOLIDATED INSTALLED CAPACITY



Financial Highlights

	Year ended 31 December				
	2022	2021	2020	2019	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)			
Revenue	**12,499,229**	11,868,283	9,372,031	8,324,779	8,319,406
Other income and other gains, net	**637,465**	279,640	300,235	365,548	269,600
Operating expenses	**-6,929,722**	-7,370,999	-5,750,096	-5,163,818	-4,803,848
Operating profit	**6,206,972**	4,776,924	3,922,170	3,526,509	3,785,158
Profit before tax	**4,343,696**	2,668,217	1,879,485	1,439,874	1,728,898
Income tax expenses	**-452,471**	-376,484	-326,892	-295,882	-302,513
Profit for the year	**3,891,225**	2,291,733	1,552,593	1,143,992	1,426,385
Other comprehensive income for the year, net of tax	**49,759**	40,722	2,731	101,404	-64,243
Total comprehensive income for the year	**3,940,984**	2,332,455	1,555,324	1,245,396	1,362,142
Profit attributable to:					
– Owners of the parent	**3,485,167**	2,031,623	1,186,861	936,437	1,209,279
– Non-controlling interests	**406,058**	260,110	365,732	207,555	217,106
	3,891,225	2,291,733	1,552,593	1,143,992	1,426,385
Total comprehensive income attributable to:					
– Owners of the parent	**3,534,889**	2,070,731	1,191,191	1,038,507	1,144,973
– Non-controlling interests	**406,095**	261,724	364,133	206,889	217,169
	3,940,984	2,332,455	1,555,324	1,245,396	1,362,142
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	**0.4027**	0.2077	0.1275	0.1128	0.1503

	At 31 December				
	2022	2021	2020	2019	2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)			
Total non-current assets	**78,635,215**	77,905,254	72,693,822	65,222,639	61,615,835
Total current assets	**18,913,059**	21,397,349	17,214,926	14,800,804	12,800,807
Total assets	**97,548,274**	99,302,603	89,908,748	80,023,443	74,416,642
Equity attributable to owners of the parent	**30,186,896**	27,408,209	24,032,343	11,068,797	12,291,764
Non-controlling interests	**4,083,033**	3,937,722	3,700,375	3,432,053	2,989,602
Total equity	**34,269,929**	31,345,931	27,732,718	14,500,850	15,281,366
Total non-current liabilities	**46,153,940**	45,617,625	40,438,981	39,065,476	38,166,047
Total current liabilities	**17,124,405**	22,339,047	21,737,049	26,457,117	20,969,229
Total liabilities	**63,278,345**	67,956,672	62,176,030	65,522,593	59,135,276
Total equity and liabilities	**97,548,274**	99,302,603	89,908,748	80,023,443	74,416,642

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

Renewable energy's competitiveness continues to increase

Active and steady improvement of carbon peaking and carbon neutrality by the Party's proposal in Report convened in the 20th CPC National Congress pointed out the way forward for China's energy development. In 2022, renewable energy achieved a new breakthrough, a new level as well as a new stage.

According to the data released by the National Energy Administration, in 2022, the country's cumulative installed power generation capacity was approximately 2.56 billion kW, representing a year-on-year increase of 7.8%; the installed capacity of wind power and photovoltaic power generation in the country exceeded 120 million kW, reaching 125 million kW, which exceeded 100 million kW with a record high for three consecutive years. During the year, 152 million kW of renewable energy were newly installed, accounting for 76.2% of the country's newly installed power generation capacity, which has become the main part of China's newly installed power generation capacity. Among them, wind power, solar power, biomass power, conventional water and electricity and pumped storage increased by 37.63 million kW, 87.41 million kW, 3.34 million kW, 15.07 million kW, 8.80 million kW, respectively. As of the end of 2022, the installed capacity of renewable energy exceeded 1.2 billion kW, reaching 1.213 billion kW, accounting for 47.3% of the country's total installed power generation capacity, representing 2.5 percentage points higher than that of 2021. In particular, the number of wind power, solar power, biomass power, conventional water and electricity and pumped storage was respectively 365 million kW, 393 million kW, 41 million kW, 368 million kW and 45 million kW.

In 2022, the annual electricity generation of wind power and photovoltaic power exceeded 1 trillion kWh for the first time, reaching 1.19 trillion kWh, representing an increase of 207.3 billion kWh as compared with 2021, representing a year-on-year increase of 21%, accounting for 13.8% of the whole society's electricity consumption, representing a year-on-year increase of 2 percentage points, approaching the domestic electricity consumption of urban and rural residents across the country. In 2022, renewable energy generated 2.7 trillion kWh of electricity, accounting for 31.6% of the whole society's electricity consumption, 1.7 percentage points higher than in 2021, which played a more and more obvious role in ensuring energy supply.

Frequent introduction of policy favorable to the new energy industry

Comprehensive policy document on new energy development

In January 2022, the National Development and Reform Commission and the National Energy Administration issued the "Opinions on Improving the System, Mechanism and Policy Measures of Green and Low-carbon Energy Transformation" (《關於完善能源綠色低碳轉型體制機制和政策措施的意見》), which prescribes that during the "14th Five-Year Plan" period, the institutional framework for promoting energy green and low-carbon development will be basically established, a relatively sound policy, standard, market and regulatory system will be formed, and an energy green and low-carbon transformation promotion mechanism will be constructed with the "dual control" of energy consumption and the non-fossil energy target system as the guiding principles.

In May 2022, the National Development and Reform Commission and the National Energy Administration promulgated the "Implementation Plan for Promoting High-quality Development of Energy in the New Era"(《促進新時代能源高質量發展實施方案》), which improved the policies and measures in seven aspects including innovation in the development and utilization model, establishment of the new power system, the deepening of the "streamline administration, delegating power, strengthening regulation and improve services" reform, support and guidance of the healthy development of the industry, guarantee of the reasonable demand for space, comprehensive implementation of the benefits of ecological environment protection and improvement of the fiscal and financial policies so as to better play the role of new energy in ensuring supply and increasing supply of energy.

In June 2022, nine departments including the National Development and Reform Commission, the National Energy Administration, etc. jointly issued the "14th Five-Year Plan for the Development of Renewable Energy"(《"十四五"可再生能源發展規劃》) recently, which clearly proposes that the renewable energy sources will be developed in large scales such as wind power and by 2025, the electricity generated from renewable energy sources will reach about 3.3 trillion kWh. During the "14th Five-Year Plan" period, the increase in electricity generation from renewable sources accounted for more than 50% of the increase in electricity consumption in the whole society, and the electricity generation from wind power and solar energy doubled.

Direct policies on promoting the development and construction and consumption of new energy

In April 2022, the National Development and Reform Commission launched the "Letter on Continuation of the Affordable Internet Access Policy for New Wind and Photovoltaic Power Generation Projects in 2022"(《關於2022年新建風電、光伏發電項目延續平價上網政策的函》) in 2022, which states that in 2021, China's new wind and photovoltaic power generation projects fully realized affordable Internet access and the industry maintained a rapid development trend. In order to promote the sustainable and healthy development of the wind power and photovoltaic power generation industry, in 2022, the newly approved onshore wind power projects, the newly filed centralized photovoltaic power station and the industrial and commercial distributed photovoltaic projects continued the affordable access policy, and the access tariff was implemented based on the benchmark price of local coal-fired power generation. The newly-built projects can voluntarily participate in the market-oriented transactions to form the on-grid electricity price, so as to fully reflect the green electricity value of new energy sources. All localities were encouraged to issue targeted support policies to support the high-quality development of the wind power and photovoltaic power generation industries.

In November 2022, the National Energy Administration issued the "Notice on Actively Promoting New Energy Power Generation Projects to Be Coordinated, Capable, Early and Relevant Work"(《關於積極推動新能源發電項目應併盡併、能併早併有關工作的通知》), which points out that under the premise of ensuring the safety and stability of the power grid and orderly supply of power, all power grid enterprises should take effective measures to ensure timely grid connection of wind power and photovoltaic power generation projects with grid connection conditions in accordance with the principle of "Be Coordinated, Capable, Early and Relevant"(應併盡併、能併早併). Grid connection in batches are allowed and full-capacity construction grid connection is no longer a necessary condition for new energy projects.

Related policies on promoting the construction of new type of power systems, which are conducive to the consumption of new energy

In February 2022, the National Development and Reform Commission and the National Energy Administration issued the "Notice on Accelerating the Construction of the Spot Power Market"(《關於加快推進電力現貨市場建設工作的通知》), which further deepened the reform of the power system, accelerated the construction of a unified national power market system, and promoted the optimal allocation of power resources in a market-oriented manner.

In March 2022, the National Development and Reform Commission and the National Energy Administration issued the "Implementation Plan for the Development of New Energy Storage in the 14th Five-Year Plan"(《"十四五"新型儲能發展實施方案》), which prescribes the development target: by 2025, the new energy storage will enter the large-scale development stage from the initial stage of commercialization and meet the conditions for large-scale commercial application, by 2030, the new energy storage will be fully market-oriented.

II. BUSINESS REVIEW

In 2022, the Company worked hard and forged ahead, actively promoted high-quality development with better efficiency, better structure, safety and reliability, and made new progress and new achievements in various work, and its business performance reached a new record.

The annual operating revenue was RMB12.499 billion, representing a year-on-year increase of RMB631 million or 5.32%; the net profit attributable to the parent company was RMB3.485 billion, representing a year-on-year increase of RMB1.454 billion or 71.55%; as of the end of 2022, the asset-liability ratio was 64.87%, 3.56 percentage points lower than the beginning of the year. The Company's shares were successfully included in the "Hang Seng Composite Index" constituent stocks and the Shenzhen-Hong Kong Stock Connect; it has been successfully selected into three series of indexes including "Pioneer 50 Index", "Governance Pioneer 50 Index" and "Risk Management Pioneer 50 Index" of SASAC, and the ESG comprehensive ranking has risen to 23rd.

(I) Implementing the dual-carbon goal and adhering to accelerating the pace of green development

1. Increasing efforts in resource acquisition and continuously enriching resource reserves

The Company closely followed the planning of major projects such as national large base, desert, gobi and barren land, and the offshore wind power, and closely followed the new energy allocation information of various provinces and regions; the Company has carried out the bidding application work in Shanxi, Shandong, Jilin, Yunnan, Jiangsu, Chongqing and other provinces and regions, promoted the implementation of the requirements of local governments for establishing companies and introducing foreign capital, and improved the competitiveness of projects.

As of the end of 2022, the Company's consolidated installed capacity was 14,193.37 MW, representing an increase of 1,115.35 MW over the same period in 2021; the capacity of projects under construction of the Company was 2,471.50 MW, among which, wind power projects under construction were 1,236.50 MW and photovoltaic projects under construction were 1,235.00 MW; a total of 3,646.90 MW of investment and construction indicators for new energy projects were obtained throughout the year, and 2,531.10 MW of projects have been approved and recorded.

As of 31 December 2022, the consolidated installed capacity of the Company by region was as follows:

Region	Consolidated installed capacity (MW) As of 31 December 2022	As of 31 December 2021	Rate of year-on-year change
Total	**14,193.37**	**13,078.02**	**8.53%**
Wind power	12,687.90	11,997.55	5.75%
Inner Mongolia	3,278.55	3,278.55	0.00%
Heilongjiang	940.50	801.00	17.42%
Jilin	1,297.60	1,248.10	3.97%
Liaoning	614.20	614.20	0.00%
Beijing	49.50	49.50	0.00%
Gansu	1,045.80	945.80	10.57%
Ningxia	646.50	646.50	0.00%
Shaanxi	349.00	349.00	0.00%
Shanxi	1,034.70	735.05	40.77%
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	14.00	0.00%
Yunnan	400.45	393.75	1.70%
Chongqing	281.50	232.00	21.34%
Guangdong	49.50	49.50	0.00%
Fujian	95.50	95.50	0.00%
Shandong	1,010.50	1,010.50	0.00%
Shanghai	249.70	204.20	22.28%
Jiangsu	410.85	410.85	0.00%
Hubei	46.80	46.80	0.00%

Region	Consolidated installed capacity (MW) As of 31 December 2022	As of 31 December 2021	Rate of year-on-year change
Photovoltaic	**1,500.47**	1,075.47	39.52%
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	**260.00**	100.00	160.00%
Guizhou	**610.00**	610.00	0.00%
Guangdong	**65.00**	10.00	550.00%
Gansu	**76.00**	26.00	192.31%
Shandong	**10.00**	–	–
Jilin	**150.00**	–	–
Gas	**5.00**	5.00	0.00%
Shanxi	**5.00**	5.00	0.00%

2. Dynamically adjusting the investment strategy and studying the acquisition and merger of high-quality projects

The Company coordinated the bidding policies of various regions, continuously optimized the investment decision-making process and refined the project boundary conditions, and effectively improved the investment process management ability and level; actively collected market information and looked for potential partners of high-quality projects in the upstream and downstream of the industrial chain; seek cooperation opportunities with large equipment manufacturers such as wind turbines and photovoltaic modules, and accelerated cooperation with scientific research institutions and well-known listed companies to seek innovative development.

In 2022, the Company has successively carried out research, economic evaluation and acquisition demonstration of new energy projects in Jiangsu, Xinjiang, Hebei and Shanxi, and will choose the opportunity to carry out relevant acquisition work when conditions are fulfilled.

3. Giving play to overseas investment platform, with various high-quality resources being obtained

The Company further expanded the financing channels of Datang Renewables HK to meet the demands of some domestic provinces to introduce overseas investment. In 2022, the Company established project companies in Shandong, Jiangsu and Yunnan in the name of foreign-invested enterprises and locked in 1,560 MW of new energy projects, giving full play to the role of overseas investment and financing platform.

(II) Consolidating the foundation of safe production and taking multiple measures to increase power generation

1. Promoting the construction of the Company into an intrinsically-safe enterprise, with the level of its intrinsical safety being further improved

The Company firmly established the concept of safe development, solidly carried out special activities in the field of safe production, and completed the tasks of "clean-up and rectification", spring and autumn inspection, flood prevention and disaster reduction, and power guarantee for the 20th NPC of the Party with high quality; actively carried out activities such as "Safe Production Month" and "Journey of Safe Production". In the face of the complicated and changeable COVID-19 pandemic, the Company constantly adjusted and optimized its prevention and control measures, withstood the repeated impact of the pandemic, and protected the life safety and health of employees to the greatest extent.

In 2022, the Company's wind power curtailment rate was 4.22%, representing an increase of 0.52 percentage point year-on-year; the photovoltaic power curtailment rate was 2.04%, representing a decrease of 0.54 percentage point year-on-year. The average utilisation hours of wind power of the Company reached 2,262 hours, remaining broadly stable on a year-on-year basis; the average utilization hours of photovoltaic power reached 1,414 hours, representing an increase of 333 hours year-on-year.

As of 31 December 2022, the Company's average utilization hours by region were as follows:

Region	Utilisation hours (hour) As of 31 December 2022	As of 31 December 2021	Change
Total	**2,188**	2,160	28
Wind power	**2,262**	2,266	-4
Inner Mongolia	**2,619**	2,541	78
Heilongjiang	**2,578**	2,324	254
Jilin	**2,355**	2,123	232
Liaoning	**2,403**	2,479	-76
Beijing	**2,965**	432	2,533
Gansu	**1,724**	2,021	-297
Hebei	**2,190**	2,222	-32
Henan	**1,904**	2,280	-376
Shanxi	**2,128**	2,441	-313
Shaanxi	**1,959**	1,847	112
Ningxia	**1,723**	1,785	-62
Yunnan	**2,297**	2,358	-61
Shandong	**1,782**	1,920	-138
Hubei	**2,078**	1,633	445
Guangdong	**1,574**	1,528	46
Guangxi	**1,791**	1,617	174
Shanghai	**2,189**	2,044	145
Jiangsu	**2,781**	3,183	-402
Anhui	**1,616**	1,784	-168
Chongqing	**2,356**	2,136	220
Guizhou	**–**	1,525	–
Fujian	**2,359**	2,165	194

Region	Utilisation hours (hour) As of 31 December 2022	As of 31 December 2021	Change
Photovoltaic	**1,414**	1,081	333
Inner Mongolia	**1,626**	1,182	444
Jiangsu	**854**	863	-9
Ningxia	**1,829**	1,617	212
Gansu	**1,999**	1,936	63
Qinghai	**1,633**	1,653	-20
Shanxi	**1,701**	1,653	48
Liaoning	**1,651**	1,578	73
Guizhou	**1,176**	755	421
Guangdong	**620**	–	–
Jilin	**1,787**	–	–
Gas	**–**	2,220	–
Shanxi	**–**	2,220	–

2. Focusing on equipment diagnosis and efficiency improvement, with the efficiency of in-service units being continuously improved

The Company steadily promoted the technical transformation of the operating wind farm, and made full use of the big data platform of the production dispatching center to carry out the detailed analysis and diagnosis of equipment failures; continued to increase the reasonable investment in technical transformation, minimize the number of equipment failures and power loss, and continued to promote the efficiency improvement and transformation of old wind turbines.

In 2022, according to the statistics of the Big Data Center platform system, the Company's total power loss due to unit performance decreased by 22.32% year-on-year, and the power due to unit defects decreased by 7.48% year-on-year. Through technical transformation investment, the hidden dangers and potential problems of the Company's station units and equipment have been effectively solved, and the equipment reliability and wind turbine availability have been effectively improved, with significant results in quality and efficiency improvement.

As of 31 December 2022, the consolidated power generation of the Company by region was as follows:

Region	Consolidated power generation (MWh) As of 31 December 2022	As of 31 December 2021	Rate of year-on-year change
Total	28,787,028	26,178,431	9.96%
Wind power	27,163,692	24,998,097	8.66%
Inner Mongolia	8,587,857	8,128,776	5.65%
Heilongjiang	2,192,447	1,692,411	29.55%
Jilin	2,690,231	1,376,082	95.50%
Liaoning	1,476,132	1,522,476	-3.04%
Beijing	146,780	18,871	677.82%
Gansu	1,611,145	1,709,768	-5.77%
Hebei	542,070	528,928	2.48%
Henan	347,892	398,083	-12.61%
Shanxi	1,671,476	1,745,125	-4.22%
Shaanxi	683,849	633,076	8.02%
Ningxia	1,113,703	1,153,896	-3.48%
Yunnan	904,337	928,535	-2.61%
Shandong	1,800,439	1,939,580	-7.17%
Hubei	97,142	48,315	101.06%
Guangdong	77,928	75,624	3.05%
Guangxi	532,045	480,907	10.63%
Shanghai	539,416	417,347	29.25%
Jiangsu	1,142,660	1,287,438	-11.25%
Anhui	235,084	259,603	-9.45%
Chongqing	545,750	422,440	29.19%
Guizhou	–	24,063	–
Fujian	225,309	206,756	8.97%

Region	Consolidated power generation (MWh) As of 31 December 2022	As of 31 December 2021	Rate of year-on-year change
Photovoltaic	1,623,336	1,169,232	38.84%
Inner Mongolia	163,515	118,233	38.30%
Jiangsu	15,775	15,944	-1.06%
Ningxia	373,027	347,503	7.35%
Gansu	54,426	50,344	8.11%
Qinghai	130,672	132,275	-1.21%
Shanxi	34,015	33,068	2.86%
Liaoning	11,554	11,045	4.61%
Guizhou	717,340	460,817	55.67%
Guangdong	13,707	–	–
Jilin	109,305	–	–
Gas	–	11,102	–
Shanxi	–	11,102	–

3. Paying close attention to the market trading volume price analysis, and greatly improving the marketing management level

The Company optimized the production monitoring center system and established a daily and weekly reporting mechanism; strengthened the research of power market marketing strategy, assigned special personnel to sort out the detailed market transactions and electricity price implementation in each province item by item, strengthened the analysis of market transaction settlement in each region, improved the transaction settlement ledger, and established and improved the real-time electricity price reporting mechanism and electricity price analysis information system.

In 2022, the billed electricity and billed tariff of the market transaction of the Company achieved a year-on-year increase. However, as affected by new power generating units, changes in power structure and two detailed assessment, the Company's composite average on-grid tariff in 2022 was RMB499.07/MWh (tax inclusive), representing a year-on-year decrease of RMB27.36/MWh.

(III) Comprehensively optimizing capital and debt structure, and achieving remarkable achievements in increasing profits and creating efficiency

1. Reducing the capital cost of the whole process, and increasing the profitability steadily

Financing cost and risk have been strictly controlled. In 2022, the Company recovered the subsidized electricity fee of renewable energy of RMB8.255 billion, and the high-cost loans of nearly RMB45.7 billion were replaced throughout the year. The average financing cost of the Company decreased to 3.38% at the end of the year. The Company has cumulatively reduced 93bp in the past three years. The efficiency and benefit of the Company's capital use have been effectively improved, and the financial position has been significantly improved.

2. Adjusting the capital and debt structure and effectively improving the refinancing capacity

As of the end of 2022, the Company's asset-liability ratio was 64.87%, representing a decrease of 3.56 percentage points compared to the end of 2021, with a cumulative decrease of 17.01 percentage points in the past three years. Reasonable allocation of long-term and short-term debt structure, the scale of ultra-short-term financing decreased by RMB2.65 billion from the beginning of the year, and the ability to resist market fluctuations was significantly improved.

(IV) Further promoting asset renovation and continuously improving the Company's asset quality

The Company actively implemented the requirements of the reform task of SASAC, and made great efforts in the rectification of "non-core and no advantage business" and "low efficiency and non-performing assets", and the relevant experience was widely promoted by SASAC. The overall asset quality of the Company has been optimized, and assist the Company in entering the fast lane of high-quality development.

(V) Implementing the "three-year action" reform of state-owned enterprises and effectively improving the scientific management level

1. Strengthening top-level design and comprehensively improving the corporate governance system

The Company implemented various plans for the reform of state-owned enterprises, formulated and improved 97 relevant systems, strived to strengthen the risk prevention and control of connected transactions, sorted out and optimized the list of functional management matters, promoted substantive progress in comprehensively deepening the reform, and provided guarantee for the Company's high-quality development in compliance with the law.

2. Actively promoting the quality improvement of listed companies and enhancing the investment attraction

The Company fully implemented the series requirements of the State-owned Assets Supervision and Administration Commission of the State Council on improving the quality of listed companies, prepared the Company's "High-Quality Development Plan for Listed Companies", and promoted the endogenous growth and innovative development of listed companies. The Company strengthened market value management and investor relationship management, organized 21 online roadshows, held 61 investor meetings and received 451 investors throughout the year. At the end of 2022, the proportion of shares held by the Company in Hong Kong Stock Connect in tradable shares has increased to 9.02%, and the liquidity of shares has improved significantly.

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 annual report and other sections therein.

(I) Overview

The Group's net profit for 2022 amounted to RMB3,891.23 million, representing an increase of RMB1,599.50 million as compared to RMB2,291.73 million in 2021, of which profit attributable to owners of the parent amounted to RMB3,485.17 million.

(II) Revenue

The Group's revenue increased by 5.32% to RMB12,499.23 million in 2022 as compared to RMB11,868.28 million in 2021, primarily due to the increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 5.06% to RMB12,408.96 million in 2022 as compared to RMB11,811.63 million in 2021, 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 increased by 127.96% to RMB637.47 million in 2022 as compared to RMB279.64 million in 2021, primarily due to the increase in non-operating income of RMB310.38 million caused by the judgment of the second instance of the Huachuang case.

The Group's government grants decreased by 0.8% to RMB293.72 million in 2022 as compared to RMB296.08 million in 2021, and there was no abnormal change in the amount of government grants in current year.

The Group's losses on disposal of property, plant and equipment and intangible assets decreased by 82.96% to RMB8.70 million in 2022 as compared to RMB51.07 million in 2021, primarily due to the changes in equipment disposal losses.

(IV) Operating expenses

The Group's operating expenses decreased by 5.99% to RMB6,929.72 million in 2022 as compared to RMB7,371.00 million in 2021, mainly due to the satisfactory results achieved in equipment management, the significant improvement of equipment reliability, the good operation of wind turbines and the effective cost reduction in current year; due to the significant year-over-year decrease in asset impairment losses caused by the payment recovery of the Tangshan Chunxing Special Steel.

The Group's depreciation and amortisation charges increased by 12.33% to RMB4,998.89 million in 2022 as compared to RMB4,450.14 million in 2021, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 5.90% to RMB1,092.02 million in 2022 as compared to RMB1,031.16 million in 2021, primarily due to the increase in expensed labour cost as a result of increase in production capacity.

The Group's other operating expenses decreased by 63.13% to RMB450.80 million in 2022 as compared to RMB1,222.82 million in 2021, primarily due to the effective reduction of cost and expenses.

(V) Operating profit

The Group's operating profit increased by 29.94% to RMB6,206.97 million in 2022 as compared to RMB4,776.92 million in 2021, mainly due to the increase in revenue from sales of electricity, year-on-year increase in investment income and the reversal of provision for impairment.

(VI) Finance expenses, net

The Group's net finance expenses decreased by 9.00% to RMB1,910.42 million in 2022 as compared to RMB2,099.32 million in 2021, primarily due to the decrease in financing scale and the decrease in average loan interest rate.

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

The Group's share of profits of associates and joint ventures was RMB47.14 million in 2022 as compared to the losses of RMB9.39 million in 2021; the increase of share of net profits of associates and joint ventures was primarily due to the increase in net profit of an associate of the Group for the year.

(VIII) Income tax expenses

The Group's income tax expenses increased by 20.18% to RMB452.47 million in 2022 as compared to RMB376.48 million in 2021, 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 RMB1,599.50 million to RMB3,891.23 million in 2022 as compared to the profit of RMB2,291.73 million in 2021. For the year ended 31 December 2022, the Group's profit ratio for the year as a percentage of its total revenue increased from 19.31% in 2021 to 31.13%.

(X) Profit attributable to owners of the parent

The profit attributable to owners of the parent increased by RMB1,453.55 million or 71.55%, to RMB3,485.17 million in 2022 as compared to RMB2,031.62 million in 2021.

(XI) Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group increased by 56.11% to RMB406.06 million in 2022 as compared to RMB260.11 million in 2021.

(XII) Liquidity and capital sources

As at 31 December 2022, the Group's cash and cash equivalents decreased by 21.76% to RMB2,440.99 million as compared to RMB3,119.96 million as at 31 December 2021. The main sources of the Group's operating cash are revenue from the sales of electricity.

As at 31 December 2022, the Group's borrowings decreased by 5.70% to RMB54,578.92 million as compared to RMB57,876.24 million as at 31 December 2021. In particular, RMB8,633.62 million (including RMB6,089.07 million of long-term borrowings due within one year) was short-term borrowings, and RMB45,945.31 million was long-term borrowings. The above borrowings are all denominated in RMB.

As at 31 December 2022, the Group has unutilized banking facilities amounted to approximately RMB58,600.40 million, of which banking facilities of RMB35,379.40 million is not subject to renewal within 12 months after the end of the Year. As at the Latest Practicable Date, 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.

As at 31 December 2022, there were corporate bonds of RMB15,000.00 million approved by the China Securities Regulatory Commission but not yet issued, asset-backed notes of RMB2,200.00 million registered in the National Association of Financial Market Institutional Investors but not yet issued, ultra-short-term financing bonds of RMB4,900.00 million and medium-term notes of RMB12,000.00 million, of which the asset-backed notes that are valid until June 2023, corporate bonds of RMB6,000.00 million and RMB9,000.00 million that are valid until September 2023 and December 2023 respectively, ultra-short-term financing bonds of RMB4,900.00 million that are valid until November 2023 and medium-term notes of RMB4,000.00 million that are valid until December 2023, the approvals and registrations of other bonds and notes of the remaining medium-terms notes of RMB8,000.00 million are effective and valid for the next 12 months from the end of the Year.

(XIII) Capital expenditure

The Group's capital expenditure decreased by 35.95% to RMB6,888.03 million in 2022 as compared to RMB10,753.45 million in 2021. 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 60.40% in 2022, representing a decrease of 3.23 percentage points as compared to 63.63% in 2021.

(XV) Significant investment

In 2022, the Group made no significant investment.

(XVI) Material acquisition and disposal

In 2022, 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 2022, the carrying value of the pledged assets amounted to RMB13,224.28 million.

(XVIII) Contingent liabilities

As at 31 December 2022, 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

2023 is the first year for fully implementing the spirit of the 20th National Congress of the CPC, a crucial year for the "14th Five-Year" Plan as an interface as well as a key year to comprehensively promote the high-quality development of new energy companies. These will be of great significance to accomplish our targets and goals for the year, and be of great significance to the satisfactory completion of the work in the last three years of the "14th Five-Year".

From the perspective of the international and domestic situation, with the acceleration of the pace of once-in-a-century change by the influence of the COVID-19 pandemic, and the more complex and severe domestic and international environment, China's development has entered a period where strategic opportunities and risks and challenges coexist, and uncertainties and unpredictable factors increase. However, the fundamentals that opportunities outweigh challenges and China's economy will sustain long-term growth remain unchanged, the overall economy performance is expected to rebound in 2023. The Central Economic Working Conference has identified that we should adhere to the principle of "maintaining stability with steady progress", focus on promoting high quality development, take "expanding domestic demand" as the focus of the economic work, and propose that active fiscal policies should be accelerated, prudent monetary policies should be precise and powerful, industrial policies should take into account development and security concurrently, science and technology policies should focus on self-reliance and self-improvement, and social policies should bring greater security to people's livelihood. We should highlight the work of stabilising economic growth, employment and prices to achieve the effective improvement of quality and reasonable growth of quantity, and promote the overall improvement of economic performance.

From the perspective of the development environment of the industry, the 20th National Congress of the CPC has made arrangements and deployments for in-depth promotion of the energy revolution, ensuring energy security, promoting carbon peak and carbon neutrality, planning and building a new energy system, self-reliance and self-improvement in science and technology, and actively participating in global governance to address climate change, as well as put forward new and clear requirements. The General Secretary, Mr. Xi Jinping has repeatedly stressed the issue of energy security, which is the "top priorities of the China" and an overall and strategic issue related to China's economic and social development. The National Energy Work Conference pointed out that in 2023, the wind power installed capacity in China will reach about 430 million kW, and the solar power installed capacity will reach about 490 million kW, with the cumulative installed capacity of both reaching 920 million kW, of which the new installed capacity will reach 160 million kW, representing a year-on-year increase of over 33%. Such positive trends and policies have given new energy companies a rare opportunity for development.

MAJOR WORKS IN 2023

(I) Vigorously obtaining project resources and accelerating the layout of wind and solar power assets

According to the relevant documents of the National Development and Reform Commission and the National Energy Administration, the scenic base project will be one of the important paths to achieve the national "dual carbon" goal, and the "three northern" regions are expected to become the main battlefield of the scenic base project. The Company will take full advantage of the geographical advantages of the "three northern" regions to comprehensively track the "desert, gobi and barren land" base project, strive for the development right of the scenic base project, and strive to build a new energy base cluster. The Company will focus on coastal areas such as Jiangsu and Shandong, and make every effort to seize offshore wind power resources; strengthen communication and coordination to ensure the implementation of the photothermal project in Xinjiang. The Company will do a good job in the competitive allocation of conventional new energy, vigorously promote the implementation of the acquired construction indicators, firmly build the "basic plate" of green development, and fully promote the production and efficiency of new energy projects.

(II) Continuously improving engineering construction capacity and ensuring the quality and progress of production

We will accelerate the construction of strategic research capacity, track the new situation, policies and technological changes in a timely manner, continue to optimize and improve the development strategy, and maintain the strategic leadership and enforceability. We will improve our engineering management ability, strengthen the allocation of professional engineering management personnel at all levels, improve the system's grasp of the regularity of project construction, and promote the overall improvement of the Company's construction management level. We will improve the engineering construction guarantee capacity, give full play to the advantages of new energy specialization, strengthen the business guidance ability and on-site construction ability, and continue to create high-quality projects with "short construction period, low cost, high quality and good benefits".

(III) Strengthening the analysis of electricity price market policy and vigorously improving the efficiency of electricity sales

We will strengthen the research on regional power policies and power market trading rules, pay attention to the local volume and price structure and cross-network and cross-province spot trading, and track and urge all subsidiaries to develop the best trading strategy. We will continue to follow up on the verification of renewable energy subsidies, refine and analyze the sharing costs of ancillary services in various regions, and try our best to reduce the sharing costs of ancillary services. We will focus on green power and green certificate trading, track the implementation of green power and green certificate trading in Beijing and Guangzhou power trading centers, actively assist the grassroots enterprises in organizing the application for green certificates, participate in green power and green certificate trading, and improve the value of kilowatt-hour electricity.

(IV) Continuously promoting technical transformation and helping to improve the quality and efficiency of wind turbines

With the successive introduction of national and local policies, the wind farm "replacing small with big" has gradually entered the practical and demonstration stage, with huge market potential. The single capacity of the wind turbine put into operation by the Company in 2010 and before is mostly 1.5MW or below, which will provide an opportunity for the future development of "replacing small with big". In 2023, the Company will fully study the detailed policies of the country and provinces and regions, vigorously promote the transformation and upgrading of old wind turbines, and help improve the quality and efficiency of stock assets.

(V) Improving the ability of total cost control and releasing the Company's operating efficiency potential

We will establish the awareness of comprehensive cost management, firmly grasp the whole-process management, maximize resources and reduce costs, and create low-cost advantages. On the basis of the advantage of low financing cost, we will continue to reduce the loan interest rate, strictly control labor costs, strictly review technical transformation projects, and maximize cost savings and capital efficiency.

(VI) Continuously deepening market value management and earnestly creating a new image of listed companies

We will continue to implement the series of requirements of SASAC on improving the quality of listed companies, and prepare the capital operation plan in combination with the development objectives of the "14th Five-Year Plan" and strive to promote it. We will comprehensively deepen the market value management strategy in combination with the favorable new situation of Hong Kong Stock Connect, realize the Company's "Going out" and shareholders' "Coming In", and systematically do a good job of regular performance release, roadshows and reverse roadshows. We will fully listen to the voice of the market, pay close attention to the equity incentive policy, and strive to stimulate the vitality of the market, reshape the new image of the market, and promote the high-quality development of the Company.

Major Events in 2022

In February 2022, the Company held the 2022 working conference to present an overall summary of the work done in 2021, analysed the current situation and set work arrangement for 2022.

In June 2022, the Company's 2021 annual general meeting was held, at which a total of 12 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 2022, the Company held the 2022 interim working meeting.

In September 2022, the Company has been successfully included as a constituent for the "Hang Seng Composite Index" and the list of Hong Kong Stock Connect in Shenzhen.

In November 2022, the Company was successfully selected as one of the "Central Enterprises ESG Pioneer 50 Index", "Governance Pioneer 50 Index" and "Risk Management Pioneer 50 Index" by the State-owned Assets Supervision and Administration Commission of the State Council, in which 426 companies were participated, and the Company ranked 23rd.

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 173 to 174 of this Annual Report. The financial position of the Group as at 31 December 2022 is set out in the consolidated statement of financial position on pages 175 to 176 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 179 to 181 of this Annual Report.

The description of relationship between the Group and employees is set out in Human Resources on pages 165 to 166 of this Annual Report. The aforementioned sections form part of the Report of the Board of Directors.

III. BUSINESS REVIEW

In 2022, 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 2022, the Company insisted on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 19th National Congress, the 19th Plenary Session and the 20th National Congress, fully implemented the requirements of the Party Central Committee "preventing the pandemic, stabilizing the economy and securing the development", based on the new-energy fundamentals of the Company, highlighted the theme of comprehensive improvement, focused on the "three safeguards and one increase", we worked hard, pushed forward under pressure and actively promoted safe and reliable high-quality development with better efficiency and structure, thus making new progress and new achievements in various tasks, reaching a new historical high in operating results and high-quality development reaching a higher level.

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 33 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 2022, the Group recorded annual electricity generation of 28,787,028 MWh, leading to an annual saving of 8.6793 million tons of standard coal and reduction in carbon dioxide emissions of 23.8357 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 2022 are set out in Note 13 to the financial statements.

VI. SHARE CAPITAL

As at 31 December 2022, 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 2022, 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 chapter headed "Management Discussion and Analysis" 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 2022, the distributable reserves of the Company were approximately RMB2,412.99 million according to the Company's financial statements prepared in accordance with CFRSs (31 December 2021: RMB1,423.06 million).

XI. DISTRIBUTION PLAN AND POLICY FOR FINAL DIVIDEND

Final Dividend

The Board has proposed to distribute 2022 final dividend to the domestic shareholders and H shareholders (the Shareholders as a whole) whose names appear on the register of members of the Company on the record date specified in the notice of 2022 annual general meeting to be published by the Company in due course, with a cash dividend of RMB0.05 (before tax) per share (2021: RMB0.03). The 2022 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 25 August 2023. The above profit distribution plan is subject to approval at the 2022 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 46.08% 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 25.67% 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 47.33% 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 18.28% 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 2022 are set out in Note 25 to the financial statements.

XVI. DONATION

During the Year, the Company had RMB10.73 million of social welfare funds.

XVII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

Name	Position in the Company	Date of appointment
Directors		
Liu Guangming	Executive Director and chairman of the Board	1 March 2019 (appointed as chairman on 28 June 2021)
Kuang Lelin	Former non-executive Director	25 October 2021 (resigned on 28 December 2022)
Liu Jianlong	Former non-executive Director	25 October 2021 (resigned on 16 January 2023)
Wang Qiying	Former non-executive Director	29 December 2021 (resigned on 16 January 2023)
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 Quancheng	Non-executive Director	16 January 2023
Zhu Mei	Non-executive Director	16 January 2023
Shi Feng	Non-executive Director	28 December 2022
Liu Chaoan	Former independent non-executive Director	1 July 2010 (retired on 30 June 2022)
Lo Mun Lam, Raymond	Independent non-executive Director	20 August 2013
Yu Shunkun	Independent non-executive Director	27 March 2015
Qin Haiyan	Independent non-executive Director	30 June 2022
Supervisors		
Liu Quancheng	Former chairman of the Supervisory Committee	9 May 2019 (retired on 30 June 2022)
Liu Liming	Chairman of the Supervisory Committee	30 June 2022
Ding Yu	Former supervisor	27 June 2017 (resigned on 28 December 2022)
Jia Lili	Supervisor	28 December 2022
Bai Xuemei	Employee representative supervisor	11 October 2019
Senior Management		
Liu Guangming	General manager	1 March 2019
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	Former joint company secretary	9 March 2021 (resigned on 18 October 2022)
Zou Min	Joint company secretary	18 October 2022

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

During the Year and 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 adjustment, 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.
- As serving as an independent non-executive Director for more than 9 years, Mr. Liu Chaoan retired as an independent non-executive Director of the Company on 30 June 2022, for details of which, please refer to the announcement of the Company dated 30 June 2022.
- Mr. Qin Haiyan was appointed as an independent non-executive Director of the Company on 30 June 2022, for details of which, please refer to the announcement of the Company dated 30 June 2022.
- Due to work adjustment, Mr. Liu Quancheng retired as a non-employee representative supervisor of the Company on 30 June 2022, for details of which, please refer to the announcement of the Company dated 30 June 2022.
- Mr. Liu Liming was appointed as a non-employee representative supervisor of the Company on 30 June 2022, for details of which, please refer to the announcement of the Company dated 30 June 2022.
- Due to work adjustment, Mr. Kuang Lelin resigned as a non-executive Director of the Company on 28 December 2022, for details of which, please refer to the announcement of the Company dated 28 December 2022.
- Mr. Shi Feng was appointed as a non-executive Director of the Company on 28 December 2022, for details of which, please refer to the announcement of the Company dated 28 December 2022.
- Due to work adjustment, Ms. Ding Yu resigned as a non-employee representative supervisor of the Company on 28 December 2022, for details of which, please refer to the announcement of the Company dated 28 December 2022.
- Ms. Jia Lili was appointed as a non-employee representative supervisor of the Company on 28 December 2022, for details of which, please refer to the announcement of the Company dated 28 December 2022.

- Due to work adjustment, Mr. Liu Jianlong resigned as a non-executive Director of the Company on 16 January 2023, for details of which, please refer to the announcement of the Company dated 16 January 2023.

- Due to work adjustment, Mr. Wang Qiying resigned as a non-executive Director of the Company on 16 January 2023, for details of which, please refer to the announcement of the Company dated 16 January 2023.

- Mr. Liu Quancheng was appointed as a non-executive Director of the Company on 16 January 2023, for details of which, please refer to the announcement of the Company dated 16 January 2023.

- Ms. Zhu Mei was appointed as a non-executive Director of the Company on 16 January 2023, for details of which, please refer to the announcement of the Company dated 16 January 2023.

Save as disclosed above and as disclosed in the chapter headed "Biographies of Directors, Supervisors and Senior Management" of this annual report, During the Year and 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 AND THEIR FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS

Biographical details of Directors, Supervisors and senior management are set out on pages 155 to 164 of this Annual Report.

There are no relationships (including financial, business, family or other material or relevant relationships) between members of the Board, the Supervisory Committee and the senior management.

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 annual 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 2022, 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 2022, 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%
China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd. *(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	182,788,090 (Long position)	7.31%	2.51%
			20,544,000 (Short position)	0.82%	0.28%
AllianceBernstein L.P. *(Note 4)*	H shares	Interest of a controlled corporation	60,019,000 (Long position)	2.40%	0.83%
		Investment manager	106,461,000 (Long position)	4.25%	1.46%

Notes:

1. Datang Corporation directly holds 4,173,255,395 domestic shares. As China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd. is a wholly-owned subsidiary of Datang Corporation, Datang Corporation is deemed to hold the 599,374,505 domestic shares held by China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd., 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 182,788,090 H Shares of the Company, and a short position in 20,544,000 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 166,480,000 H Shares of the Company.

Save as disclosed above, to the best knowledge of the Directors and Supervisors, as of 31 December 2022, 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 2022 are as follows:

(I) Non-exempt One-off Connected Transaction

Joint Venture Agreement

On 28 December 2022, the Company and Datang Xinjiang Power Generation Co., Ltd. (大唐新疆發電有限公司) ("Datang Xinjiang") entered into the Joint Venture Agreement in relation to, among others, the establishment of the joint venture company (the "JV Company") with joint contribution to jointly develop Shichengzi "Photothermal + Photovoltaic" Project.

The total project investment is tentatively set at RMB5,120 million, for which the project capital (i.e. the registered capital of the JV Company) accounts for 30% (i.e. RMB1,536 million) of the total investment. The difference between the total project investment and the project capital shall be made up for by way of project financing. For the above-mentioned project capital, the Company shall contribute RMB1,351.68 million in cash, representing 88% of the registered capital; Datang Xinjiang shall contribute RMB184.32 million in cash, representing 12% of the registered capital.

Datang Xinjiang shall make a one-off payment of its subscribed capital contribution of RMB184.32 million within 30 days after the registration and establishment of the JV Company. Subject to the obtaining of the approval for the commencement of construction of the Shichengzi "Photothermal + Photovoltaic" Project, the Company shall pay the capital contribution in batches and in full based on the progress of the development and construction of the project and application for the capital requirement of the JV Company, and shall pay its subscribed capital contribution of RMB1,351.68 million in full by 30 June 2025.

Up to now, the Company has not developed any new energy projects in Xinjiang. The cooperation with Datang Xinjiang will be conducive to leveraging the geographical advantages and past experience in developing new energy projects in Xinjiang of Datang Xinjiang to improve the Company's development efficiency in Xinjiang, promote the Company's active participation in the construction of large base projects in Xinjiang, achieve a zero breakthrough in new energy projects in Xinjiang for the Company, and bring new opportunities for the subsequent development of new energy projects in Xinjiang. The entering into of the Joint Venture Agreement to establish the JV Company (i.e. Datang Hami New Energy Co., Ltd.* (大唐哈密新能源有限公司)) is conducive to promoting the development and construction of the Shichengzi "Photothermal + Photovoltaic" Project, which is in line with the development strategy of the Company and the national development goal of "carbon dioxide peaking and carbon neutralization", and is conducive to improving the equity installed capacity of the Company and promoting the high quality development of the Company. In addition, the establishment of the JV Company enables the Company (as the controlling investor) to expand the consolidated installed capacity of the Company, further give play to its financing capabilities in capital market and expand reproduction, so as to better deliver return to investors 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 Xinjiang is a wholly-owned subsidiary of Datang Corporation, Datang Xinjiang is a connected person of the Company.

For details of the Joint Venture Agreement, please refer to the Company's announcement dated 28 December 2022 and circular dated 29 December 2022.

(II) Non-exempt Continuing Connected Transactions

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

In terms of the non-exempt continuing connected transactions of categories 1 and 2 as stated below, their respective annual caps for 2022 to 2024 were approved at the 2021 second extraordinary general meeting of the Company held on 29 December 2021. In terms of the non-exempt continuing connected transactions of category 3 as stated below, the annual caps for 2022 to 2024 were approved at the 2021 second extraordinary general meeting held on 29 December 2021. In terms of the non-exempt continuing connected transactions of category 4 as stated below, the 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 category 5 as stated below, the 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 caps and the actual transaction amounts of such continuing connected transactions for 2022:

	Continuing Connected Transaction	Connected Person	Annual Cap for 2022	Actual Transaction Amount for 2022
1.	Provision of products and services by the Group	Datang Corporation	RMB60 million	RMB39 million
2.	Provision of products and services to the Group	Datang Corporation	RMB4,500 million	RMB2,703 million
3.	Provision of factoring business support to the Group	Datang Factoring Company	RMB2,000 million	RMB503 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: RMB5,713 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 Annual cap of newly-added sale and lease-back: RMB2,500 million	The total amount of newly-added direct lease: RMB548 million The total amount of newly-added sale and lease-back: RMB1,533 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 Company and Datang Corporation on 23 August 2018 has expired on 31 December 2021, the Company renewed the datang framework agreement on 7 December 2021 (the "Datang Framework Agreement") in relation to provision of agreed products and services to Datang Corporation (and its subsidiaries) by the Group for a term of three years from 1 January 2022. Pursuant to the agreement, the Group provides related products and services to Datang Corporation (and its subsidiaries).

Principal terms of the agreement are set out as follows:

- the Group and Datang Corporation (and its subsidiaries) mutually provide the counterparty with the products, including spare parts, accessories, equipment, transportation (including automobiles and cargo vehicles), water, electricity, gas, thermal energy, raw materials, fuel, minerals and power, etc.;

- the Group and Datang Corporation (and its subsidiaries) mutually provide the counterparty with the services, including design consulting service, operation maintenance service, technical service, construction service, operation and management service, clean development mechanism consulting service, carbon transaction service, green certificate transaction service, tendering and bidding service, material management service, insurance underwriting and other financial service, entrusted agency service, sharing service, logistics service, other non-commercial labour services, communication service, property service and other relevant or similar services, etc.;

- 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》); (3) where a prescribed price or government guidance price is not available and there is insufficient number of qualified suppliers participating in bidding with no relevant market price, agreed products will be subject to a price consultation process to determine market prices; and (4) where a prescribed price or government guidance price is not available and there is insufficient number of qualified suppliers participating in bidding with no relevant market price, such prices shall be determined by the parties after arm's length negotiation, provided that the terms and prices shall be no less favourable than those available to the Group from independent third parties for the same or similar products in the PRC (if applicable).

- the pricing of the agreed services will be determined based on the following mechanism: (1) the agreed services will adopt the market price as determined by public tendering or invitational tendering procedures. Tendering procedures shall be in strict compliance with the Tender and Bidding Law of the People's Republic of China, which shall govern the procurement of all agreed services; (2) where there is insufficient number of qualified suppliers participating in bidding, a market price determined through price inquiry procedures will be adopted for the agreed services. A market price shall be determined based on the quotations and details thereof obtained through the price inquiry procedures; and (3) where there is insufficient number of qualified suppliers participating in bidding and no relevant market price is available, such prices shall be determined by the parties after arm's length negotiation, but, if applicable, the terms and prices shall be no less favourable than those available to the Group from independent third parties for the same or similar services in the PRC;

- the agreement is for a term of three years commencing on 1 January 2022 and ending on 31 December 2024. 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 Year, the annual cap of this continuing connected transaction for 2022 was RMB60 million and the actual transaction amount was RMB39 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 7 December 2021 and 13 December 2021, respectively.

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 Company and Datang Corporation on 23 August 2018 has expired on 31 December 2021, the Company renewed the Datang Framework Agreement with Datang Corporation on 7 December 2021 in relation to provision of agreed products and services to the Group by Datang Corporation (and its subsidiaries) for a term of three years commencing on 1 January 2022. Pursuant to the agreement, Datang Corporation (and its subsidiaries) should provide related products and services to the Group.

Please refer to the relevant disclosure of the non-exempt continuing connected transactions of category 1 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 2022 was RMB4,500 million and the actual transaction amount was RMB2,703 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 7 December 2021 and 13 December 2021, respectively.

3. Provision of factoring business support to the Group

As the factoring business cooperation agreement entered into between the Company and Datang Factoring Company on 20 September 2019 has expired on 31 December 2021, the Company and Datang Factoring Company renewed the factoring business cooperation agreement (the "Factoring Business Cooperation Agreement") on 7 December 2021 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 1 January 2022 to 31 December 2024. 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 Group will pay comprehensive fees, including factoring handling fees and factoring facilities interest, to Datang Factoring Company in relation to its provision of factoring facility services. Datang Factoring Company shall provide the Group with the most favourable comprehensive rate according to the needs of the Group, taking into account the relevant national policies and regulations, the supply of and demand for capital in the market as well as the structural features of factoring products. While ensuring that the capital needs of the Group are met, the Group has the right to choose the most favourable comprehensive rate to conduct factoring business with Datang Factoring Company, which will help the Group to reduce the finance costs, optimise the financial structure and strive for the maximization of the overall interests.

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 2022 was RMB2,000 million and the actual transaction amount was RMB503 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 7 December 2021 and 13 December 2021, respectively.

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

As 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 ended/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/ending 31 December 2021, 2022 and 2023, respectively.

- Datang Finance has undertaken to provide the aforementioned financial services to the Group based on the following pricing policies: (1) within the range for the floating deposit interests rates published by the PBOC and by reference to the benchmark deposit interest rate published by the PBOC, the deposit interest rate provided by Datang Finance to the Group shall not be lower than the equivalent deposit interest rate as offered by the independent domestic commercial banks in the PRC; (2) within the range for the floating loan interests rates published by the PBOC and by reference to the benchmark loan interest rate published by the PBOC, the loan interest rate granted by Datang Finance to the Group shall not be higher than the equivalent loan interest rate for the same type of loan service to members of Datang Corporation as charged by the independent domestic commercial banks in the PRC; (3) the fees charged by Datang Finance for its provision of other financial services to the Group should not be higher than the rates charged by the other independent domestic financial institutions in the PRC for the services of the same or similar kind; and (4) the settlement expenses resulting from the funds settlement services provided by Datang Finance to the Group shall be borne by Datang Finance.

- 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 2022 was RMB6,000 million and the actual maximum amount of daily deposit balance was RMB5,713 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, respectively.

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 2022, and the annual cap of the newly-added sale and lease-back was RMB2,500 million in 2022. However, the actual transaction amount regarding the newly-added direct lease was RMB548 million and the actual transaction amount of the newly-added sale and lease-back was RMB1,533 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 Year. 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 this annual 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 most of 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 64 to 88 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 2022 annual results and the financial statements for the year ended 31 December 2022 prepared in accordance with the International Financial Reporting Standards have been reviewed by the Audit Committee of the Board of the Company.

XXXVI. AUDITOR

Pursuant to the relevant provisions on the number of years of audit by accounting firms as stipulated in the "Measures for the Administration of the Final Account Reports of Central Enterprises" (《中央企業財務決算報告管理辦法》) and the "Notice on Strengthening the Auditing of Final Accounts of Central Enterprises" (《關於加強中央企業財務決算審計工作的通知》) issued by the State-owned Assets Supervision and Administration Commission of the State Council, on 30 June 2022, Ernst & Young Hua Ming LLP and Ernst & Young retired as the domestic and overseas auditors of the Company. On the same day, Moore Stephens CPA Limited & Da Hua Certified Public Accountants (Special General Partnership) were appointed as the domestic and overseas auditors respectively for 2022 of the Company at the annual general meeting of 2021 of the Company, with a term until the next annual general meeting of the Company. Save as disclosed above, the Company did not change its auditors 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, 28 March 2023

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 C.1.8 and Code Provision C.2.1 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 155 to 160 of this Annual Report. 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)
Yu Fengwu	1964.06	Non-executive Director	29 December 2021
Ye Heyun	1962.12	Non-executive Director	30 March 2022
Liu Quancheng	1963.10	Non-executive Director	16 January 2023
Zhu Mei	1967.02	Non-executive Director	16 January 2023
Shi Feng	1971.03	Non-executive Director	28 December 2022
Lo Mun Lam, Raymond	1953.09	Independent non-executive Director	20 August 2013
Yu Shunkun	1963.05	Independent non-executive Director	27 March 2015
Qin Haiyan	1970.09	Independent non-executive Director	30 June 2022

(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 2022, the Board held twelve meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Number of attendance/ required number of attendance	Attendance rate
Li Yi(Note 1)	Former non-executive Director	1/1	100%
Liu Guangming	Chairman of the Board and Executive Director	12/12	100%
Liu Jianlong	Non-executive Director	12/12	100%
Wang Qiying	Non-executive Director	12/12	100%
Yu Fengwu	Non-executive Director	12/12	100%
Kuang Lelin(Note 2)	Former Non-executive Director	11/11	100%
Shi Feng(Note 3)	Non-executive Director	1/1	100%
Liu Chaoan(Note 4)	Former Independent non-executive Director	6/6	100%
Lo Mun Lam, Raymond	Independent non-executive Director	12/12	100%
Yu Shunkun	Independent non-executive Director	12/12	100%
Qin Haiyan(Note 5)	Independent non-executive Director	6/6	100%

Notes:

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

2. Mr. Kuang Lelin retired as a non-executive Director of the Company with effect from 28 December 2022.

3. Mr. Shi Feng has been appointed as a non-executive Director of the Company with effect from 28 December 2022.

4. Mr. Liu Chaoan retired as an independent non-executive Director of the Company with effect from 30 June 2022.

5. Mr. Qin Haiyan has been appointed as an independent non-executive Director of the Company with effect from 30 June 2022.

(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 A.2.1 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) Mechanism for the Board to obtain independent views and opinions

The Company has a number of mechanisms in place to ensure that independent views and opinions are available to the Board. At board meetings, Directors can express their opinions freely, and major decisions are made only after thorough discussions. Directors may also engage independent professional institutions at the Company's expense after going through due procedures, if they deem it necessary to get independent professional opinions. If any Director has interests in a proposal to be considered by the Board, he or she should abstain from discussion and voting on the relevant proposal, and will not be counted in the quorum of the relevant proposal. In addition, when reviewing the structure, size and composition of the Board, the Nomination Committee puts emphasis on whether the composition of executive and non-executive Directors (including independent non-executive Directors) is balanced and ensures that there is a strong independent element on the Board. The independent non-executive Directors should be of sufficient calibre and number and should be expected to express objective and impartial independent views on matters under discussion by the Company and to exercise the influence of their independent views. The independent non-executive Directors of the Company do not hold any position in the Company other than Director, have no relationship with the Company and its controlling shareholder that may affect their independent and objective judgment and have no business or financial interest in the Company and its subsidiaries. During the year, the Board has reviewed the implementation of the above mechanism and considered it to be effective.

(5) Chairman and General Manager

Under Code Provision C.2.1 of the Code, the roles of chairman and general manager should be separate and should not be performed by the same individual. At present, 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 Code Provision C.2.1 of the Code.

(6) 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. For details of criteria and procedures for nominating Directors, please refer to the section headed "Corporate Governance Report – I. Corporate Governance Practices – 2. Four Professional Committees under the Board – (2) Nomination Committee".

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.

(7) 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.

(8) 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. Ye Heyun, Mr. Shi Feng and Mr. Qin Haiyan, 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 2022 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
Li Yi (Note 1)	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	Non-executive Director	Business management and corporate governance
Wang Qiying	Non-executive Director	Business management and corporate governance
Yu Fengwu	Non-executive Director	Business management and corporate governance
Kuang Lelin (Note 2)	Former non-executive Director	Business management and corporate governance
Ye Heyun (Note 3)	Non-executive Director	Business management and corporate governance
Shi Feng (Note 4)	Non-executive Director	Business management and corporate governance
Liu Chaoan (Note 5)	Former 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
Qin Haiyan (note 6)	Independent non-executive Director	Business management and corporate governance

Notes:

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

2. Mr. Kuang Lelin resigned as a non-executive Director of the Company with effect from 28 December 2022.

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

4. Mr. Shi Feng has been appointed as a non-executive Director of the Company with effect from 28 December 2022.

5. Mr. Liu Chaoan retired as an independent non-executive Director of the Company with effect from 30 June 2022.

6. Mr. Qin Haiyan has been appointed as an independent non-executive Director of the Company with effect from 30 June 2022.

(B) Training for joint company secretaries

Mr. Jia Hong was one of the joint company secretaries of the Company from 9 March 2021 and he resigned on 18 October 2022. Ms. Zou Min has been appointed as a joint company secretary of the Company in place of Mr. Jia Hong since 18 October 2022.

Ms. Kwong Yin Ping Yvonne, the vice president of SWCS Corporate Services Group (Hong Kong) Limited, is another joint company secretary of the Company since 12 July 2015 and up to the date of this Annual Report. Nevertheless, she served as the sole company secretary of the Company during the period from 11 January 2017 to 16 March 2017.

During the Year, each of Mr. Jia Hong, Ms. Zou Min 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 and Ms. Zou Min successively.

(9) Directors' liability insurance

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. Pursuant to Code Provision C.1.8 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 C.1.8 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. Shi Feng (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 six meetings, details of which are set out as follows:

- The sixteenth meeting of the third session of the Audit Committee of the Board was held on 29 March 2022, for the main purpose of considering and approving the 2021 annual results announcement and Annual Report of the Company, the 2021 final financial report of the Company, the profit distribution plan of the Company for 2021, and the 2021 report on internal control of the Company.

- The seventeenth meeting of the third session of the Audit Committee of the Board was held on 29 April 2022, for the main purpose of considering and approving the first quarterly results of the Company for 2022.

- The eighteenth meeting of the third session of the Audit Committee of the Board was held on 14 June 2022, for the main purpose of considering and approving the change of international and domestic auditors of the Company.

- The first meeting of the fourth session of the Audit Committee of the Board was held on 29 August 2022, for the main purpose of considering and approving the 2022 interim results announcement and interim report of the Company.

- The second meeting of the fourth session of the Audit Committee of the Board was held on 27 October 2022, for the main purpose of considering and approving the third quarterly results of the Company for 2022.

- The third meeting of the fourth session of the Audit Committee of the Board was held on 5 December 2022, for the main purpose of considering and approving the 2022 remuneration of accounting firm of the Company.

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)*	6/6
Kuang Lelin *(resigned on 28 December 2022)*	6/6
Yu Shunkun	6/6

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. Qin Haiyan (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 (including gender diversity).

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 52 to 70.

During the Year, the Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness, and was of the opinion that the Board members were diversified to a certain extent.

Although there was no female director on the Board during the Year, Ms. Zhu Mei was appointed as a non-executive Director of the Company on 16 January 2023 after consideration and approval at the general meeting. Therefore, as at the Latest Practicable Date, there was one female director on the Board and the composition of the Board is in compliance with the gender diversity requirement of the Board under the Listing Rules. In the future, the Company will continue to identify and appoint female directors with appropriate qualifications and experience in accordance with shareholders' expectations and recommended best practices, with a view to further enhancing the gender diversity of the Board.

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 eighteenth meeting of the third session of the Nomination Committee of the Board was held on 9 March 2022, for the main purpose of reviewing the proposal in relation to the nomination of the Directors of the Company.
- The nineteenth meeting of the third session of the Nomination Committee of the Board was held on 22 April 2022, for the main purpose of reviewing the proposal in relation to the appointment of the vice general manager of the Company.
- The twentieth meeting of the third session of the Nomination Committee of the Board was held on 29 June 2022, for the main purpose of reviewing the proposal in relation to the renewal of nomination of the Directors of the Company.
- The first meeting of the fourth session of the Nomination Committee of the Board was held on 17 October 2022, for the main purpose of reviewing the proposal in relation to the nomination of the company secretary.
- The second meeting of the fourth session of the Nomination Committee of the Board was held on 5 December 2022, 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) (retired on 30 June 2022)*	3/3
Li Yi *(resigned on 30 March 2022)*	1/1
Ye Heyun *(appointed on 30 March 2022)*	4/4
Lo Mun Lam, Raymond	5/5
Qin Haiyan *(Chairman of the committee) (appointed on 30 June 2022)*	2/2

(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 Quancheng (non-executive Director) and Mr. Qin Haiyan (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 two meetings, details of which are set out as follows:

The seventh meeting of the third session of the Remuneration and Assessment Committee of the Board was held on 29 March 2022, at which the proposal of remuneration for the work of operation management team in 2021 was considered.

The eighth meeting of the third session of the Remuneration and Assessment Committee of the Board was held on 29 June 2022, at which the proposal of remuneration package of the independent non-executive Directors of the Company 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)*	2/2
Liu Jianlong *(resigned on 16 January 2023)*	2/2
Liu Chaoan *(retired on 30 June 2022)*	2/2
Qin Haiyan *(appointed on 30 June 2022)*	–

(4) Strategic Committee

The Strategic Committee of the Company currently consists of Mr. Liu Guangming (executive Director) who is the chairman of this committee, Ms. Zhu Mei (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 three meetings, details of which are set out as follows:

- The ninth meeting of the third session of the Strategic Committee of the Board was held on 29 March 2022, for the main purpose of considering the proposal in relation to the Operation and Investment Plans of the Company for 2022.
- The first meeting of the fourth session of the Strategic Committee of the Board was held on 29 August 2022, for the main purpose of considering the proposal in relation to investment development plan of the Company.
- The second meeting of the fourth session of the Strategic Committee of the Board was held 5 December 2022, for the main purpose of considering the proposal in relation to investment development plan of the Company.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Liu Guangming *(Chairman of the committee)*	3/3
Wang Qiying *(resigned on 16 January 2023)*	3/3
Yu Fengwu	3/3

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 2022, 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 2022, 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

Moore Stephens CPA Limited & Da Hua Certified Public Accountants (Special General Partnership) (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 RMB6.52 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 RMB100,000.

7. Remuneration of Directors and Senior Management

A formal and transparent procedure for fixing the remuneration packages of individual Directors and senior management is in place. Details of the remuneration for Directors and top five persons in respect of remuneration are set out in Note 12 to the financial statements of this 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

The Articles of Association has amended twice during the Year. For details, please see the announcement of the Company dated 14 March 2022 and the Articles of Association published on 30 March 2022, as well as the announcement of the Company dated 5 December 2022 and the Articles of Association published on 28 December 2022.

Save as disclosed above, there was no other material changes to the Articles of Association of the Company during the Year.

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
Liu Guangming	Chairman of the Board and executive Director	2/3	66.66%
Li Yi *(Note 1)*	Former non-executive Director	0/1	0%
Liu Jianlong *(Note 2)*	Former non-executive Director	2/3	66.66%
Kuang Lelin *(Note 3)*	Former non-executive Director	2/2	100%
Wang Qiying *(Note 4)*	Former non-executive Director	1/3	33.33%
Yu Fengwu	Non-executive Director	3/3	100%
Ye Heyun *(Note 5)*	Non-executive Director	2/2	100%
Shi Feng *(Note 6)*	Non-executive Director	–	–
Liu Chaoan *(Note 7)*	Former independent non-executive Director	1/2	50%
Lo Mun Lam, Raymond	Independent non-executive Director	1/3	33.33%
Yu Shunkum	Independent non-executive Director	3/3	100%
Qin Haiyan *(Note 8)*	Independent non-executive Director	0/1	0%

Notes:

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

2. Mr. Liu Jianlong resigned as a non-executive Director of the Company with effect from 16 January 2023.

3. Mr. Kuang Lelin resigned as a non-executive Director of the Company with effect from 28 December 2022.

4. Mr. Wang Qiying resigned as a non-executive Director of the Company with effect from 16 January 2023.

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

6. Mr. Shi Feng has been appointed as a non-executive Director of the Company with effect from 28 December 2022.

7. Mr. Liu Chaoan retired as an independent non-executive Director of the Company with effect from 30 June 2022.

8. Mr. Qin Haiyan has been appointed as an independent non-executive Director of the Company with effect from 30 June 2022.

10. Communication with Shareholders

The Company highly appreciates shareholders' opinions and advice, formulates relatively sound rules and regulations including the Investor Relations Management System (the "Shareholder Communication Policy"), and establishes a number of communication channels including on-site meeting, telephone and internet. The Company proactively strengthens interactive exchange with the capital market through a number of communication methods including results briefings, domestic road shows, acceptance of investors' research and attendance of the meetings of brokers and through communication platforms including the website of the Company, investor hotline and email, actively organises various investor relations activities to maintain connections with shareholders and makes timely responses to the reasonable requests of shareholders. For details of investor relations activities during the Year, please refer to the chapter headed "Investor Relations" of this annual report. The Board reviews the Shareholder Communication Policy at least once a year to ensure its effectiveness. Having reviewed the different channels of communication with shareholders, the Board is of the view that the Shareholder Communication Policy has been properly implemented and effective during the Year.

(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 15 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 2022, the Company held the 2021 annual general meeting, the 2022 first extraordinary general meeting and the 2022 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 2022, 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 2022, the Company held the eighteenth 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 2021, Annual Results Announcement and Annual Report of the Company for 2021, the Final Financial Report of the Company for 2021, the Financial Budget Plan of the Company for 2022 and the Profit Distribution Plan of the Company for 2021.

2. On 29 April 2022, the Company held the ninteenth meeting of the third session of the Supervisory Committee, at which the Proposal regarding the 2022 First Quarterly Results of the Company was reviewed.

3. On 30 June 2022, the Company held the first meeting of the fourth session of the Supervisory Committee, at which the Proposal regarding the Election of Chairman of the Supervisory Committee of the Company was reviewed.

4. On 29 August 2022, the Company held the second meeting of the fourth session of the Supervisory Committee, at which the Proposal regarding the 2022 Interim Results Announcement and Interim Report of the Company was reviewed.

5. On 27 October 2022, the Company held the third meeting of the fourth session of the Supervisory Committee, at which the Proposal regarding the 2022 Third Quarterly Results of the Company was reviewed.

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2022

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 present the 2021 annual general meeting and the 2022 first and second extraordinary general meetings, and the forty-seventh meeting of the third session of the Board and the first meeting of the fourth 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 Year, 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 Moore Stephens CPA Limited and Da Hua Certified Public Accountants (Special General Partnership) in respect of the consolidated financial statements of the Group for the year ended 31 December 2022 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 2023, 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 Liming
Chairman of the Supervisory Committee

Beijing, the PRC, 28 March 2023

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") continues to prepare the Environmental, Social and Governance Report (hereinafter referred to as the "the Report"), 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 2022 to 31 December 2022 (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:

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2. IMPROVE GOVERNANCE AND DRIVE HIGH-QUALITY DEVELOPMENT

In 2022, the Group pursued high-quality development and show a good development trend of prosperity. As one of the earliest electric power companies engaged in renewable energy development in China, we always adhere to the main direction of green, low-carbon, and clean energy power generation, carefully organize and carry out special activities for comprehensive corporate governance, quality improvement, and efficiency improvement, and are committed to providing safe, high-quality and sufficient clean energy supply for all sectors of society. The Group always puts the interests of shareholders, employees, communities and suppliers first, and continuously improves the ESG management structure and disclosure system while completing the renewable energy business at a high level, so as to promote the sustainable development of the Group.

During the Reporting Period, the Group's performance in ESG governance reached a higher level, and was successfully selected into the "Central Enterprises ESG • Pioneer 50 Index", "Central Enterprises ESG • Governance Pioneer 50 Index" and "Central Enterprises ESG • Risk Management Pioneer 50 Index". The comprehensive ESG ranking has raised to No. 23. In the future, we will continue to promote the comprehensive implementation of ESG work, actively give back to stakeholders, and constantly contribute Datang's strength to the society.

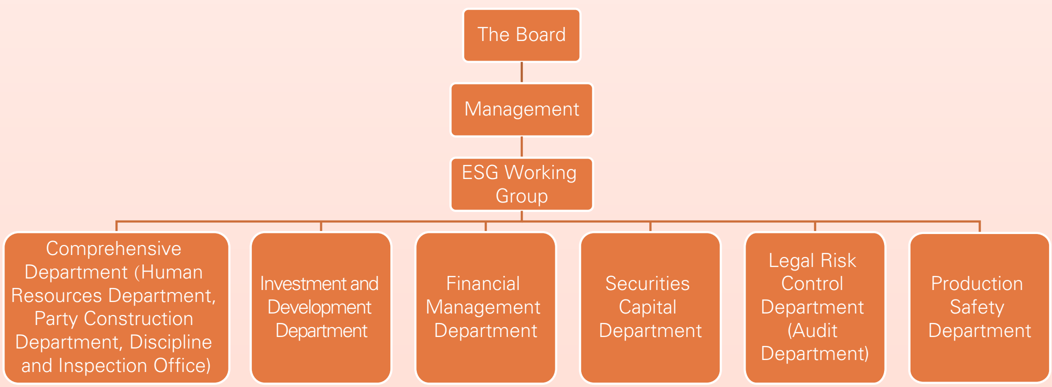
Datang Renewable's ESG governance level
has jumped to the forefront of listed companies
in central enterprises

2.1 ESG Governance

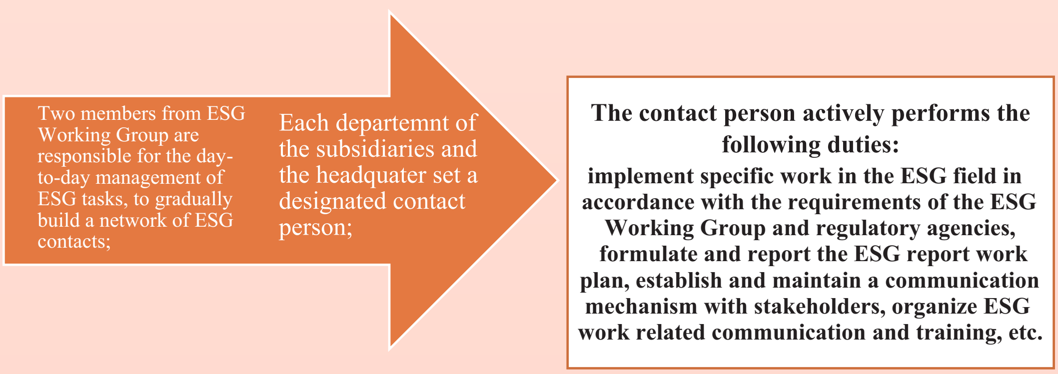
The Group deepens the close integration of ESG concepts and management with daily business operations, continuously improves ESG disclosure management, and establishes a comprehensive ESG management structure with organization, data, assurance, and an ESG disclosure system with Datang Renewable's characteristics. The Group works hard to continuously improve the overall governance level by improving the work and management of corporate operations, energy supply, product services, technological innovation and supply chain management, and to forge ahead on the road 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 Group'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 the 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, publicize 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 normalized 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 61 investment meetings with 451 investors and analysts attended, conducted 21 online roadshows. An accumulative total of 217 analysts from large investment institutions participated in the 2021 annual results announcement and the 2022 interim results announcement.

In 2022, 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

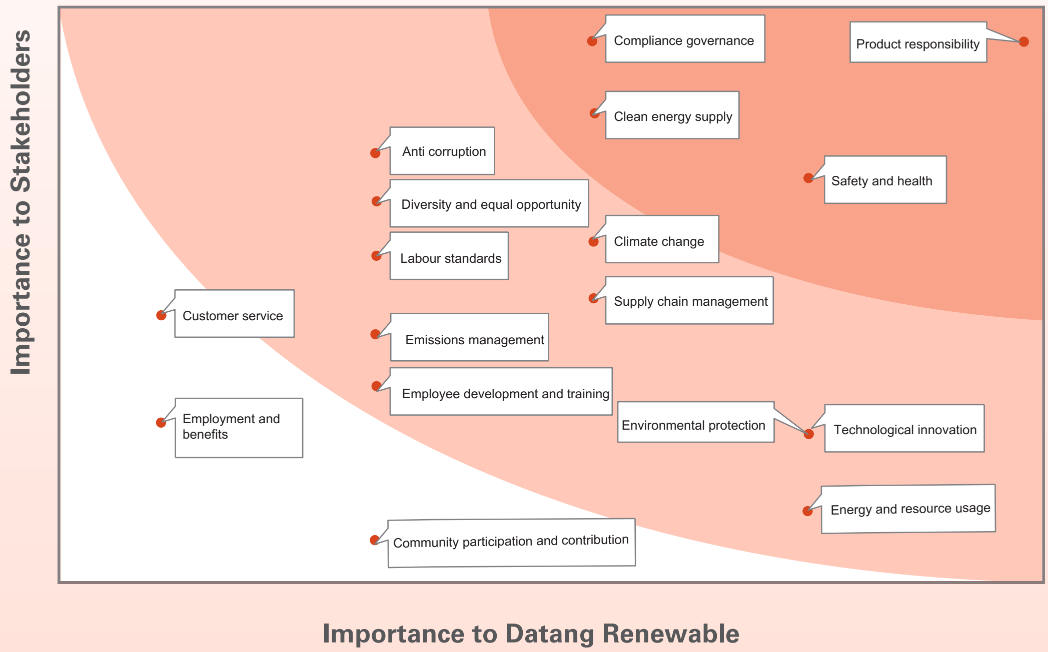
Stakeholders	Expectations and Requirements	Communication Channels
Government and Regulators	• Implementation of national policies, laws and regulations • Power supply safeguard • Promotion of local economic development • Job creation and social contribution • Industry development boost	• Work reports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

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
	• Delivery of open and transparent information	• Interviews
		• 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 past 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. The Management and the ESG working group confirmed 17 material issues for 2022. The materiality matrix of the Reporting Period of Datang Renewable is as follows:

Datang Renewable 2022 ESG Material Issues Matrix



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

Issues Aspects	Material Issues	Corresponding Chapters in the Report
Environmental issues	• Climate change • Environmental protection • Energy and resource usage • Emissions management	4. Optimize Management and Practice Green and Low-carbon Concepts
Social issues	• Clean energy supply • Safety and health • Product responsibility • Diversity and equal opportunity • Labour standards • Supply chain management • Employee development and training • Technological innovation • Customer service • Employment and benefits • Community participation and contribution	3. Steady Operation, Contribute to the Power of Clean Energy 5. Standardize Employment and Consolidate Talent Foundation 6. Fulfill Responsibility and Show Concern for Public Welfare
Governance issues	• Compliance governance • Anti corruption	2. Improve Governance and Drive High-quality Development

3. STEADY OPERATION, CONTRIBUTE TO THE POWER OF CLEAN ENERGY

In 2022, Datang Renewable viewed the general goal and requirements of "building a world-class energy company" as the driving force for development, establish and improve the governance mechanism, insist on encouraging technological innovation, and abide by the principle of honesty and trustworthiness. The basis of our work is to ensure that we honestly and actively disclose information to the society and ensure the supply of clean energy responsibly.

During the Reporting Period, the Group's clean energy supply achieved the higher growth, with a total power generation of 28,787,028 MWh, representing an increase of 9.96% compared with 2021. Among the power generated, 27,163,692MWh of wind power generation was completed, representing an increase of 8.66% over 2021, and photovoltaic power generation amounted to 1,623,336 MWh, representing an increase of 38.84% compared with 2021. In the future, the Group will deepen its governance 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

Datang Renewable strictly abides by relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and listing rules, and constantly improves internal management construction to ensure the standard operation of corporate management and operations, so that it can fully meet compliance requirements, to help the high-quality development of the Group's new energy industry.

Sound Governance Mechanism

Based on the development goals of the "14th Five-Year Plan", the Group clarified the development direction, studied capital operation planning in detail, developed and comprehensively improved the governance mechanism, implemented the six functions and powers of the board of directors, and earnestly performed the duties of "determining strategies, making decision, and preventing risks". The Group invites external directors to participate in the discussion when it comes to major project arrangements and investment situations, respects the opinions of the external board of directors, and carries out grassroots research activities of the external board of directors, to make legal, scientific and democratic decisions.

Datang Renewable deepened the process-based management of the "Three Meetings[1]", conducted in-depth research on the equity of grassroots companies and the management of the "Three Meetings", and issued several management measures to solidify the management and control of the "Three Meetings" of the affiliated companies. The Group has studied and established mechanisms such as regular reporting by directors of affiliated enterprises to form a closed-loop summary of the equity, "three meetings" and the board of directors and supervisors of affiliated enterprises. During the Reporting Period, the Group did not find any violation of relevant laws and regulations.

Perfect Internal Control Mechanism

The Group has further improved the working mechanism of legal institutions such as the Leading Group for Corporate Governance by Law, the Compliance Management Committee, the System Management Committee, and the Audit Committee, and has comprehensively formed a new pattern of corporate governance by law that integrates "internal control, risk, compliance, regulations, and systems", and built an efficient and orderly operating internal control management network. Each department assigns a dedicated person to be responsible for the full-chain and full-cycle management of the system, internal control, risk, and compliance matters, and the internal control risk network that cooperates with each other is formed simultaneously, which achieving overall improvement in work efficiency.

Datang Renewable deeply integrates compliance awareness and legal measures, and makes the deeply rooted concept of governing enterprises by law an inseparable and important part of the Group's management mechanism improvement. During the Reporting Period, the Group's legal affairs information system completed the full launch of the management system and contracts. The system has realized the functions of online query and statistics, and the scientific contract transfer procedure has been researched and determined.

1 Three meetings is the Company's Board of Directors, Board of Supervisors and shareholders' meeting.

Standard Information Disclosure

The Group is based on 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, which clearly incorporates confidentiality management into the information disclosure system, and further guarantees the confidentiality level of information disclosure according to law.

In 2022, the Group issued a total of 242 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 2022, 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 Party Governance

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 promote employees' mental outlook to be high-spirited.

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 strictly implements the requirements of the "two responsibilities[2]", integrates the work of comprehensively and strictly governing the party into daily life, and pays close attention to it. The Group comprehensively enforced the task list of party governance responsibilities and promoted the implementation of the nine task lists. The Group implements the regular meeting system for party building work, regularly studies and promotes party building work, and forms a long-term mechanism for deployment, discussion, and supervision. The Group organizes the evaluation of the party organization secretary's work report on the grassroots party building work, and multiplies the results of the party building assessment with the performance assessment results to continuously improve the ability level of the "three non-corruption[3]".

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.

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. During the Reporting Period, the Group conducted a total of 17 anti-corruption training sessions, including 1 for the Board, 8 for Executive Directors and 8 for employees.

2 The two responsibilities mean that the party committee is responsible for the main body, and the discipline inspection committee is responsible for supervision.

3 Three non-corruption refers to not daring to be corrupt, not being able to be corrupt, and not wanting to be corrupt.

Case: Datang Renewable held the 2022 anti-corruption work conference and warning education conference

The meeting comprehensively summarized the construction of the party's work style and clean government and the anti-corruption work in 2021, clarified the work ideas for 2022 and deployed key tasks. During the on-site meeting, all party members watched the feature film on party conduct and clean government education, warning and educating party members to always adhere to noble character and integrity, and promote the formation of a good working atmosphere.

Datang Renewable held a meeting
All party members watched
the warning education feature film

Case: Datang Anhui Renewable Power Company Limited organized anti-corruption warning education activities

Datang Anhui Renewable Power Company Limited further promotes warning education “entering the team, entering the branch, entering the team, entering the project, entering the agency, entering the post” through video conferences, on-site infrastructure construction presentations, team safety activities, party member activity days, etc., to make good use of warning cases The living teaching materials allow the majority of party members and cadres to reflect on themselves, take the initiative as a warning, draw a red line in thought, clarify boundaries in action, and build a solid ideological defense line against corrosion and change.

Datang Anhui Renewable Power Company
Limited organizes anti-corruption
warning education activities

3.2 Secure Supply of Energy

Providing safe and efficient clean energy services to the society is the cornerstone of the Group's business. Datang Renewable insists on promoting the construction of safe production in compliance with regulations, improving policies and systems related to safe production, strictly implementing safety production responsibilities, and implementing various measures are taken to improve the safety awareness of employees, and to strictly protect the safety and health of every employee while ensuring high-quality clean energy supply.

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, Emergency Management Measures and other safety-related regulations, conscientiously implement the Group's quality and efficiency improvement plan, and effectively implement various safety production systems.

Supervision and Management System

The Group has formulated the Management Measures of Production Safety Responsibility System, firmly adheres to the principle of "three managements and three musts", and gives full play to the role of the safety production guarantee and supervision system. The Group has established a safety production responsibility system to clarify the safety production responsibilities of leaders at all levels, management personnel, engineering and technical personnel, and various departments, and conduct assessment and summary of job performance requirements. The Group carried out a special campaign of "major investigation and rectification" in production safety, highlighting the dual prevention mechanism of risk management and control and hidden danger investigation and treatment, so as to prevent safety risks in a timely manner. The Group fully establishes the concept of comprehensive safety, assigns various safety work responsibilities to individuals and posts, and under the existing management system, conscientiously carries out active investigation and investigation of asset safety risks.

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, and implements the supervision of major safety hidden dangers. The Group formulates the Safety and Environmental Protection Accountability Measures, strictly implements the accountability of safety and environmental protection, adheres to the principles of seeking truth from facts, punishing with responsibility, asking for failure, strict accountability, and hierarchical responsibility, and strictly implements the responsibility of the person in charge "One post with two responsibilities" is an important leadership responsibility. The Group uses the new energy big data platform to carry out equipment failure analysis, manage and control the severity of the problems in different levels, monitor the failures of the stations, wind turbine and equipment, and formulate solutions for the problems found in a timely manner.

Implementing Safety Responsibility

In 2022, the Group actively implemented the "Notice on Completing the Safe Production Work in 2022", followed the decomposed annual pharmacopoeia of safe production work, focused on various tasks and safety production responsibilities. We strengthened safe production awareness and security management controlling in key areas to ensure security and stability. Datang Renewable combined actual work with key deployment system revisions, risk investigations, and organized a series of learning and publicity activities to promote the implementation of various safety measures and anti-accident measures, and promote the improvement of intrinsic safety levels.

The Group firmly established the concept of safe development, further promoted the "Three-Year Special Rectification Action for Safety Production", consolidated the results of the "Six Inspections and Six Stricts" special activities, and comprehensively completed the work of the "Three-Year Special Rectification Action". The special action carried out a major safety inspection, checked hidden dangers and completed two lists[4], improved the systems related to production safety, carried out major risk and hidden danger investigations, and continued to carry out supervision after actively participating in rectification.

[4] The two lists refer to the list of major risks and hidden dangers、the list of institutional measures.

Datang Renewable carried out special activities such as safety production month activities and safety production ten thousand miles in a targeted manner, taking the form of safety production examinations for all employees, watching warning education films, learning warning education cases, organizing and pushing safety production month activity posters, etc, to further improve the awareness of safety production responsibility of all employees. In 2022, the Group organized and carried out 12 safety production-related activities, deployed and implemented 28 measures, and comprehensively consolidated the foundation of safety production responsibility.

The Group launched the 2022 Safety Production Work Conference

The Group organized a safety production knowledge contest

3.3 Responsible Product and Service

Adhering to the business philosophy of "quality first", Datang Renewable supplies 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. Intellectual resources are the first resource, and the Group's core competitiveness and sustainable development capabilities are enhanced by encouraging innovation.

At the same time, the Group strictly protects 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. Datang Renewable organizes special operations for network security offensive and defensive drills, monitors the status of protection systems such as situational awareness and cloud shields as required, optimizes the configuration of servers and office computer terminals, adheres to on-duty duty, and implements a zero-report system. 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, and no network security incidents occurred.

3.4 Development of Technological Innovation

Technological innovation is the foundation of Datang Renewable's continuous progress. Datang Renewable strictly abides by relevant laws and regulations such as the *Copyright Law of the People's Republic of China,* the *Patent Law of* the *People's Republic of China,* the *Trademark Law of the People's Republic of China, and* the *Anti-Unfair Competition Law of* the *People's Republic of China*, and has formulated the Intellectual Property Management Measures, to standardize the management of Datang Renewable's scientific and technological innovation achievements, improve Datang Renewable's independent innovation and R&D capabilities, and build a strong intellectual property support. Datang Renewable is actively tracking cutting-edge technologies, carrying out the layout and research of new business forms, giving full play to the advantages of the new energy industry, planning the development and construction of demonstration projects, and assisting in the development of scientific and technological public relations and technological transformation. Under the existing management system, Datang Renewable actively plays the role of an asset management platform, holds symposiums or seminars on common equipment problems, etc., to solve problems, and effectively play the role of a professional platform.

As at the end of the Reporting Period, the Group achieved positive innovation results, applied for 88 patents, and was granted 57 patents in total.


实用新型专利证书


实用新型专利证书

Datang Henan Renewable Power Company Limited Patent Certificate

3.5 Supply Chain Sustainability Management

A standardized procurement management mechanism is the key link to ensure the safe and stable supply of clean energy and services for the Group. To prevent procurement risks and improve procurement efficiency, the Group abides by relevant laws and regulations such as the *Tendering and Bidding Law of the People's Republic of China* and formulates the Procurement Management Regulations, Supplier Management Measures, Bidding Management Measures and a series of internal regulations to strictly manage the procurement process and build a win-win cooperative development relationship.

The procurement work of the Group implements "unified management and three-level review". Through unified planning, process, platform and other management means, the three-level authorization results of the procurement process are realized. The Group has strict assessment and punishment for internal procurement behavior, and deal with the responsible units and persons that cause losses or negative impacts accordingly. The responsible units was required to rectify within a time limit and be included in the unit performance assessment according to regulations.

Datang Renewable 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" for the management of all suppliers. Strict access review is carried out in terms of conditions, qualification licenses, reputation, service capabilities, and contract performance capabilities.

Datang Renewable follows the principle of "who uses and who evaluates", and regularly organizes a dynamic and comprehensive evaluation of the supplier's performance. Assess the severity of suppliers' bad behaviors and take countermeasures. Suppliers with bad behaviors need to bear the responsibility for breach of contract, actively investigate and analyze the reasons, and formulate and implement corrective measures.

The Group identifies and manages potential social and environmental risks of suppliers, strictly implements the management and selection of suppliers, and encourages various suppliers to use environmental protection services or products:

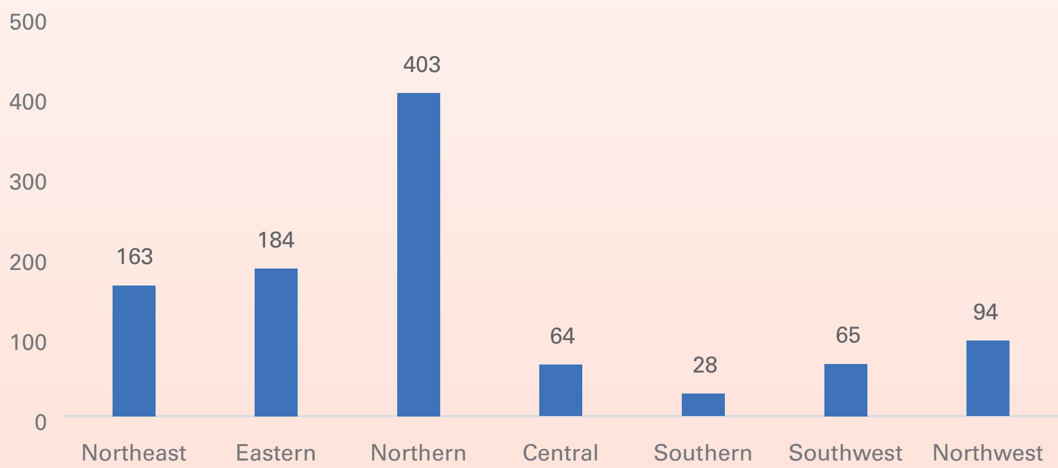
- Multiple measures are taken to strengthen the supplier management and control in the procurement process: strengthening the supplier management and control in all aspects of the procurement process using mandatory data management and control of registered online access, big data screening of suppliers in the warehouse, compliance verification of bid evaluation process, and performance capability investigation before bid selection.

- Conduct comprehensive evaluation on suppliers on a regular basis: comprehensively establish supplier files through the management platform, and regularly organize dynamic comprehensive evaluation on supplier performance. Evaluate dimensions such as delivery, service satisfaction, effectiveness and timeliness.

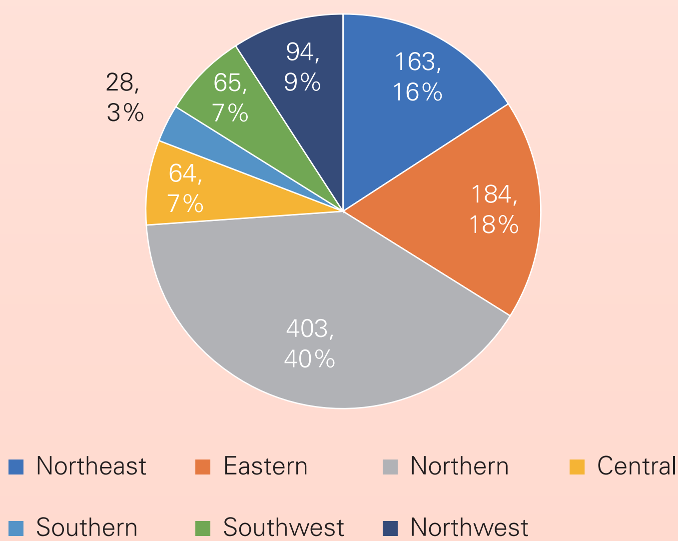
- The Company continued to strengthen the management of supplier misconduct, carried out special actions for supplier inspection and management, and strictly dealt with bad suppliers that were disrupting procurement activities such as bid rigging and falsification, which played a warning and deterrent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

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:

Total Number of Suppliers by Region



Percentage of Suppliers by Region



4. OPTIMIZE MANAGEMENT AND PRACTICE GREEN AND LOW-CARBON CONCEPTS

Datang Renewable insists on green, low-carbon and clean energy power generation, focusing on the "14th Five-Year Plan" and high-quality development, to help the country's "carbon neutrality" and "carbon peak" development goals ("dual-carbon goals"), actively seize opportunities, take the initiative, and make every effort to achieve breakthroughs in independent development projects.

Datang Renewable actively cooperates with various regions to carry out competition and allocation work, strengthens the planning and layout of "Shagehuang", large bases and offshore wind power project resources, and continuously increases the strength of preliminary development, high-quality resource reserves and acquisition. Meanwhile, the Group carried out investment decision-making, investment planning, investment cooperation and other work in a scientific and efficient manner, carefully organized and carried out special activities for comprehensive corporate governance, quality and efficiency improvement, and overall improved the overall quality of its main business.

Datang Renewable, as a leading integrated clean energy service provider in China, fulfills the mission of Datang, implements the concept of ecological civilization and green development, and popularizes the knowledge of energy conservation and carbon reduction. The Group is pioneering the road of green and low-carbon development, better highlighting the strategic support role of "clean energy" enterprises in implementing the goals of carbon peaking and carbon neutrality, and helping the Group realize the development vision of a world-class energy supplier that is "green and low-carbon, multi-energy complementary, efficient coordination, and digital intelligence".

4.1 Response to Climate Change

Datang Renewable is deeply aware that climate change will have an impact on business operations. During this Reporting Period, we refer to the TCFD[5] framework to identify the climate that may be faced during business operations from the four aspects of Governance, Strategy, Risk Management, Metrics and Targets. Relevant risks and opportunities, on this basis, actively formulate relevant policies and systems to deal with the impact of climate change.

5 The full name of the TCFD is Task Force on Climate-Related Financial Disclosures.

- **Governance**

As the highest decision-making body of the Group's ESG management, the Board attaches great importance to issues related to climate change. As Management, ESG Working Group is responsible for carrying out the potential risks and impacts of climate change on the Group's business operations, formulating the Group's climate change policies, risks, and goals and submitting them to the Board for review, regularly reviewing the progress of the completion of goals, and timely tracking various related regulations requirements, update of international standards. ESG Working Group is responsible for deploying climate-related policies to various departments, tracking the implementation and operation of policies, goals, and reporting the completion of goals to the Board.

- **Strategy**

As a clean energy supplier, Datang Renewable, in accordance with the national policy system for promoting carbon peaking and carbon neutrality and the "14th Five-Year Plan for Modern Energy System" issued by the National Development and Reform Commission and National Energy Administration, provides society with climate-responsive energy during its own operations. The changing energy base provides opportunities to accelerate the development of wind power and solar power generation, continuously optimize the Group's asset layout, and achieve green and low-carbon transformation and high-quality development.

Datang Renewable took multiple measures to seize resources, and increased the acquisition of project resources through various methods such as, independent development, and mergers and acquisitions. The Group tracks the implementation schedule and plans of the "14th Five-Year Plan" for clean energy in various provinces and regions, closely monitors national policies and closely contacts various branches and companies, cooperates in the acquisition of projects, and actively coordinates Datang Renewable as the main investor to participate in offshore projects. Base competition, and strive to achieve new progress and breakthroughs in offshore wind power projects.

Meanwhile, we actively carry out cutting-edge and forward-looking layout and research. The new energy power generation industry is changing rapidly, and technological innovations are constantly emerging. Business development accelerated. Datang Renewable actively tracks cutting-edge technologies, carries out the layout and research of new formats, leverages the Company's industrial advantages, plans the development and construction of demonstration projects, and assists the Group in carrying out scientific and technological public relations and technological transformation.

Our specific initiatives include:

- Establishing a sound safety supervision and risk prevention and control system, implementing safety responsibilities for all employees, setting up a three-level safety supervision network, and regularly carrying out hidden danger investigation and management;

- Strengthening the enthusiasm of all employees in electricity marketing, carrying out "grid" marketing, and actively developing new users and new transactions;

- Actively strengthening management and the effectiveness of spot trading volume, optimizing control efficiency;

- Focus on implementing measures to improve the quality and efficiency of wind turbines, increasing equipment management, improving the health level of wind turbines, and effectively reducing power loss due to failures;

- Fully grasping the business development situation, planning in advance and carefully deploying, actively expanding resource reserves in an all-round way, and wind power and photovoltaics will bloom in an all-round way;

- Strengthening capital management, expanding channels and innovating financing methods, combining long and short to effectively reduce financing costs and financial expenses;

- Conducting research on carbon asset trading and management, low-carbon system construction, energy conservation and carbon reduction, low-carbon investment, green finance, etc.;

- Implementing scientific and technological innovation and breakthroughs, accelerate technological innovation in the field of new energy business, and strengthening technological innovation in digital operation management and control.

- ## Risk Management

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 combined with the geographical and climate characteristics of the project site, targeted identification of potential climate change risks, formulating a list of potential risks and various special emergency plans, and strengthening investment in safety equipment and measures, to ensure the safety of employees and equipment in the risk of climate change.

Case: Datang Guangdong Renewable Power Company Limited organizes an emergency action against typhoons and floods

On August 24, 2022, affected by typhoon No. 9 "Ma'an", Datang Guangdong Renewable Power Company organized a kick-off meeting for typhoon and flood prevention, and carefully deployed countermeasures. Lingmen Wind Farm has checked the reserve of materials for typhoon and flood prevention, and supplemented logistics materials in advance to ensure supply; carried out inspections of typhoon and flood prevention facilities, built sandbags, cleared silt, and conducted trial operation inspections on emergency equipment such as generators, pumps, and emergency lighting. The wind farm pays close attention to typhoon information, grasps typhoon trends in real time, implements various countermeasures in detail, rushes to generate large wind power, and effectively protects the safety of employees and equipment in wind farms.

Datang Guangdong Renewable Power Company Limited organizes an emergency action against typhoons and floods

Case: Datang Inner Mongolia Renewable Power Company Limited launched a flood control emergency drill

On April 9, 2022, to strengthen and standardize the operation and management of environmental protection facilities, the management of emergency floods and the prevention of sudden floods, Datang Inner Mongolia Renewable Power Company Limited carried out flood control emergency drills to improve the ability to deal with flood events, to prevent and reduce environmental pollution emergencies and the losses they cause to the greatest extent.

Datang Inner Mongolia Renewable Power Company Limited launched a flood control emergency drill

- ## Metrics and Targets

As a responsible energy supplier, the Group will further provide the society with high-quality clean energy, continue to strengthen the management and control of energy conservation and consumption reduction within the Group, and implement various effective measures to minimize the impact on the environment and climate. To cope with the increasingly severe climate change situation and sudden natural disasters at any time, the subsidiaries of the Group have formulated various emergency plans based on the local climate and geographical characteristics, improved emergency response capabilities, and minimized casualties and injuries caused by climate disasters.

By the end of the Reporting Period, the installed capacity of Group was 14,193.37 MW, representing a year-on-year increase of 1,115.35 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 28,787,028 MWh, a year-on-year increase of 2,608,597 MWh, equivalent to a saving of 8.68 million tonnes of standard coal, and an emission reduction of 23.84 million tonnes of carbon dioxide[6].

Fengdu Sanba Wind Farm

Nanchuan Shanshui Wind Farm

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. Datang Renewable strictly supervises the whole group to improve the risk management and controls of ecological and environmental protection, establishes and improves the hidden danger investigation and governance mechanism and operate effectively, to clarify the major risks and hidden dangers in the field of ecological and environmental protection, and avoid major ecological and environmental protection problems and impacts.

The Group reviews internal systems, plans, objectives and measures in accordance with national and industry-related policies and regulations on the environment, improves the ecological and environmental work management mechanism and implementation of responsibilities, establishes and improves the Group's ecological and environmental protection management system, and inspects and supervises all levels of management. The completion of the Company's various ecological and environmental protection quotas and the implementation of ecological and environmental protection measures. Each branches actively implements the annual environmental protection indicators and key tasks issued by the group headquarters, conducts supervision and assessment on environmental protection work, formulates annual environmental protection training plans to ensure regular implementation of the latest national and industry environmental protection regulations, summarizes practical experience and promotes advanced technologies.

6 The calculation of emission reduction data is based on the "2022 Annual Development Report of China's Power Industry" released by the China Electricity Council.

Datang Renewable guarantees the timely, accurate and comprehensive report of environmental information. The report must include the time, location, event process, processing methods and results, and use the environmental information report to carry out effective environmental supervision and formulate targeted environmental protection countermeasures. The environmental information report must be submitted after being approved by the person in charge of each farm station and project department. Environmental incidents are linked to the assessment status of the responsible unit, so that the responsibility of the responsible unit for environmental incidents can be fulfilled.

Case: Greening activities in the wind farm of Datang Fujian Renewable Power Company Limited

Datang Fujian Renewable Power Company Limited carried out the tree-planting activity of "Satisfied Home". Through this tree-planting activity, Datang Renewable practiced the concept of "Lucid waters and lush mountains are invaluable assets", and at the same time improved the ability of unity and cooperation among employees and the quality of dedication, greening the working and living environment, making the big family harmonious.

Greening activities in the wind farm of Datang Fujian 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 following 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. 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[7]	Unit	2022
Nitrogen oxides	Tonnes	**5.93**
Sulfur oxides	Tonnes	**0.04**
Carbon monoxide	Tonnes	**20.02**
Particulate matter (PM2.5)	Tonnes	**0.10**
Granule (PM10)	Tonnes	**0.10**

7 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.

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.

GHG emission[8]	Unit	2022	2021
Total GHG emission for scope 1	Tonnes	**6,589.80**	5,635.48
Scope 1 GHG emission intensity	Tonnes/million yuan income	**0.53**	0.48
Total GHG emission for scope 2	Tonnes	**91,360.98**	72,089.17
Scope 2 GHG emission intensity	Tonnes/million yuan income	**7.31**	6.20
Total emission intensity for scope 1+2	Tonnes/million yuan income	**7.84**	6.69

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. Datang Renewable concentrates on rectifying safety and environmental hazards, formulates waste management plans and clarifies waste management responsibilities, and works towards the goal of minimizing the impact on the environment.

8 Greenhouse gases include carbon dioxide, methane and nitrogen oxides. The calculation of greenhouse gases mainly refers to the "GB17930–2016 Gasoline for motor vehicles", "GB19147–2016 Automotive diesel fuels", "the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Road Transport Enterprises (Trial) issued", and the "Notice on Doing the Job in the Management of Greenhouse Gas Emissions Reports for Power Generation Industry Enterprises from 2023 to 2025" published by the Ministry of Ecology and Environment of China.

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. General industrial solid waste should be stored in strict accordance with the requirements, and the storage place should have the functions of preventing rain, leakage, scattering, and loss;

3. Each wind power project should strictly establish a solid waste ledger and check it regularly. Strictly supervise the storage of solid waste products, the Safety Supervision Department supervises the storage and inspection of solid waste products, and the Planning and Marketing Department is responsible for organizing the auction of approved waste and waste products;

4. The place where solid waste is stored should comply with fire safety requirements, and fire extinguishers and other fire-fighting materials and hazardous waste should be set as required.

Hazardous waste:

1. Each farm station of the Group needs to have a special person to make detailed hazardous waste system, training materials, account statements and other related materials to form a complete hazardous waste account;

2. The hazardous waste ledger needs to specify the name, type, quantity, etc. of hazardous waste. The amount of hazardous waste in the ledger must be consistent with the amount of hazardous waste stored in the warehouse and the monthly report amount of the hazardous waste management platform of the environmental protection department;

3. All wind farms and photovoltaic power stations of the Group strictly implement the hazardous waste transfer plan, truthfully fill in the paper hazardous waste transfer form, and fill in the report on the hazardous waste management platform of the environmental protection department to maintain data consistency.

Sewage:

1. Each station of the Group clarifies the source of wastewater. The wastewater generated during cleaning equipment or production process should be discharged into the sewage pipe, and the high-concentration residual liquid tank should be placed in the specified storage place and handed over to a qualified organization for disposal;

2. It is forbidden to flush the pipeline with wastewater. If it is necessary, it should be reported to the organization for approval and take corresponding measures to avoid pollution;

3. When there is too much sewage in the on-site sewage pool and the drainage is not smooth, the Group will contact a qualified sewage treatment organization for treatment;

4. It is strictly forbidden to pour residual oil and leftovers into sewage pipes, and use phosphorus-containing detergents to wash tableware;

5. Domestic waste should be cleaned up in time to avoid water pollution caused by rainwater washing;

6. The Group inspects and assesses the management of water conservation and environmental protection facilities at each farm station, and conducts assessments in accordance with the implementation rules for safety production rewards and punishments of subsidiaries and subsidiaries that cause damage to water conservation and environmental protection facilities or adverse environmental incidents due to poor management.

Waste disposal	Unit	2022	2021
Sewage Discharge			
Total industrial sewage discharge in line with standards	Tonnes	**6,312.00**	5,632.24
Amount of Non-hazardous waste generated			
Total general industrial solid waste	Tonnes	**45.92**	40.97
Domestic waste	Tonnes	**351.58**	313.72
Other non-hazardous waste	Tonnes	**29.04**	25.91
Total amount of non-hazardous waste generated	Tonnes	**426.53**	380.60
Non-hazardous waste intensity	kg/million yuan income	**34.12**	32.74
Amount of Hazardous waste generated			
Total amount of hazardous waste generated	Tonnes	**151.65**	135.31
Hazardous waste intensity	kg/million yuan income	**12.13**	11.64

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 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 has conducted an in-depth analysis of internal energy usage, optimized the efficiency of the use of various resources based on actual conditions, ensured the use of diverse types of energy with the highest efficiency, and avoided waste.

Datang Renewable attaches great importance to the daily management of office space, promotes the upgrading and transformation of energy-saving technology and operating equipment, and ensures the further improvement of energy utilization efficiency. The Group formulated the Energy Conservation Management System, the Energy Conservation Technology Supervision Standards and other related systems to supervise and guide employees to use energy resources rationally in their daily work. To implement the green development concept of Datang Renewable, various measures have been taken:

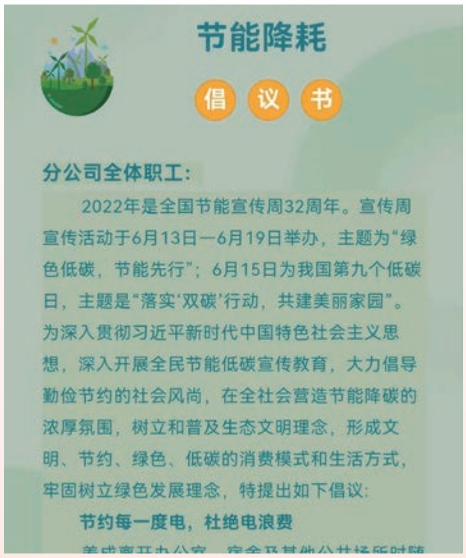
1. Energy saving: reduce the frequency of use of the air conditioner, set the temperature not lower than 26 degrees, and prevent the simultaneous operation of the air conditioner and the opening of the doors and windows. Advocate the use of energy-saving lamps, so that the lights can be turned off when people leave. Regulate the room temperature setting in office space and on-site rest places, standardize the use of electric heaters, formulate corresponding management measures, and reduce related operating energy consumption levels; set computers to automatic standby or automatic sleep mode, and monitor the shutdown status of computers in each office after get off work.

2. Wastepaper recycling: promote double-sided printing of paper, promote paperless network office, and use more electronic documents and emails.

3. Saving water: check the faucet for leaks regularly, and do not use high-power water heaters, encourage employees to bring their own water cups to reduce the use of disposable cups.

4. Strengthening the awareness of saving: consciously practice the "Clean Plate Campaign" and implement the "civilized dining table" action to prevent "waste of the tongue" and develop a good habit of eating healthy and civilized meals.

5. Actively carrying out the work of repairing old and waste: mainly for repairing old equipment such as wind turbine UPS, motors, IGBTs, etc., and fully recycling the materials replaced by technical transformation, helping to save energy and reduce consumption, while reducing production and maintenance costs, and improving the professionalism of employees' skill level.


节能降耗

倡议书

分公司全体职工：

2022年是全国节能宣传周32周年。宣传周宣传活动于6月13日—6月19日举办，主题为"绿色低碳，节能先行"；6月15日为我国第九个低碳日，主题是"落实'双碳'行动，共建美丽家园"。为深入贯彻习近平新时代中国特色社会主义思想，深入开展全民节能低碳宣传教育，大力倡导勤俭节约的社会风尚，在全社会营造节能降碳的浓厚氛围，树立和普及生态文明理念，形成文明、节约、绿色、低碳的消费模式和生活方式，牢固树立绿色发展理念，特提出如下倡议：

节约每一度电，杜绝电浪费

Proposal for employees to save energy and reduce consumption

The Group's Resources and Energy in 2021-2022[9] [10]

Use of resources	Unit	2022	2021
Gasoline	Liters	**2,566,894**	2,290,457
Diesel oil	Liters	**229,792**	205,045
Liquified gas	m^3	**33,415.75**	29,817.00
Total direct energy consumption	MWh	**26,560.86**	23,700.43
Total direct energy consumption intensity	MWh/million yuan income	**2.12**	2.04
Purchased electricity	MWh	**104,305.98**	80,932.16
Electricity used in operation sites	MWh	**55,892.12**	50,384.91
Total indirect energy consumption	MWh	**160,198.10**	131,317.07
Total indirect energy consumption intensity	MWh/million yuan income	**12.81**	11.30
Total water consumption (municipal water)	Tonnes	**168,260.20**	150,140.00
Total water consumption intensity	Tonnes/million yuan income	**13.46**	12.92

5. STANDARDIZE EMPLOYMENT AND CONSOLIDATE TALENT FOUNDATION

Datang Renewable deeply understands that human resources are the foundation for the rapid development of enterprises. Datang Renewable adheres to the people-oriented principle and the development strategy of strengthening the enterprise with talents, regulates the fairness and justice of employment. We care about the safety and health of employees in an all-round way, provide a complete employee training mechanism and attach importance to the development of internal talents, and we are committed to providing employees with equal, sunny working environment.

9 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 2021. 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.

10 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.

5.1 Equal and Standardized Employment

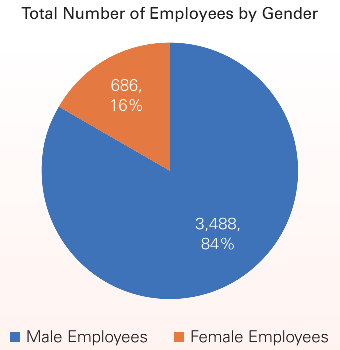
The Group strictly abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Labour Dispute Mediation and Arbitration Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China* and other laws and regulations. We regulate the Group's management in recruitment, dismissal, promotion, working hours, holidays, benefits and other aspects in combination with Labour Contract Management Measures, Employee Reward and Punishment Management Measures, Employee Attendance Management Measures, Employee Recruitment Management Measures, Salary Payment Methods, Social Insurance and Housing Provident Fund Management Measures. 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.

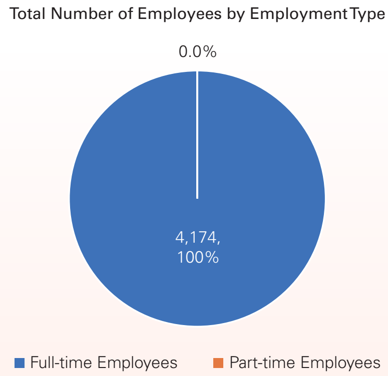
Datang Renewable strictly regulates the allocation of human resources and improves the efficiency of recruitment. Recruitment strictly follows the principle of "on-demand recruitment, every entry must be tested; according to the plan, professional counterparts; fair and just, merit-based employment; internal and external, and make full use of resources". We strictly control the entrance of personnel and select the best according to the development needs and labour plan to ensure the quality of recruitment and make full use of the internal talent market.

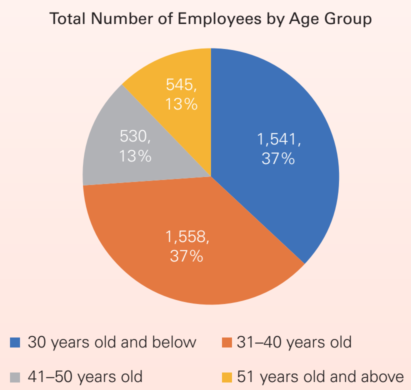
Datang Renewable strictly abides by laws and regulations such as *the Law of the People's Republic of China on the Protection of Minors* and *Provisions on the Prohibition of Using Child Labour*. During the recruitment process, if there is any failure to follow the procedures and lax checks, the relevant units and personnel were held accountable, and the employment of child labour and forced labour are strictly prevented.

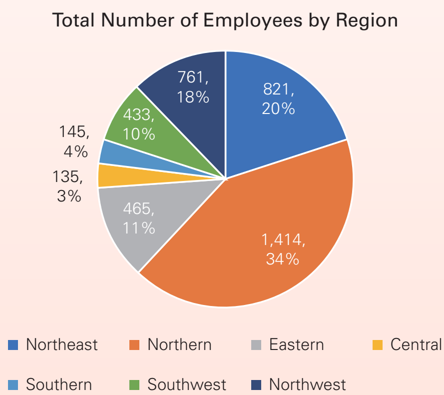
The Group strictly abides by the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Law of the People's Republic of China on the Protection of Disabled Persons* and other laws and regulations. During the recruitment process, the Group guarantees fairness, 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 4,174 employees, 4.85% increasing approximately compared with 3,981 employees in 2021. The proportion of employees by gender, employment type, age and region[11] are shown in the following chart:









During the Reporting Period, the Group lost a total of 78 employees. The employee turnover rate[12] by gender, age and region is shown in the following chart:

Indicators	2022
By gender	
Male employees *(%)*	2
Female employees *(%)*	2
By age	
30 years old and below *(%)*	3
31–40 years old *(%)*	1
41–50 years old *(%)*	2
51 years old and above *(%)*	1
By geographical region	
Employees in Mainland China *(%)*	2
Employees in Hong Kong, Macau and Taiwan *(%)*	/
Overseas employees *(%)*	/

11 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.

12 Employee turnover rate=Employees in the specified category leaving employment/number of employees in the specified category at the end of Reporting Period.

5.2 Care for Employee Health

Datang Renewable always puts the personal safety and health of employees first, and 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 and other internal measures to standardize the management of occupational safety and health.

Datang Renewable protects the health and related rights and interests of employees, and specially formulates the Management Measures for Occupational Hygiene in the Workplace to prevent, control and eliminate occupational disease hazards. The Group has established a sound and systematic occupational health management organization system, organized occupational health education and training, and guaranteed the capital investment required for occupational disease prevention and control. If the capital investment is insufficient, the main person in charge will bear the responsibility for the consequences.

The Group took the Safety Production Month as an opportunity to organize employee representatives to conduct safety inspections to gain an in-depth understanding of the issues that employees are concerned about. We strengthened the investigation of potential safety hazards in grass-roots stations through various forms such as safety inspections, exchanges and discussions, and review of ledgers, put forward rectification suggestions for potential safety hazards, and conduct follow-up inspections on the rectification situation.

The Group pays high attention to the physical and mental health of its employees, and optimizes the physical examination items provided to employees in combination with the communication and needs of employees' health management, and increases the prevention and screening of high-risk diseases on the basis of basic routine physical examinations. We have set up a mental health consultation room and a reception day for the chairman of the labour union. The chairman of the labour union personally conducts regular epidemic prevention and control publicity and psychological counseling with employees, provides thoughtful and effective communication for employees to relieve work pressure, and cares for the occupational health of employees in all aspects.

Datang Renewable regularly surveys the on-site occupational disease hazard protection facilities every year and establishes a list, regularly inspects and maintains occupational disease hazard protection facilities and personal protective equipment, provides occupational health related training for the main person in charge of occupational disease prevention and management, and conducts regular Occupational Disease Prevention and Control for on-the-job employees. *Law on the Prevention and Control of Occupational Diseases,* training on the use of personal protective equipment and first aid knowledge to enhance employees' awareness of occupational health and safety protection. During the Reporting Period, the health check-up rate and health record coverage rate of the Group's employees both reached 100%. Meanwhile, the Group did not violate any laws and regulations related to health and safety that have 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	2022	2021	2020
Number of work-related fatalities (persons)	0	0	0
Work-related fatality rate *(%)*	0	0	0

Fire extinguisher and CPR training for employees

Case: Datang Liaoning Renewable Power Company Limited conducted emergency drills for COVID-19 epidemic

The scene of the drill was a sudden high fever and cough symptoms of an employee of Datang Liaoning Renewable Power Company Limited. The inspectors immediately reported to each level according to the emergency plan for epidemic prevention and control, arranged for duty personnel to escort the feverish employees to the epidemic prevention and isolation point. They checked the scope of on-site contacts, carried out on-site disinfection, activated the emergency plan, contacted the ambulance to send the feverish person to the hospital, and arranged for all personnel in the office building to undergo nucleic acid testing.

Datang Liaoning Renewable Power Company Limited conducted emergency drills for COVID-19 epidemic

5.3 Empowering Talent Development

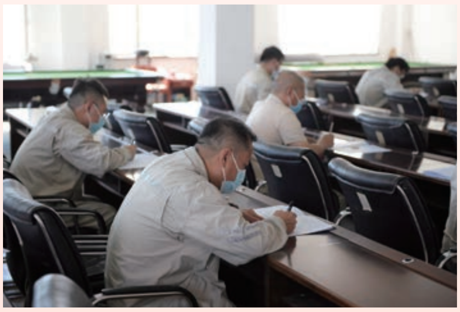
The Group actively implements the strategy of strengthening the enterprise with talents, formulates internal systems such as the Administrative Measures for Education and Training, and clarifies that education and training is the basic way for Datang Renewable to fully develop internal talents. In accordance with the principle of "unified planning, unified standards, hierarchical management, and hierarchical responsibility", Datang Renewable has established a high-quality employee team with job training as the focus, and comprehensively carried out employee education and training. Datang Renewable attaches great importance to the implementation of the concept of sustainable development, conducts ESG-related training, and publicizes the ESG management concept to employees to ensure that the ESG concept is deeply rooted in the blood of the Group.

The Group innovates and optimizes the talent development mechanism and starts the talent development work. It formulates and distributes systems such as the Implementation Rules for Professional Position Sequence Management, Expert Talent Management Measures, Headquarters Staff Rank Management Measures, Headquarters Staff Performance Evaluation Measures and other systems to promote Datang Renewable's institutionalized, scientific and normalized talent management construction. The Group improves a more scientific employee promotion mechanism, insists on cultivating leaders of all ages, pays attention to the cultivation of young talents for grassroots employees, promotes an internal platform for fair and open competition, and promotes the appointment and selection of outstanding talents. The Group has improved the performance management and assessment system for all employees, improved the effective employee incentive and restraint mechanism, stimulated and encouraged employees' work enthusiasm and creativity, improved the degree of assessment and screening of employees' actual contributions, and achieved accurate evaluation of each talent.


Datang Guangdong Renewable Power Company Limited induction training

Case: Datang Jilin Renewable Power Company Limited organized the "Datang Cup" skills competition

On September 1, 2022, with the close cooperation of professional departments, the labour union of Datang Jilin Renewable Power Company Limited formulated a labour competition activity plan based on the actual work. The competition is divided into five knowledge competitions: "Wind Power Operation and Maintenance Skills Competition", "Two Tickets Knowledge Competition", "Emergency Rescue Ability Competition", "Back Drawing System Diagram Competition", and "Operation, Maintenance, and Safety Regulations Competition". Through the form of labour skills competition, Datang Jilin Renewable Power Company further improved the level of employees' on-site safety awareness, standardized the use, work and maintenance procedures of safety tools, and created a good atmosphere of "comparison, learning, catching up, helping, and surpassing" to promote the improvement of employee skills has further stimulated the labour enthusiasm and creative vitality of all employees.

Datang Jilin Renewable Power Company Limited
organized the "Datang Cup" skills competition

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.

Employee training	2022	2021
Percentage of employees trained by gender		
Male employees	**84%**	83%
Female employees	**16%**	17%
Percentage of employees trained by level		
Senior management	**3%**	3%
Department head	**11%**	12%
Other office staff	**14%**	30%
General workers, technicians	**72%**	55%

Average training hours of employees	2022	2021
Average training hours of employees by gender (hours)		
Male employees	**74.18**	143.13
Female employees	**67.00**	72.81
Average training hours of employees by level (hours)		
Senior management	**110.00**	110.00
Department head	**60.00**	90.00
Other office staff	**60.00**	60.00
General workers, technicians	**76.00**	60.00

5.4 Employee Communication and Care

Datang Renewable adheres to the "people-oriented" principle, standardizes and improves the basic procedures and systems of the workers' congress and implements the functions and powers of the workers' congress to ensure that each employee representative can maximize the rights and interests of employees, and conducts democratic and honest evaluations of specific leading cadres.

The Group pays attention to multi-channel and multi-form exchanges and communication with employees, and extensively solicits opinions and suggestions from employees. The Group deepened the "labour union doing practical things for the masses" activity, conducted special rationalization suggestions for employees, and strengthened the construction of "employees' home" through exchanges, seminars, questionnaires, and heart-to-heart talks to comprehensively understand the needs of employees and solve problems. To solve the practical problems faced by employees, build a comprehensive platform for caring for employees.

The Group actively enriches the work and life of employees, and carries out various forms of employee activities to enhance team cohesion. We organize a variety of labour and skills competitions, such as safety production knowledge examinations, safety production law answers, trade union financial competitions and other series of activities, continue to expand the coverage of competitions and employee participation, and create a positive and high-quality learning atmosphere. Datang Renewable organized a series of activities such as "Welcome to the 20th National Congress" to organize employee brisk walks and table tennis competitions. "Winter Olympics knowledge answering" activities, Mid-Autumn Lantern Riddles, and staff calligraphy pens, creating a combination of knowledge were held to create fun-integrated experience satisfies employees' pursuit of spiritual culture outside of work.

The Group implements the employee condolence mechanism and organizes condolences to grassroots employees on important festivals. We organize a series of special condolence activities at key points such as festivals, employee birthdays, retirement and the death of immediate family members. At the same time, we attach great importance to caring for female employees. On the day of "International Women's Day", we led all female employees of the Group Headquarters into the China Women and Children's Museum to carry out the theme exhibition activity of "Second Entrepreneurship Exhibition Youth".

Datang Renewable's "Second Entrepreneurship Exhibition Youth"
female employees' exhibition activities

Case: Datang Guangdong Renewable Power Company Limited organized cultural and sports activities

Datang Guangdong Renewable Power Company Limited combines the characteristics of "small, remote, and scattered" of various new energy projects, organizes cultural and sports activities with labour union groups as the organization, and carries out measures according to local conditions. The labour union of the headquarter held a New Year's Day entertainment, "wearing Hanfu to rejuvenate the state of etiquette" theme event of Hanfu art show for female employees. Other project departments held a variety of cultural and sports activities, such as billiard games and celebrating the National Day, which effectively enriched the cultural life of employees after work and enhanced the cohesion of employees.

Datang Guangdong Renewable Power Company Limited organized cultural and sports activities

Case: Datang Anhui Renewable Power Company Limited special event for female employees

On March 3, 2022, Datang Anhui Renewable Power Company Limited launched the "March 8 Special Event for Female Employees". There are three events: "Three major challenges, four levels and eight stability" dribbling relay over obstacles, "Forge ahead and cross the river with one heart" to rush to the beach and land, "Second time to start a business with courage and perseverance" leggings run. Each event has a beautiful meaning. The activity unites the majority of female employees to make contributions based on their positions, enhances the communication and friendship among all female employees, and gets to know "her" contribution in depth.

Datang Anhui Renewable Power Company Limited
special event for female employees

Case: Datang Jilin Renewable Power Company Limited organized condolence activities for employees' children in entrance exams to high schools and colleges

When the high school and college entrance examinations in 2022 were approaching. To reflect the concept of humanistic care and in the practice of "doing practical things for the masses", the labour union of Datang Jilin Renewable Power Company Limited launched a series of condolence activities to send best wishes to employees and their children. After surveying the employees and identifying the families whose children take the high school and college entrance examinations this year, and fully understanding the "preparation situation" of the employees and their children, the labour union carefully prepared heart-warming condolences to wish the candidates pass the examination.

On the day of the test, the company's management and staff went to the test center to express their best wishes, communicate with the staff accompanying the test to relieve tension, present sunflowers to the employees and their children, which means "winning first place". This activity has been widely supported and praised by the employees. Datang Renewable regards the affairs of the employees as the most important thing of the company, and truly makes the employees and their families feel the warmth of "home".

Datang Jilin Renewable Power Company Limited organized condolence activities for employees' children in entrance exams to high schools and colleges

6. FULFILL RESPONSIBILITY AND SHOW CONCERN FOR PUBLIC WELFARE

In 2022, Datang Renewable paid attention to the implementation of "Datang" social responsibility. The Company not only supplies clean energy to the society responsibly, but also actively responded to the call of national policies, maintained investment in the field of social welfare, consolidated the achievements of poverty alleviation, and jointly built mutual A harmonious society of mutual help.

6.1 Social Welfare

Datang Renewable strictly abides by relevant laws and regulations such as *the Law of the People's Republic of China on Public Welfare Donations* and the *Notice of the Ministry of Finance on Strengthening the Financial Management of Enterprises' External Donations, as well as relevant regulations such as Datang Renewable's Administrative Measures* for External Donations. We controlled the flow of funds, prevented and resolved business risks, and ensured the standardization and accuracy of donations. During the Reporting Period, the Group invested a total of RMB10.73 million in social welfare.

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited organized blood donation activities

Datang Liaoning Renewable Power Company Limited helped the elderly operate APP

Case: Datang Fujian Renewable Power Company Limited launched the "Star Classroom"

On June 17, 2022, volunteers from Datang Fujian Renewable Power Company Limited went to Tiancuo Elementary School, to carry out the "Star Classroom" activity in the school to popularize the knowledge of safe electricity usage for children. Volunteers explained to the students about the production process of wind power and the common sense of safe electricity usage in life by asking questions, supplemented by a popular science video on power production, so as to enhance children's understanding of Datang Group and power knowledge, and increase Datang Renewable's "Responsibility, Strength and Trustworthiness" corporate image.

Datang Fujian Renewable Power Company Limited launched the "Star Classroom"

Case: Datang Beijing-Tianjin-Hebei Renewable Power Company Limited's epidemic prevention activities

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited practiced the responsibility of central enterprises and contributed to the fight against the epidemic with practical actions. The employees delivered food and supplies to the anti-epidemic staff of the Caiyuan Street community and expressed their gratitude to the community workers for their contribution to building a barrier against the epidemic and ensuring the safety of people's lives. This "gift package" of love has delivered strong energy to the frontline of epidemic prevention, and warmed those who stick to the frontline of epidemic prevention.

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited's epidemic prevention activities

Case: Datang Shandong Renewable Power Company Limited launched community volunteer activities

Datang Shandong Renewable Power Company Limited launched a concentrated voluntary service action. Party members and cadres played a leading role. Young volunteers persuaded pedestrians to run red lights and illegally cross zebra crossings and other uncivilized traffic behaviors. Centralized rectification was conducted, and bicycles and electric vehicles that were parked randomly and occupied the fire lane were placed in designated areas; at the same time, the general public was guided to park in an orderly manner when using electric vehicles. During the event, the volunteers took practical actions to promote citizens' civilized travel from themselves, and to create a smooth, harmonious and civilized traffic environment.

Datang Shandong Renewable Power Company Limited launched community volunteer activities

Case: Datang Fujian Renewable Power Company Limited carried out the volunteer activity of "Datang Youth Tour"

On the National "Learn from Lei Feng Day" on March 5th, the Youth League Committee of Datang Fujian Renewable Power Company Limited organized volunteers of Qinglin Wind Farm to actively conduct the "Datang Youth Tour" activity. Under the leadership of the Youth League Committee, all the young workers of Qinglin Wind Farm came to the gate, corridor and every corner of Qianjiashan Park in Qingkou Town to carry out voluntary cleaning work. All young members of the league take root in various jobs, are active in serving enterprises, the society, and others in voluntary activities.

Datang Fujian Renewable Power Company Limited conducted the volunteer activity of "Datang Youth Tour"

6.2 Rural Revitalization

Datang Renewable actively responded to the call of the national poverty alleviation policy, and its branches deeply participated in consolidating the achievements of local poverty alleviation, fulfilled the Group's social responsibility, and contributed to the process of social harmony.

Datang Beijing-Tianjin-Hebei Renewable Power Company Limited organized consumption assistance

Datang Renewable carried out activities to purchase poverty alleviation products in Shaanxi and Guangxi

Datang Liaoning Renewable Power Company Limited organized consumption assistance

Datang Renewable continually provides clean energy to the society through an honest, responsible and innovative business model, implements environmental protection responsibilities through various energy-saving measures. We offer employees with a warm working atmosphere through compliant and orderly management measures, and reward to the society through sustained and effective human and material resources. In the future, Datang Renewable will keep up the momentum in social responsibility and contribute Datang's power to the society.

7. APPENDIX

HKEX ESG Reporting Guidance Index

A. Environmental

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect A1: Emissions			
General Disclosure	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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		4.3 Emissions Management
Key Performance Indicators	A1.1	The types of emissions and respective emissions data.	4. Optimize Management and Practice Green and Low-carbon Concepts
	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).	4.3 Emissions Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Emissions Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Emissions Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.3 Emissions Management
	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.	4.3 Emissions Management

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.		4.4 Use of Resources
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).	4.4 Use of Resources
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.4 Use of Resources
	A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	4.4 Use of Resources
	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.	4.4 Use of Resources
	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.		4.2 Environmental Protection
Key Performance Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.2 Environmental Protection
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.	4.1 Response to Climate Change
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.	4.1 Response to Climate Change

B. Society

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect B1: Employment			
General Disclosure	Information on:		5.1 Equal and Standardized Employment
	(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.	
Key Performance Indicators	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Equal and Standardized Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Equal and Standardized Employment
Aspect B2: Health and Safety			
General Disclosure	Information on:		5.2 Care for Employee Health
	(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.	

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Key Performance Indicators	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2 Care for Employee Health 3.2 Secure Supply of Energy
	B2.2	Lost days due to work injury.	5.2 Care for Employee Health 3.2 Secure Supply of Energy
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.2 Care for Employee Health 3.2 Secure Supply of Energy
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		5.3 Empowering Talent Development
Key Performance Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.3 Empowering Talent Development
	B3.2	The average training hours completed per employee by gender and employee category.	5.3 Empowering Talent Development
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. Standardize Employment and Consolidate Talent Foundation
Key Performance Indicators	B4.1	Description of measures to review employment practises to avoid child and forced labour.	5.1 Equal and Standardized Employment
	B4.2	Description of steps taken to eliminate such practises when discovered.	5.1 Equal and Standardized Employment

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.		3.5 Supply Chain Sustainability Management
Key Performance Indicators	B5.1	Number of suppliers by geographical region.	3.5 Supply Chain Sustainability Management
	B5.2	Description of practises relating to engaging suppliers, number of suppliers where the practises are being implemented, how they are implemented and monitored.	3.5 Supply Chain Sustainability Management
	B5.3	Description of practises used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.5 Supply Chain Sustainability Management
	B5.4	Description of practises used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.5 Supply Chain Sustainability Management

Subject Areas, Aspects, General Disclosures and KPIs		Description	Locations of Disclosure or Remarks
Aspect B6: Product Responsibility			
General Disclosure	Information on:		3.1 Compliance and Integrity Operation 3.3 Responsible Product and Service
	(a)	the policies; 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.	The Company's business nature does not involve the recall for safety and health reasons.
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Compliance and Integrity Operation 3.3 Responsible Product and Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3 Responsible Product and Service 3.4 Development of Technology Innovation
	B6.4	Description of quality assurance process and recall procedures.	The Company's business nature does not involve the recall for safety and health reasons.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	3.3 Responsible Product and Service

Subject Areas, Aspects, General Disclosures and KPIs	Description		Locations of Disclosure or Remarks
Aspect B7: Anti-corruption			
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 bribery, extortion, fraud and money laundering.		3.1 Compliance and Integrity Operation
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.	3.1 Compliance and Integrity Operation
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.1 Compliance and Integrity Operation
	B7.3	Description of anti-corruption training provided to directors and staff.	3.1 Compliance and Integrity Operation
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.		6.1 Social Welfare 6.2 Rural Revitalization
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.1 Social Welfare 6.2 Rural Revitalization
	B8.2	Resources contributed (e.g. money or time) to the focus area.	6.1 Social Welfare 6.2 Rural Revitalization

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2022

1. Investors' Routine Visits

During the Year, 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 2022, it held 61 investor's conferences, which were attended by a total of 451 investors.

2. Results Briefings

During the Year, the Group organised and convened press conferences for 2021 annual results and 2022 interim results online after overcoming difficulties in pandemic prevention and control. A total of 217 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 2023

In 2023, the Group will actively implement the relevant requirements of the SASAC of the State Council on improving the quality of listed companies controlled by central enterprises, comprehensively promote the management of investor relations; closely focus on the shareholder structure, establish comprehensive communication channels with investors at home and abroad in light of the new situations and changes in the Hong Kong Stock Connect; organize regular performance release conferences, timely conduct roadshows and reverse roadshow activities; continue to pay attention to important policies of the new energy industry and capital market new trend, and 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, continue to strengthen positive and proactive communication with the capital markets, continue to deepen the recognition and reputation in the capital market, enhance the liquidity of the stocks, promote the sustained increase in the company's market value, and strive to create a new situation of high-quality development of listed companies with even better performance.

Profile of Directors, Supervisors and Senior Management

I. NON-EXECUTIVE DIRECTORS

Mr. Yu Fengwu, born in June 1964, has been a non-executive Director of the Company since December 2021. Mr. Yu Fengwu currently serves as an appointed full-time director of a subsidiary of CDC as well as the director of Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司) (a company listed on the SSE, stock code: 600236). 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, has been a non-executive Director of the Company since March 2022. Mr. Ye Heyun is currently a full-time director assigned to subsidiaries of CDC. 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 CDC; 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.

Mr. Liu Quancheng, born in October 1963, has been a non-executive Director of the Company since January 2023. Mr. Liu Quancheng is currently a full-time director assigned to subsidiaries of CDC. Mr. Liu Quancheng started his career since August 1983, and successively 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 CDC; the deputy head of financial management department of CDC; the chief accountant and a member of the Party group of Datang International Power Generation Co., Ltd. (a company listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: DAT)) ("Datang Power"); the director of the financial management department of CDC; the director of the financial business department of CDC and the chairman of China Datang Group Finance Co., Ltd. (大唐集團財務有限公司); a supervisor of Datang Power; a director 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, stock code: 600744); the chairman of the Supervisory Committee of the Company; and the secretary of the Party Committee and the chairman of the board of directors of China Datang Corporation Capital Holding Co. Limited (中國大唐集團資本控股有限公司). Mr. Liu Quancheng graduated from Zhongnan University of Economics and Law (formerly known as Zhongnan University of Economics) majoring in financial management, 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. Zhu Mei, born in February 1967, has been a non-executive Director of the Company since January 2023. Ms. Zhu Mei is currently a full-time director assigned to subsidiaries of CDC. Ms. Zhu Mei started her career since August 1988, and successively served as a teacher at North China Power Administration Bureau University for Staff* (華北電管局職工大學); an economist of comprehensive planning department of North China Power Group Company* (華北電力集團公司); the head of the capital market department of Beijing Datang Power Generation Co., Ltd.* (北京大唐發電股份有限公司); an investment planning director of the comprehensive planning department of North China Grid Company Limited* (華北電網有限公司); a staff member of the capital operation office of the development and planning department of CDC; a staff member and the deputy director of the capital operation office of the planning, investment and financing department of CDC; the deputy director and director of the capital operation office and the director of securities finance first office of capital operation and assets management department of CDC; deputy general manager, secretary of the board of directors, joint company secretary and authorised representative 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); and the deputy general manager of China Datang Corporation Capital Holding Co. Limited (中國大唐集團資本控股有限公司). Ms. Zhu Mei graduated from the investment department of Renmin University of China, majoring in investment economics, and obtained a master's degree in economics; and then graduated from the faculty of engineering of University of Waterloo in Canada, majoring in information system management, and obtained a master's degree in applied science. She is currently a senior economist.

Mr. Shi Feng, born in March 1971, has been a non-executive Director of the Company since December 2022. Mr. Shi Feng is currently the chief accountant and a member 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); the chief accountant and a member 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. Shi Feng started his career in July 1993, and successively served as a staff member of the second division of the audit bureau of the Ministry of Electric Industry* (電力工業部審計局二處); a staff member of the infrastructure division of the audit bureau of the Ministry of Electricity Industry under the National Audit Office* (審計署駐電力工業部審計局基建處); a staff member, a staff member of the third division of the audit department and a first-class staff member of the infrastructure division of the audit bureau of the State Power Corporation of China* (國家電力公司); a first-class staff member, the deputy director and director of the second division of the audit department of China Datang Corporation Ltd.* (中國大唐集團有限公司); the director of the supervision and audit department of Datang International Power Generation Co., Ltd. (a company listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: DAT)); the chief accountant and a 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)*; the chief accountant and a member of the Party Committee of China Datang Group Science and Technology Research Institute Co., Ltd.* (中國大唐集團科學技術研究院有限公司); and the director of Shanghai Audit Center, director of Shanghai Legal Affairs Center and director of Nanjing Audit Center of China Datang Corporation Ltd.* (中國大唐集團有限公司). Mr. Shi Feng graduated from the financial accounting from Zhongnan University of Economics and Law, and obtained a bachelor's degree in economics. He is currently a senior auditor.

II. EXECUTIVE DIRECTOR

Mr. Liu Guangming, born in December 1971, has been re-designated as an executive Director of the Company since March 2019, and appointed as the Chairman of the Board on 28 June 2021. 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 CDC since February 2018. Mr. Liu 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. (中國華電集團有限公司) (formerly known as China Huadian Corporation (中國華電集團公司)); 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; the director of Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司) (a company listed on the SSE, stock code: 600236); the director of Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司) (a company listed on the SSE, stock code: 600744), the non-executive director of Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (a company listed on the Stock Exchange, stock code: 1272), and the director of the capital operation and asset management department of CDC. Mr. Liu 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. Lo Mun Lam, Raymond, born in September 1953, has been an independent non-executive Director since he joined the Company in August 2013. Mr. Lo is currently an executive director of Amasse Capital Holdings Limited (a company listed on the Stock Exchange, stock code: 8168), an independent non-executive director of Multifield International Holdings Limited (a company listed on the Stock Exchange, stock code: 0898) and an independent non-executive director of Oriental Explorer Holdings Limited (a company listed on the Stock Exchange, stock code: 0430). Mr. Lo, served as an executive director and co-managing partner of South Asian Investment Management Company and served as an executive director and the licensee of SPDB International Holdings Limited, an investment bank of Shanghai Pudong Development Bank. Mr. Lo is licensed as a Responsible Officer by the Securities and Futures Commission of Hong Kong for providing Type 1 and 6 (advising on corporate finance) regulated activities 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 (retired in August 2013) of Luk Fook Holdings (International) Limited (a company listed on the Stock Exchange, stock code: 00590), the former vice chairman and a non-executive director of Asian Capital Resources (Holdings) Limited (a company listed on the Stock Exchange, stock code: 08025), a former non-executive director and the chairman of audit committee (retired in 2014) of Guangshen Railway Co., Ltd. (a company listed on the Stock Exchange, stock code: 00525), and a former independent non-executive director of Shanghai Zendai Property Limited (a company listed on the Stock Exchange, stock code: 00755) (retired in June 2015). Mr. Lo graduated from the University of Wisconsin-Madison and obtained a bachelor's degree in business administration; obtained a master's degree in law from the University of Hong Kong; and also completed the post-graduate certificate in sustainable business (PCSB) from the University of Cambridge and achieved certification of independent non-executive director qualified by the SSE. Mr. Lo is a Chartered Accountant and Corporate Finance designate of the ICAEW (FCA/CF), a Chartered Accountant of Ontario, Canada, a Chartered Surveyor (FRICS), a Chartered Arbitrator (FCIArb.), a Trust & Estate Practitioner (TEP) and the member of International Bar Association. Trained as a Chartered Accountant in England & Wales, he is also qualified as a Canadian Chartered Accountant and also the member of International Bar Association.

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).

Mr. Qin Haiyan, born in September 1970, has been an independent non-executive Director since June 2022, Mr. Qin is currently serves as the secretary general of the Chinese Wind Energy Association under China Renewable Energy Society (中國可再生能源學會風能專業委員會). Mr. Qin started his career in July 1994, and successively served as an engineer of China Classification Society and the director of China General Certification Center (北京鑒衡認證中心). Mr. Qin graduated from Shanghai Jiao Tong University in thermal power machinery and equipment, and obtained a bachelor's degree in engineering; then graduated from the School of Business of Renmin University of China majoring in business administration, and obtained a master's degree in business administration.

IV. SUPERVISORS

Mr. Liu Liming, born in February 1972, has been the chairman of the Supervisory Committee of the Company from June 2022 and has been the deputy director of the audit department of CDC since June 2021. From March 2021 to June 2021, he served as director of Guangzhou Audit Centre of CDC. From March 2020 to March 2021, he served as director of Guangzhou Audit Centre of CDC and Guangzhou Legal Affair Centre of CDC. From July 2019 to March 2020, he served as the deputy director of the legal affairs department (risk management department) of CDC. During the period from April 2018 to July 2019, he held the positions of the deputy general manager, chief accountant, a member 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) and vice schoolmaster and chief accountant of China Datang Corporation Cadre Training College (中國大唐集團幹部培訓學院). From December 2016 to April 2018, he served as the deputy manager of the audit department and director of the audit division III of the audit department of China Datang Group. He successively served as a member and a vice director of the audit division I, a vice director and director of the audit division III of the audit department of China Datang Group from June 2003 to December 2016. Mr. Liu graduated from the Department of Finance and Economics of Changsha Electric Power Technical College (長沙電力學院) with a bachelor's degree of economics in accounting in June 1996 and currently is a senior economist.

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 July 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.

Ms. Jia Lili, born in October 1978, has been a Supervisor since she joined the Company in December 2022, she is currently the director of the finance department and the director of the Financial Sharing Service Centre 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); the director of the finance department and the director of the Financial Sharing Service Centre of China Datang Group International Trade Company Limited* (中國大唐集團國際貿易有限公司). Ms. Jia Lili started her career in July 2001, and served successively as an accountant in the integrated business department, an accountant in the finance and property rights management department, a staff member of the finance management department, the deputy director of the human resources department and the deputy director of the finance management department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd.* (中國水利電力物資有限公司); the secretary to the Party Committee of Beijing Zhongtang Electric Engineering Consulting Co., Ltd. (北京中唐電工程諮詢有限公司). Ms. Jia Lili graduated from the faculty of finance, Changsha Institute of Electric Power* (長沙電力學院) majoring in accounting, and obtained a bachelor's degree in accounting. She is currently an accountant.

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 Director" of this annual 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.

Ms. Zou Min, born in November 1974, currently serves as the director of Securities Capital Department of the Company. Ms. Zhou Min has been the joint company secretary of the Company since October 2022. Ms. Zou Min started her career in September 1995, and successively served as the deputy director of development and planning department in China Datang Corporation Ltd., Yunan Branch; the vice general manager in Yunnan Southeast-Asia Economy and Technology Investment Industrial Co., Ltd.* (雲南東南亞經濟技術投資實業有限公司), Cambodia Hydropower Development Limited* (柬埔寨水電開發有限公司), Cambodia Power Grid Co. Ltd.* (柬埔寨電網有限公司); the executive director, general manager in Yunnan Datang International Renewable Power Co., Ltd.* (雲南大唐國際新能源有限公司); the deputy director of new energy institute in China Datang Group Science and Technology Research Institute Co., Ltd.* (中國大唐集團科學技術研究院有限公司), the head and deputy director of design research centre of China Datang Corporation Renewable Power Science and Technology Research Institute* (中國大唐集團新能源科學技術研究院); the deputy director of Investment and Development Department, the director of Investment and Cooperation Department, the director of Production Safety Department, and the director of Securities Capital Department in the Company. Ms. Zou Min graduated from Wuhan University majoring in mechanical engineering, and obtained a master's degree in engineering. She is currently a senior economist.

I. PROFILE OF HUMAN RESOURCES

As at 31 December 2022, the Group had 4,174 employees in total, including 1,541 employees aged 30 or below, representing approximately 36.92% of the total; 1,558 employees aged between 31 to 40, representing approximately 37.33% of the total; 530 employees aged between 41 to 50, representing approximately 12.70% of the total; 545 employees aged 51 or above, representing approximately 13.05% of the total.

II. GENDER DIVERSITY OF STAFF

As at 31 December 2022, among the 4,174 employees of the Group, there were 3,488 male employees, representing approximately 83.56% of the total; 686 female employees, representing approximately 16.44% of the total.

The differences in the education level, cultural background, occupational background and job requirements of employees are the main factors affecting the gender diversity of employees. The Company is primarily engaged in renewable energy-related businesses such as wind power, which has historically had a high concentration of male employees. The Company recognizes the benefits of employee diversity and will promote employee diversity, particularly gender diversity, as far as practicable. In order to promote gender diversity as far as possible, and on the premise of providing equal employment opportunities, career development and promotion opportunities, the Company will continue to bring in various types of professionals of different genders and nationalities according to its development needs, cultivate and create a team of talents of appropriate size, high-end leadership, reasonable structure and excellent quality, so as to establish and maintain the Company's talent advantage in the industry in which it operates and lay a solid foundation for the realization of the Company's development strategy.

III. 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.

IV. 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.

V. 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 2022, 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 74 hours/person and 67 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, 60 hours/person, 60 hours/person and 76 hours/person, respectively.

VI. 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.

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大華馬施雲
會計師事務所有限公司

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 173 to 316, which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022, 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 assessment of property, plant and equipment	
As of 31 December 2022, the Group held property, plant and equipment amounting to RMB71,978.6 million. The management of the Company performed impairment assessment on property, plant and equipment and determined the recoverable amount of the relevant cash-generating units ("CGUs") to which these assets were allocated where indicators of impairment were identified. The recoverable amount of a CGU is the greater of its value-in-use and the fair value less costs of disposal of the related assets. The assessment of the value-in-use (i.e. discounted future cash flows) and fair value less costs of disposal was complex and involved significant judgement by management, subjective assumptions and estimation uncertainty. The value-in-use calculations use cash flow projections based on financial budgets approved by management which involve judgement by management such as determining the revenue growth rate, terminal growth rate, operating cost, utilisation efficiency and discount rate. Changes in these assumptions may impact the recoverable amount of CGU. We identified the impairment assessment of property, plant and equipment as a key audit matter due to its significance to the consolidated financial statements and its involvement of management's significant accounting estimations and judgments. 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.	Our procedures included, but not limited to the followings: We evaluated the appropriateness of the methodologies adopted by management in the discounted future cash flows and the key estimates and assumptions used by management. We assessed the reasonableness of key assumptions and key inputs being used, including the revenue growth rate, terminal growth rate, operating cost, utilisation efficiency and discount rate adopted, by comparing these against historical results, the long-term strategic plans that were approved by management and also our understanding of the current market conditions and the latest government policy. We checked on a sample basis, the accuracy and reliance of the input data used. 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 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 trade and other receivables	
As at 31 December 2022, the Group had trade receivables and other receivables amounting to RMB14,434.2 million and RMB856.5 million respectively, an impairment allowance of RMB47.0 million and RMB217.5 million, respectively, were provided. The assessment of recoverability of trade receivables and other receivables required management to make significant judgements based on the current creditworthiness of each customer, the past collection history of each customer, ageing analysis of the trade receivables and other receivables and forward-looking information. The impairment allowance is subject to the managements significant estimation. We identified the impairment assessment of trade and other receivables as a key audit matter due to its significance to the consolidated financial statements and its involvement of management's significant accounting estimations and judgments. The Group's disclosures about the impairment of the trade and other receivables are included in Notes 2.15, 3, 19 and 21 to the consolidated financial statements.	Our procedures included, but not limited to the followings: We reviewed the settlement agreements, obtained direct confirmations from the debtors, and reviewed subsequent cash receipt evidence on the trade and other 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 MATTER

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 30 March 2022.

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, in accordance with our agreed terms of engagement, 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.

Moore Stephens CPA Limited
Certified Public Accountants

Pak Chi Yan
Practising Certificate Number: P06923

Hong Kong, 28 March 2023

Consolidated Statement of Profit or Loss

For the year ended 31 December 2022
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021 (Restated)
Revenue	4	12,499,229	11,868,283
Other income and other gains, net	5	637,465	279,640
Depreciation and amortisation charges	6	(4,998,888)	(4,450,137)
Employee benefit expenses	6	(1,092,020)	(1,031,159)
Material costs		(61,730)	(148,960)
Repairs and maintenance expenses		(326,280)	(517,925)
Other operating expenses	7	(450,804)	(1,222,818)
Operating profit		6,206,972	4,776,924
Finance income	8	29,190	22,451
Finance expenses	8	(1,939,610)	(2,121,769)
Finance expenses, net	8	(1,910,420)	(2,099,318)
Share of profits and losses of associates and joint ventures	16	47,144	(9,389)
Profit before tax		4,343,696	2,668,217
Income tax expenses	9	(452,471)	(376,484)
Profit for the year		3,891,225	2,291,733
Attributable to:			
Owners of the parent		3,485,167	2,031,623
Non-controlling interests		406,058	260,110
		3,891,225	2,291,733
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	10	0.4027	0.2077

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021 (Restated)
Profit for the year		3,891,225	2,291,733
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		252	(1,340)
Net other comprehensive income that may be reclassified to profit or loss in the subsequent periods		252	(1,340)
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	49,507	42,062
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		49,507	42,062
Other comprehensive income for the year, net of tax		49,759	40,722
Total comprehensive income for the year		3,940,984	2,332,455
Attributable to:			
Owners of the parent		3,534,889	2,070,731
Non-controlling interests		406,095	261,724
		3,940,984	2,332,455

Consolidated Statement of Financial Position

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	13	71,978,581	70,480,361
Investment properties		17,979	18,739
Intangible assets	14	405,292	382,607
Right-of-use assets	15(a)	3,018,637	3,651,206
Investments in associates and joint ventures	16	989,465	929,071
Equity investments designated at fair value through other comprehensive income	17	55,712	104,905
Financial assets at fair value through profit or loss		9,972	8,972
Deferred tax assets	18	27,189	27,664
Prepayments, other receivables and other assets	19	2,132,388	2,301,729
Total non-current assets		78,635,215	77,905,254
Current assets			
Inventories	20	122,857	124,227
Trade and bills receivables	21	14,468,273	16,470,899
Prepayments, other receivables and other assets	19	1,855,471	1,628,778
Restricted cash	22	25,466	35,486
Time deposits	22	–	18,000
Cash and cash equivalents	22	2,440,992	3,119,959
Total current assets		18,913,059	21,397,349
Total assets		97,548,274	99,302,603
LIABILITIES			
Current liabilities			
Trade and bills payables	23	279,437	369,964
Other payables and accruals	24	8,022,414	9,402,040
Interest-bearing bank and other borrowings	25(b)	8,633,616	12,461,757
Current income tax liabilities		188,938	105,286
Total current liabilities		17,124,405	22,339,047
Net current assets/ (liabilities)		1,788,654	(941,698)
Total assets less current liabilities		80,423,869	76,963,556

Consolidated Statement of Financial Position (Continued)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021 (Restated)
Non-current liabilities			
Interest-bearing bank and other borrowings	25(a)	45,945,306	45,414,484
Deferred tax liabilities	18	17,904	17,623
Other payables and accruals	24	190,730	185,518
Total non-current liabilities		46,153,940	45,617,625
Total liabilities		63,278,345	67,956,672
Net assets		34,269,929	31,345,931
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	14,310,845	14,294,047
Reserves	28	(765,118)	(1,106,784)
Retained profits		7,286,499	4,866,276
		30,186,896	27,408,209
Non-controlling interests		4,083,033	3,937,722
Total equity		34,269,929	31,345,931

Liu Guangming	Wang Haiyan
Director	*Chief Accountant*

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the parent										
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds *(Note 27)*	Statutory surplus reserve* *(Note 28(i))*	Other reserve* *(Note 28(ii))*	Fair value reserve*	Exchange fluctuation reserve*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2022 (Before restated)	7,273,701	2,080,969	14,294,047	513,407	(1,466,167)	(145,380)	(8,644)	4,665,948	27,207,881	3,932,026	31,139,907
Application of Amendments to IAS 16 *(Note 2.2)*	-	-	-	-	-	-	-	200,328	200,328	5,696	206,024
As at 1 January 2022 (restated)	7,273,701	2,080,969	14,294,047	513,407	(1,466,167)	(145,380)	(8,644)	4,866,276	27,408,209	3,937,722	31,345,931
Profit for the year	-	-	556,272	-	-	-	-	2,928,895	3,485,167	406,058	3,891,225
Other comprehensive income for the year:											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	49,507	-	-	49,507	-	49,507
Exchange differences on translation of foreign operations	-	-	-	-	-	-	215	-	215	37	252
Total comprehensive income for the year	-	-	556,272	-	-	49,507	215	2,928,895	3,534,889	406,095	3,940,984
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	75,166	75,166
Final 2021 dividend declared *(Note 11)*	-	-	-	-	-	-	-	(218,211)	(218,211)	-	(218,211)
Issuance of perpetual note and bonds	-	-	1,000,000	-	-	-	-	-	1,000,000	-	1,000,000
Issuance costs of perpetual note and bonds	-	-	(2,474)	-	-	-	-	-	(2,474)	-	(2,474)
Repayment of perpetual note and bonds	-	-	(1,000,000)	-	-	-	-	-	(1,000,000)	-	(1,000,000)
Dividends paid to holders of perpetual note and bonds	-	-	(537,000)	-	-	-	-	-	(537,000)	-	(537,000)
Transfer from retained profits	-	-	-	194,398	-	-	-	(194,398)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(336,264)	(336,264)
Transfer of fair value reserves upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	-	96,063	-	(96,063)	-	-	-
Others	-	-	-	-	1,483	-	-	-	1,483	314	1,797
As at 31 December 2022	7,273,701	2,080,969	14,310,845	707,805	(1,464,684)	190	(8,429)	7,286,499	30,186,896	4,083,033	34,269,929

* The total of reserves as at 31 December 2022 is (RMB765,118,000) (2021: (RMB1,106,784,000)).

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the parent										
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds *(Note 27)*	Statutory surplus reserve* *(Note 28(i))*	Other reserve* *(Note 28(ii))*	Fair value reserve*	Exchange fluctuation reserve*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2021	7,273,701	2,080,969	12,250,087	420,410	(1,466,167)	(185,659)	(7,473)	3,666,475	24,032,343	3,700,375	27,732,718
Profit for the year (Restated) *(Note 2.2)*	–	–	520,614	–	–	–	–	1,511,009	2,031,623	260,110	2,291,733
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 (Restated)	–	–	520,614	–	–	40,279	(1,171)	1,511,009	2,070,731	261,724	2,332,455
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	–	–	4,000,000	–	–	–	–	–	4,000,000	–	4,000,000
Issuance costs of perpetual note and bonds			(7,754)						(7,754)		(7,754)
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 (Restated)	7,273,701	2,080,969	14,294,047	513,407	(1,466,167)	(145,380)	(8,644)	4,866,276	27,408,209	3,937,722	31,345,931

Consolidated Statement of Cash Flows

For the year ended 31 December 2022
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021
Cash flows from operating activities			
Profit before tax		4,343,696	2,668,217
Adjustments for:			
Depreciation of property, plant and equipment	6	4,742,054	4,230,437
Depreciation of right-of-use assets	6	205,234	166,526
Amortisation of intangible assets, long-term prepaid expenses and depreciation of investment properties	6	51,600	53,174
Losses on disposal of property, plant and equipment and intangible assets	5	8,698	51,066
(Reversal of impairment)/impairment of trade receivables, net	7	(195,595)	210,039
Impairment of other receivables	7	64,331	53,188
Write-down of inventories to net realisable value	7	–	7,140
Impairment of property, plant and equipment	7	82,679	338,524
Impairment of an investment in a joint venture	7	–	46,903
Foreign exchange gains, net		24,464	(5,476)
Interest income from finance lease receivables	8	(415)	(343)
Interest expenses	8	1,915,146	2,126,566
Share of (profits)/losses of associates and joint ventures		(47,144)	9,389
Gains on restructuring of debts	5	–	(7,499)
Fair value gains on financial assets at fair value through profit or loss	5	–	(243)
Others, net		18,086	(15,793)
		11,212,834	9,931,815
Changes in working capital:			
Decrease in inventories		8,511	90,225
Decrease/(increase) in trade and bills receivables		2,197,786	(4,491,212)
Increase in prepayments, other receivables and other assets		(318,221)	(151,775)
Decrease/(increase) in restricted cash		10,020	(3,084)
(Decrease)/increase in trade and bills payables		(94,527)	106,737
Increase in other payables and accruals		638,613	913,477
Cash generated from operations		13,655,016	6,396,183
Interest received		28,775	22,108
Income tax paid		(452,471)	(416,394)
Net cash flows from operating activities		13,231,320	6,001,897

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		(6,974,554)	(8,211,895)
Proceeds from disposal of property, plant and equipment and intangible assets		4,465	20,590
Investments in associates and joint ventures	16(b)	(15,000)	(10,499)
Proceeds from disposal of financial assets at fair value through profit or loss		99,139	1,361
Proceeds from disposal of associates and joint ventures		19,138	1,656
Decrease in time deposits		18,000	1,490
Dividends received from associates		–	38
Net cash flows used in investing activities		(6,848,812)	(8,197,259)
Cash flows from financing activities			
Proceeds from issuance of corporate bonds, medium-term notes and short-term bonds, net of issuance costs		5,098,262	15,745,912
Proceeds from issuance of perpetual note and bonds		1,000,000	4,000,000
Issuance costs of perpetual note and bonds		(2,474)	(7,754)
Capital contributions from non-controlling interests		75,166	86,889
Proceeds from borrowings		20,167,363	16,112,579
Loans from related parties	29(a)	6,181,244	6,874,284
Repayments of perpetual note and bonds		(1,000,000)	(2,000,000)
Repayments of borrowings		(18,073,230)	(13,478,490)
Repayments of corporate bonds and short–term bonds		(7,950,000)	(12,150,000)
Repayments of loans from related parties	29(a)	(9,588,861)	(9,752,119)
Dividends paid	11	(218,211)	(218,211)
Dividends paid to non-controlling interests		(152,765)	(80,201)
Dividends paid to holders of perpetual note and bonds		(537,000)	(468,900)
Interest paid		(1,561,155)	(2,020,901)
Principal portion of lease payments		(505,038)	(380,469)
Net cash flows (used in)/from financing activities		(7,066,699)	2,262,619

For the year ended 31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021
Net (decrease)/ increase in cash and cash equivalents		(684,191)	67,257
Cash and cash equivalents at beginning of year		3,119,959	3,052,717
Effect of foreign exchange rate changes, net		5,224	(15)
Cash and cash equivalents at end of year	22	2,440,992	3,119,959
Analysis of balances of cash and cash equivalents:			
Cash and bank balances	22	2,440,992	3,119,959
Cash and cash equivalents as stated in the consolidated statement of cash flows	22	2,440,992	3,119,959

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 2022, 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 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.

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.

2.1.1 Going concern

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 2023;
- Unutilised banking facilities of approximately RMB58,600.4 million (Note 31.1(c)) as at 31 December 2022, of which banking facilities of RMB35,379.4 million are not subject to renewal during the next 12 months from the end of the reporting period. As at 31 December 2022, 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

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

2.1 Basis of preparation (Continued)

2.1.1 Going concern (Continued)

- Other available sources of financing from banks and other financial institutions given the Group's credit history. There were corporate bonds of RMB15,000.00 million approved by the China Securities Regulatory Commission but not yet issued, asset- backed notes of RMB2,200.00 million, ultra-short-term financing bonds of RMB4,900.00 million and medium-term notes of RMB12,000.00 million registered in the National Association of Financial Market Institutional Investors but not yet issued as at 31 December 2022. Except for the asset-backed notes that are valid until June 2023, corporate bonds of RMB6,000.00 million and RMB9,000.00 million that are valid until September 2023 and December 2023 respectively, ultra-short-term financing bonds of RMB49,000.00 million that are valid until November 2023 and medium-term notes of RMB4,000.00 million that are valid until December 2023, the approvals and registrations of the remaining medium-terms notes of RMB8,000.00 million 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.

2.1.2 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 2022. 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.

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

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation (Continued)

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.

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;

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation (Continued)

- 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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), agenda decision/decisions of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board (the "IASB"), and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's consolidated financial statements:

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Amendments to IFRSs	*Annual Improvements to IFRSs 2018–2020*

Except as described below, the application of the amendments to IFRSs and agenda decision/decisions of the IFRS Interpretations Committee (the "Committee") of the IASB in the current year has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

(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)

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

Property, plant and equipment

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss.

The Group has applied the new accounting policy retrospectively to property, plant and equipment made available for use on or after the beginning of the earliest period presented, i.e. 1 January 2021. Comparative figures have been restated.

The table below summarises the financial statement line items affected in the Group's consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended 31 December 2021, applicable to IAS 16. Unaffected items are not included. In the opinion of the directors of the Company, the application of the amendments has had no material impact on the Group's financial position as at 1 January 2021.

Impact on the consolidated statement of financial position as at 31 December 2021:

	As previously reported	Adjustments	As restated
Property, plant and equipment	70,274,337	206,024	70,480,361
Retained profits	4,665,948	200,328	4,866,276
Non-controlling interests	3,932,026	5,696	3,937,722

(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)

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (Continued)

Property, plant and equipment (Continued)

Impact on the consolidated statement of profit or loss for the year ended 31 December 2021:

	As previously reported	Adjustments	As restated
Revenue	11,625,086	243,197	11,868,283
Depreciation and amortisation charges	4,445,184	4,953	4,450,137
Employee benefit expenses	1,021,101	10,058	1,031,159
Repairs and maintenance expenses	507,039	10,886	517,925
Other operating expenses	1,211,542	11,276	1,222,818
Profit for the year attributable to:			
Owners of the parent	1,831,295	200,328	2,031,623
Non-controlling interests	254,414	5,696	260,110
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)	0.1802	0.0275	0.2077

(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)

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (Continued)

Property, plant and equipment (Continued)

Impact on the consolidated statement of comprehensive income for the year ended 31 December 2021:

	As previously reported	Adjustments	As restated
Profit for the year	2,085,709	206,024	2,291,733
Total comprehensive income for the year	2,126,431	206,024	2,332,455
Total comprehensive income for the year attributable to:			
Owners of the parent	1,870,403	200,328	2,070,731
Non-controlling interests	256,028	5,696	261,724

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

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 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17 and related Amendments	*Insurance Contracts*[1]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[2]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[2]
Amendments to IAS 1	*Non-current Liabilities with Covenants*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

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

2 Effective for annual periods beginning on or after 1 January 2024

3 No mandatory effective date yet determined but available for adoption

The above new and amendments to existing standards do not expect to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new and amended IFRSs to existing standards when they become effective.

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 2022 (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.

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

2.13 Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

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.

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.

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

2.13 Leases (Continued)

Group as a lessor (Continued)

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.

2.14 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 2022, the long-aged account receivables except for tariff premium of renewable energy was RMB51.4 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 2022, the Group reviews its CDM assets and other long-aged receivables amounting to RMB232.2 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 2022 was RMB65.7 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 2022 and 2021. 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 2022, all (2021: all) of the Group's revenue was derived from external customers in the PRC.

As at 31 December 2022, all (31 December 2021: all) of the non-current assets were located in the PRC (including Hong Kong).

For the year ended 31 December 2022, all (2021: all) revenue from the sales of electricity was charged to the provincial power grid companies which are directly or indirectly owned or controlled by the PRC government.

(b) Revenue

An analysis of revenue is as follows:

	2022	2021 (Restated)
Revenue from contracts with customers	12,464,836	11,848,385
Revenue from other sources		
Gross rental income from investment properties leases:		
Other lease payments, including fixed payments	34,393	19,898
	12,499,229	11,868,283

(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	2022	2021 (Restated)
Types of goods or services		
Sale of electricity	12,408,959	11,811,628
Other services	55,877	36,757
Total revenue from contracts with customers	12,464,836	11,848,385
Timing of revenue recognition		
Goods/services transferred at a point in time	12,423,723	11,811,628
Services transferred over time	41,113	36,757
Total revenue from contracts with customers	12,464,836	11,848,385

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:

	2022	2021 (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the reporting year:		
Other services	2,000	2,638

(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 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 2022 and 2021 were as follows:

	2022	2021 (Restated)
Within one year	1,354	461
After one year	–	2,522
	1,354	2,983

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

	2022	2021
Government grants *(Note i)*	293,720	296,079
Fair value gains on financial assets at fair value through profit or loss	–	243
Gain on disposal of financial assets at fair value through profit or loss	–	361
Compensation from wind turbine suppliers *(Note ii)*	332,708	2,250
Losses on disposal of property, plant and equipment and intangible assets	(8,698)	(51,066)
Compensation, liquidated damages and fines, net	24,550	32,553
Gains on restructuring of debts	–	7,499
Gains on disposal of investment in associates and joint ventures	5,657	656
Others	(10,472)	(8,935)
	637,465	279,640

Notes:

(i) The amount mainly represented subsidies on the Group's business, 50% refund of the VAT levied on electricity generated. There is no specific condition attached to these subsidies.

(ii) 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):

	2022	2021 (Restated)
Employee benefit expenses (including directors' and supervisors' remuneration *(Note 12)*)		
– salaries and staff welfares	806,422	741,736
– retirement benefits – defined contribution plans *(Note (i))*	152,710	133,312
– staff housing fund *(Note (ii))*	73,135	65,310
– other staff costs	118,812	119,378
	1,151,079	1,059,736
Less: Employee benefit expenses capitalised in property, plant and equipment and intangible assets	(59,059)	(28,577)
	1,092,020	1,031,159
Depreciation of property, plant and equipment *(Note 13)*	4,742,054	4,230,437
Amortisation of intangible assets *(Note 14)*	21,604	23,554
Amortisation of long-term prepaid expenses and depreciation of investment properties	29,996	29,620
Depreciation of right-of-use assets *(Note 15)*	205,234	166,526
	4,998,888	4,450,137
Auditors' remuneration		
– audit and audit related services	6,520	9,320
– non-audit services	100	350

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% (2021: 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% (2021: 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% (2021: 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

	2022	2021 (Restated)
Impairment of property, plant and equipment *(Note 13)*	82,679	338,524
Impairment of investment in a joint venture *(Note 16)*	–	46,903
Write-down of inventories to net realisable value *(Note 20)*	–	7,140
(Reversal of impairment)/impairment of trade receivables, net	(195,595)	210,039
Impairment of other receivables	64,331	53,188
Tax and surcharges	117,180	115,657
Insurance premium	50,537	65,288
Bank charges	31,354	39,728
Utility fees	33,805	32,087
Travelling expenses	19,476	33,109
Professional service and consulting fees	36,619	43,378
Lease payments not included in the measurement of lease liabilities *(Note 15(c))*	24,883	50,338
Transportation expenses	16,530	17,027
Information technology expenses	31,920	27,733
Property management fees	18,366	13,281
Office expenses	11,374	11,403
Technical supervision service fees	23,935	21,419
Entertainment expenses	2,687	3,308
Research and development costs	2	9,941
Others	80,721	83,327
	450,804	1,222,818

(Amounts expressed in thousands of RMB unless otherwise stated)

8. FINANCE INCOME/FINANCE EXPENSES

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

	2022	2021
Finance income		
Interest income on deposits with banks and other financial institutions	6,335	7,825
Interest income on deposits with a related party	22,440	14,283
Interest income from finance lease receivables	415	343
	29,190	22,451
Finance expenses		
Interest on bank and other borrowings	(1,910,950)	(2,095,967)
Interest on lease liabilities *(Note 15 (b))*	(111,380)	(124,599)
Unwinding of discount on asset retirement obligations *(Note 24 (ii))*	(6,459)	(6,420)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	113,643	100,420
	(1,915,146)	(2,126,566)
Foreign exchange (gains)/losses, net	(24,464)	4,797
	(1,939,610)	(2,121,769)
Finance expenses, net	(1,910,420)	(2,099,318)
Interest capitalisation rate	3.20%-4.98%	3.95%-5.22%

(Amounts expressed in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSES

	2022	2021
Current tax		
PRC enterprise income tax	462,219	379,970
(Overprovision)/Underprovision in prior years	(10,504)	10,064
	451,715	390,034
Deferred tax		
Recognition of temporary differences *(Note 18)*	756	(13,550)
Income tax expenses	452,471	376,484

For the year ended 31 December 2022, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 20% (2021: 7.5% to 20%), all other subsidiaries established in the PRC were subject to income tax at a rate of 25% (2021: 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 2021, 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 Enterprise Income Tax Law of the People's Republic of China 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 2022, the joint ventures and associates were subject to an income tax rate of 25% (2021: 25%), and the share of income tax attributable to associates of RMB17.7 million (2021: RMB10.0 million), 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:

	2022	2021 (Restated)
Profit before tax	4,343,696	2,668,217
Taxation calculated at the statutory tax rate	1,085,924	667,054
Income tax effects of:		
– Preferential income tax treatments	(664,454)	(487,952)
– Profits and losses attributable to associates and joint ventures	(11,786)	2,347
– Expenses not deductible for tax purposes	4,649	7,144
– Tax losses and temporary differences for which no deferred income tax asset was recognised	53,628	195,859
– Utilisation of previously unrecognised tax losses and temporary differences	(4,986)	(18,032)
– (Overprovision)/underprovision for prior years	(10,504)	10,064
	452,471	376,484
Weighted average effective income tax rate	10.4%	14.1%

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in 2022 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.

	2022	2021 (Restated)
Earnings		
Profit attributable to owners of the parent	3,485,167	2,031,623
Interest on perpetual note and bonds	(556,272)	(520,614)
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	2,928,895	1,511,009
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)*	0.4027	0.2077

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2022 and 2021 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

	2022	2021
Proposed final dividend – RMB0.05 (before tax) (2021: RMB0.03 (before tax)) per ordinary share	363,685	218,211

The dividend paid by the Company in 2022 was RMB218.2 million (2021: RMB218.2 million).

A final dividend in respect of the year ended 31 December 2022 of RMB0.05 (before tax) per ordinary share, amounting to a total final dividend of RMB363.7 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:

	2022	2021
Fees	549	600
Other emoluments:		
Salaries, allowances and benefits in kind	360	292
Discretionary bonuses	618	1,010
Pension scheme contributions	47	63
	1,025	1,365
	1,574	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)

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

For the year ended 31 December 2022

	Notes	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors						
– Mr. Liu Guangming (劉光明)*		–	–	–	–	–
Non-executive directors						
– Mr. Wang Qiying (王琪瑛)*	(a)	–	–	–	–	–
– Mr. Kuang Lelin (匡樂林)*	(b)	–	–	–	–	–
– Mr. Yu Fengwu (于鳳武)*	(c)	–	–	–	–	–
– Mr. Liu Jianlong (劉建龍)*	(d)	–	–	–	–	–
– Mr. Li Yi (李奕)*	(e)	–	–	–	–	–
– Mr. Ye Heyun (葉河雲)*	(f)	–	–	–	–	–
– Mr. Shi Feng (石峰)*	(g)	–	–	–	–	–
Independent non-executive directors						
– Mr. Liu Chaoan (劉朝安)	(h)	100	–	–	–	100
– Mr. Lo Mun Lam (盧敏霖)		183	–	–	–	183
– Mr. Yu Shunkun (余順坤)		183	–	–	–	183
– Mr. Qin Haiyan (秦海岩)	(i)	83	–	–	–	83
Supervisors						
– Mr. Liu Quancheng (劉全成)*	(j)	–	–	–	–	–
– Ms. Dingyu (丁宇)*	(k)	–	–	–	–	–
– Ms. Bai Xuemei (白雪梅)		–	360	618	47	1,025
– Mr. Liu Liming (柳立明)*	(l)	–	–	–	–	–
– Ms. Jia Lili (賈莉莉)*	(m)	–	–	–	–	–
		549	360	618	47	1,574

(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: (Continued)

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)	(n)	–	96	449	23	568
Non-executive directors						
– Mr. Kou Wei (寇偉)*	(o)	–	–	–	–	–
– Mr. Hu Shengmu (胡繩木)*	(p)	–	–	–	–	–
– Mr. Wang Qiying (王琪瑛)*	(a)	–	–	–	–	–
– Mr. Kuang Lelin (匡樂林)*	(b)	–	–	–	–	–
– Mr. Yu Fengwu (于鳳武)*	(c)	–	–	–	–	–
– Mr. Liu Jianlong (劉建龍)*	(d)	–	–	–	–	–
– Mr. Li Yi (李奕)*	(e)	–	–	–	–	–
– Mr. Liu Baojun (劉寶君)*	(q)	–	–	–	–	–
Independent non-executive directors						
– Mr. Liu Chaoan (劉朝安)	(h)	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)*	(j)	–	–	–	–	–
– Ms. Dingyu (丁宇)*	(k)	–	–	–	–	–
– Ms. Bai Xuemei (白雪梅)		–	196	561	40	797
		600	292	1,010	63	1,965

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

Notes:

(a) Mr. Wang Qiying has been appointed as a non-executive director of the Company with effect from 29 December 2021 and resigned with effect from 16 January 2023.

(b) Mr. Kuang Lelin has been appointed as a non-executive director of the Company with effect from 25 October 2021 and resigned with effect from 28 December 2022.

(c) Mr. Yu Fengwu has been appointed as a non-executive director of the Company with effect from 29 December 2021.

(d) Mr. Liu Jianlong has been appointed as a non-executive director of the Company with effect from 25 October 2021 and resigned with effect from 16 January 2023.

(e) Mr. Li Yi has resigned as a non-executive director of the Company with effect from 30 March 2022.

(f) Mr. Ye Heyun has been appointed as a non-executive director of the Company with effect from 30 March 2022.

(g) Mr. Shi Feng has been appointed as a non-executive director of the Company with effect from 28 December 2022.

(h) Mr. Liu Chaoan has retired as an independent non-executive director of the Company with effect from 30 June 2022.

(i) Mr. Qin Haiyan has been appointed as an independent non-executive director of the Company with effect from 30 June 2022.

(j) Mr. Liu Quancheng has resigned as a supervisor of the Company with effect from 30 June 2022.

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

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

Notes: (Continued)

(k) Ms. Dingyu has resigned as a supervisor of the Company with effect from 28 December 2022.

(l) Mr. Liu Liming has been appointed as a supervisor of the Company with effect from 30 June 2022.

(m) Ms. Jia Lili has been appointed as a supervisor of the Company with effect from 28 December 2022.

(n) Mr. Meng Lingbin has resigned as an executive director of the Company with effect from 29 December 2021.

(o) 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.

(p) Mr. Hu Shengmu has resigned as a non-executive director of the Company with effect from 25 October 2021.

(q) Mr. Liu Baojun has resigned as a non-executive director of the Company with effect from 25 October 2021.

* 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 2022, 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 (2021: Nil); and no director or supervisor waived or agreed to waive any emoluments (2021: 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 2022 and 2021 is set forth below:

	2022	2021
Directors or supervisors	1	2
Non-director or non-supervisor employees	4	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:

	2022	2021
Salaries and other emoluments	1,294	614
Discretionary bonuses	1,868	1,505
Retirement benefits – defined contribution plans	168	113
	3,330	2,232

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

	Number of individuals	
	2022	2021
Nil to Hong Kong dollars ("HKD") 1,000,000	2	4
HKD1,000,001 to HKD1,500,000	3	1

During the year ended 31 December 2022, 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 (2021: 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 2022					
Opening net carrying amount	3,212,484	58,316,304	173,860	8,777,713	70,480,361
Additions	131,915	443,944	60,798	5,752,470	6,389,127
Transfer and reclassification	392,784	7,890,630	–	(8,276,009)	7,405
Other disposals	(12,351)	(3,295)	(3,281)	–	(18,927)
Depreciation	(249,119)	(4,486,969)	(60,618)	–	(4,796,706)
Impairment during the year	–	(78,776)	–	(3,903)	(82,679)
Closing net carrying amount	3,475,713	62,081,838	170,759	6,250,271	71,978,581
As at 31 December 2022					
Cost	5,148,354	97,499,395	546,959	6,636,322	109,831,030
Accumulated depreciation	(1,624,143)	(35,208,658)	(375,485)	–	(37,208,286)
Accumulated impairment	(48,498)	(208,899)	(715)	(386,051)	(644,163)
Net carrying amount	3,475,713	62,081,838	170,759	6,250,271	71,978,581
Year ended 31 December 2021 (restated)					
Opening net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731
Additions (restated)	4,710	758,466	16,252	9,699,201	10,478,629
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 (restated)	(192,664)	(4,045,223)	(35,577)	–	(4,273,464)
Impairment during the year	–	(10,764)	–	(327,760)	(338,524)
Closing net carrying amount	3,212,484	58,316,304	173,860	8,777,713	70,480,361
As at 31 December 2021					
Cost (restated)	4,638,328	89,189,845	522,365	9,180,643	103,531,181
Accumulated depreciation (restated)	(1,377,345)	(30,743,418)	(347,791)	–	(32,468,554)
Accumulated impairment	(48,499)	(130,123)	(714)	(402,930)	(582,266)
Net carrying amount (restated)	3,212,484	58,316,304	173,860	8,777,713	70,480,361

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 2022 and 2021, depreciation expense is analysed as follows:

	2022	2021 (Restated)
Depreciation expense recognised in profit or loss *(Note 6)*	4,742,054	4,230,437
Capitalisation as construction in progress	54,652	43,027
	4,796,706	4,273,464

As at 31 December 2022, 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 2022, 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 RMB3.9 million (2021: RMB327.8 million) was recognised in profit or loss in" other operating expenses".

During the year ended 31 December 2022, certain subsidiaries and branches of the Company terminated construction in progress or deregistered, and the accumulated impairment loss on construction in progress of RMB20.8 million was written off. During the year ended 31 December, 2021, 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, and the accumulated impairment loss on construction in progress of RMB90.6 million was written off.

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment test for property, plant and equipment (Continued)

For the year ended 31 December 2022, 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 RMB78.8 million (2021: 10.8 million) 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 2022 and 2021, and no additional impairment need to be recognised.

For the year ended 31 December 2022, no impairment losses were provided for other property, plant and equipment of the Group based on value in use (2021: 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 8.50% and 9.50% (31 December 2021: 8.24% and 9.33%) that reflect specific risks related to CGUs as the discount rates as at 31 December 2022.

(Amounts expressed in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS

	Goodwill *(Note (iii))*	Concession assets *(Note (i))*	Computer and software	Development costs *(Note (ii))*	Total
Year ended 31 December 2022					
Opening net carrying amount	58,055	211,741	84,656	28,155	382,607
Additions	–	–	18,062	33,632	51,694
Transfer and reclassification	–	–	447	(447)	–
Transferred to property, plant and equipment	–	–	–	(7,405)	(7,405)
Amortisation charges	–	(15,296)	(6,308)	–	(21,604)
Closing net carrying amount	58,055	196,445	96,857	53,935	405,292
As at 31 December 2022					
Cost	58,055	640,028	157,552	53,935	909,570
Accumulated amortisation	–	(213,296)	(60,695)	–	(273,991)
Accumulated impairment	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	196,445	96,857	53,935	405,292
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)
Accumulated impairment	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	211,741	84,656	28,155	382,607

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 2022 and 2021, development costs 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 8.50% (31 December 2021: 8.24%). 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 2022 (31 December 2021: Nil).

For the years ended 31 December 2022 and 2021, all the amortisation expense was recognised in profit or loss.

At 31 December 2022 and 2021, 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 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 and 1 January 2022	109,688	2,492,246	951,731	97,541	3,651,206
Additions	18,331	142,616	201,248	–	362,195
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(71,893)	–	–	(71,893)
Other changes *(Note (ii))*	(29,008)	(633,742)	(54,887)	–	(717,637)
Depreciation charge	(13,853)	(111,960)	(75,627)	(3,794)	(205,234)
As at 31 December 2022	85,158	1,817,267	1,022,465	93,747	3,018,637

(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) Accumulated impairment of land use rights was RMB1.7 million as at 31 December 2022. 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:

	2022	2021
Carrying amount as at 1 January	**2,635,890**	2,932,815
New leases	**297,307**	251,802
Accretion of interest recognised during the year *(Note 8)*	**111,380**	124,599
Payment	**(616,418)**	(508,480)
Revision of a lease term arising from a change in the non-cancellable period of a lease	**(65,363)**	(124,476)
Other changes	**(33,370)**	(40,370)
Carrying amount as at 31 December	**2,329,426**	2,635,890
Analysed into:		
Current portion *(Note 25(a))*	**422,501**	162,307
Non-current portion *(Note 25(a))*	**1,906,925**	2,473,583

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:**

	2022	2021
Interest on lease liabilities	111,380	103,418
Depreciation charge of right-of-use assets	205,234	166,526
Expense relating to short-term leases and other leases (included in other operating expenses)	24,883	46,625
Variable lease payments not included in the measurement of lease liabilities (included in other operating expenses)	–	3,713
Total amount recognised in profit or loss	341,497	320,282

(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 RMB34.4 million (2021: RMB19.9 million), details of which are included in Note 4(b) to the financial statements.

As at 31 December 2022 and 2021, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2022	2021
Within 1 year	4,890	7,239
After 1 year but within 2 years	4,890	6,543
After 2 years but within 3 years	4,890	5,382
After 3 years but within 4 years	4,890	5,382
After 4 years	65,606	97,901
	85,166	122,447

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Investments in joint ventures

Movements in investments in joint ventures are as follows:

	2022	2021
As at 1 January	41,252	91,175
Share of profits/(losses) for the year	2,540	(3,020)
Impairment *(Note(iii))*	–	(46,903)
As at 31 December	43,792	41,252

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Investments in joint ventures (Continued)

Note:

(i) As at 31 December 2022, 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.

(ii) 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.

(iii) 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.

(b) Investments in associates

Movements in investments in associates are as follows:

	2022	2021
As at 1 January	**887,819**	899,283
Capital injections	**15,000**	10,499
Disposal	**(1,750)**	(1,000)
Dividends declared	**–**	(20,038)
Share of profits/(losses) for the year	**44,604**	(6,369)
Reclassification *(Note(i))*	**–**	5,444
As at 31 December	**945,673**	887,819

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Notes:

(i) As at 1 January 2021, 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.

(ii) As at 31 December 2022 and 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.

(iii) Loans from an associate and lease liabilities under lease arrangements are as follows:

	2022	2021
Loans from an associate	2,465,357	2,898,327
Lease liabilities under lease arrangements with an associate	1,467,115	1,477,509
As at 31 December	3,932,472	4,375,836

As at 31 December 2022, the loans from an associate and lease liabilities under lease arrangements with an associate included in the Group's "Interest-bearing bank and other borrowings" of RMB3,932.5 million (31 December 2021: RMB4,375.8 million) were payables to Datang Financial Leasing Co., Ltd. ("Datang Financial Leasing") which bore interest at rates ranging from 3.13% to 5.53% (31 December 2021: 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)

(iv) Set out below are the associates of the Group as at 31 December 2022, 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. (廣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 established by the Company and Guangdong Yueneng (Group) Company Limited (廣東粵能(集團)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 RMB-3.0 million (2021: RMB0.1 million) and RMB2.7 million (2021: RMB5.7 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	
	2022	2021	2022	2021
Total current assets	11,486,735	12,979,832	94,268	80,070
Total current liabilities	(12,458,104)	(12,077,046)	(38,438)	(19,172)
Total non-current assets	10,942,644	13,764,507	276,816	273,821
Total non-current liabilities	(4,495,358)	(7,845,355)	(124,475)	(138,983)
Net assets	5,475,917	6,821,938	208,171	195,736
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	1,095,184	1,364,388	102,004	95,911
Goodwill and other adjustments	(370,884)	(670,884)	6,129	6,129
Carrying amount of the investments	724,300	693,504	108,133	102,040
Revenue	894,145	1,169,684	50,885	57,073
Profit before tax	362,758	150,202	15,279	21,891
Net profit for the year	281,780	114,459	12,436	16,378
Total comprehensive income	281,780	114,459	12,436	16,378
Interest on perpetual note classified as equity	127,800	201,382	–	–
Dividends received from associates	20,000	–	–	–

(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):

	2022	2021
Share of the associates' profit for the year	7,715	2,991
Share of the associates' total comprehensive income	7,715	2,991
Aggregate carrying amount of the Group's investments in associates	113,241	92,276

As at 31 December 2022 and 2021, 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

	2022	2021
As at 1 January	104,905	68,287
Disposal	(98,700)	–
Changes in fair value recorded in other comprehensive income	49,507	42,062
Reclassification *(Note 16(b) (i))*	–	(5,444)
As at 31 December	55,712	104,905

As at 31 December 2022 and 2021, the Group's equity investments designated at fair value through other comprehensive income include the following:

	2022	2021
Listed equity investments, at fair value:		
Guodian Technology & Environment Group Corporation Limited	–	51,238
	–	51,238
Unlisted equity investments, at fair value:		
Inner Mongolia Hohhot Pumped Storage Power Generation Co., Ltd.	51,407	49,362
Ningxia Electric Power Trading Center Co., Ltd.	4,305	4,305
	55,712	53,667
	55,712	104,905

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 unrealized profits	Deferred income	Total
As at 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 and 1 January 2022	3,937	21,453	2,081	193	27,664
Charged to profit or loss	–	(196)	(86)	(193)	(475)
As at 31 December 2022	**3,937**	**21,257**	**1,995**	**–**	**27,189**

Deferred tax liabilities:

	Asset revaluation	Depreciation allowance in excess of related depreciation	Total
As at 1 January 2021	(15,939)	–	(15,939)
Charged/(credited) to profit or loss	2,410	(4,094)	(1,684)
As at 31 December 2021 and 1 January 2022	(13,529)	(4,094)	(17,623)
Charged/(credited) to profit or loss	1,554	(1,835)	(281)
As at 31 December 2022	**(11,975)**	**(5,929)**	**(17,904)**

(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:

	2022	2021
Tax losses	**2,877,361**	3,092,753
Other deductible temporary tax differences	**720,410**	1,177,699
	3,597,771	4,270,452

	2022	2021
Year of expiry		
2022	**–**	450,431
2023	**338,889**	338,889
2024	**403,160**	403,160
2025	**480,565**	480,565
2026	**553,260**	553,260
2027	**235,039**	402,501
After 2028	**866,448**	463,947
	2,877,361	3,092,753

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

	2022	2021
CDM assets/receivables *(Note (i))*	68,801	68,665
Proceeds receivables from the disposal of subsidiaries *(Note (i))*	129,942	127,324
Receivable from the disposal of a wind farm project *(Note (i))*	21,584	21,166
Dividend receivable	–	20,000
Deposits for project investments *(Note (i))*	11,846	17,762
Deposits for borrowings *(Note 25(a)(i))*	26,030	48,705
Receivables under a lease arrangement *(Note (ii))*	20,386	25,924
Other receivables *(Note (i))*	577,958	421,107
	856,547	750,653
Less: impairment allowance *(Note (i))*	(217,474)	(153,055)
	639,073	597,598
Value-added tax recoverables	2,184,012	2,454,235
Current tax prepayments	16,437	23,242
Prepayments for constructions and equipment	822,427	596,188
Other prepayments	325,910	259,244
	3,987,859	3,930,507
Less: Non-current portion of		
– Receivables under a lease arrangement *(Note(ii))*	(12,966)	(18,684)
– Deposits for borrowings *(Note 25(a)(i))*	(26,030)	(48,705)
– Value-added tax recoverables	(1,090,235)	(1,519,773)
– Prepayments for constructions and equipment	(822,427)	(596,188)
– Other prepayments	(180,730)	(118,379)
	(2,132,388)	(2,301,729)
Total current portion of prepayments, other receivables and other assets	1,855,471	1,628,778

(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:

	2022	2021
As at 1 January	153,055	99,867
Impairment losses, net	64,419	53,188
As at 31 December	217,474	153,055

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 2022, 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 RMB232.2 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 amounting to RMB2.4 million (31 December 2021: RMB2.3 million) that were expected to receive from a subsidiary of Datang Corporation, the remaining assets with an amount of RMB66.4 million (31 December 2021: RMB66.3 million) were expected to be fully impaired as at 31 December 2022 based on the assessment of recoverability with an expected credit loss rate of 100%. For the year ended 31 December 2022, the impairment of RMB0.1 million was recognised due to exchange rate fluctuation in 2022 (2021: the impairment of RMB0.7 million of CDM receivables was reversed due to exchange rate fluctuation in 2021).

- The proceeds receivable from the disposal of a subsidiary with an amount of RMB28.7 million (31 December 2021: RMB28.7 million) were expected to be fully impaired as at 31 December 2022, as the debtor was in abnormal operation condition.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(i) (Continued)

Other receivables amounting to RMB578.0 million (31 December 2021: RMB421.1 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 RMB118.2 million (2021: RMB53.9 million) was provided by the Group for the year ended 31 December 2022 due to the abnormal operation condition of the Supplier.

- Certain receivables included in other receivables amounting to RMB4.2 million (31 December 2021: RMB4.2 million) were fully impaired considering the recoverability as at 31 December 2022.

(ii) During the year ended 31 December 2022, the Group provided a service to an external customer (non-government authorities) 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 ownership of the facilities will be transferred to the external customer by the end of contract. The transaction was accounted for as a finance lease and the implied interest rate was 4.54% per annum.

	2022	2021
Non-current receivables		
Finance lease – gross receivables	18,702	25,500
Unearned finance income from finance lease receivables	(5,736)	(6,816)
	12,966	18,684
Current receivables		
Finance lease – gross receivables	8,500	8,500
Unearned finance income from finance lease receivables	(1,080)	(1,260)
	7,420	7,240
Net investment in a finance lease	20,386	25,924

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(ii) (Continued)

	2022	2021
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	18,702	25,500
	27,202	34,000
Unearned future finance income from finance lease receivables	(6,816)	(8,076)
Net investment in a finance lease	20,386	25,924
The net investment in the finance lease is analysed as follows:		
– No later than 1 year	7,420	7,240
– Later than 1 year but no later than 5 years	12,966	18,684
Total	20,386	25,924

No contingent income was recognised during the years ended 31 December 2021 and 2022.

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

	2022	2021
RMB	592,019	570,744
Euro ("EUR")	25,468	26,854
Australian dollar ("AUD")	21,586	–
Total	639,073	597,598

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(iv) As at 31 December 2022 and 2021, 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

	2022	2021
Spare parts	122,857	131,367
Less: provision for impairment of inventories	–	(7,140)
	122,857	124,227

The movements in the impairment loss of inventories are as follows:

	2022	2021
As at 1 January	7,140	–
Impairment losses	–	7,140
Written off	(7,140)	–
As at 31 December	–	7,140

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 2022 and 2021, the Group had no pledged inventories for interest-bearing bank and other borrowings.

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES

	2022	2021
Trade receivables	14,434,204	16,552,604
Bills receivable	81,111	160,932
	14,515,315	16,713,536
Less: impairment losses	(47,042)	(242,637)
	14,468,273	16,470,899

An ageing analysis of trade and bills receivables based on the revenue recognition date, less impairment losses, is as follows:

	2022	2021
Within 1 year	7,275,994	7,019,881
Between 1 year and 2 years	3,543,399	5,092,403
Between 2 years and 3 years	1,854,723	3,637,104
Over 3 years	1,794,157	721,511
	14,468,273	16,470,899

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 2022 and 2021, the Group has pledged a portion of its trade receivables 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 2022, the Group endorsed certain bills receivable from certain of its suppliers ("Derecognised Bills"), which were accepted by banks in Mainland China, to settle the amounts due to those suppliers with an aggregate carrying amount of RMB109.1 million (31 December 2021: RMB219.1 million). In the opinion of the directors of the Company, the Group's exposure to losses arising from the repurchase of the undiscounted cash flows from these Derecognised Bills is not material (note 30.1).

(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:

	2022	2021
As at 1 January	242,637	32,598
Impairment losses	4,138	210,039
Reversal of impairment losses	(199,733)	–
As at 31 December	47,042	242,637

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 2022, 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 RMB13,344.4 million (31 December 2021: RMB15,374.6 million) as at 31 December 2022. 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 RMB5.3 million (31 December 2021: 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 RMB966.1 million (31 December 2021: RMB887.7 million) as at 31 December 2022, 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 RMB38.3 million (31 December 2021: RMB238.0 million) among which aged over three years was RMB38.3 million (31 December 2021: RMB193.8 million) as at 31 December 2022, due to the debtor's significant increase in credit risk in 2021, the management made a full provision of RMB38.3 million (31 December 2021: RMB238.0 million) as at 31 December 2022. During the year ended 31 December 2022, an amount of RMB199.7 million was settled by that trade debtor. As a results, the management made a reversal of impairment of RMB199.7 million for the year ended 31 December 2022.

- For other trade receivables amounting to RMB85.4 million (31 December 2021: RMB52.3 million) among which aged over three years was RMB13.1 million (31 December 2021: RMB9.5 million) as at 31 December 2022, the management considered the amount was insignificant and loss allowance of RMB3.4 million (31 December 2021: 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

	2022	2021
Restricted cash *(Note (i))*	**25,466**	35,486
Time deposits *(Note (ii))*	**–**	18,000
Cash and bank balances	**2,440,992**	3,119,959
	2,466,458	3,173,445

Notes:

(i) As at 31 December 2022, 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 with a deposit period of 6 months and annual interest rates of 1.3% and 1.5%).

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

	2022	2021
RMB	**2,429,197**	3,167,291
HKD	**37,093**	4,943
EUR	**–**	376
United States dollars (“USD”)	**70**	699
AUD	**98**	136
	2,466,458	3,173,445

RMB is not freely convertible into other currencies, however, under Mainland Chinas Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

(Amounts expressed in thousands of RMB unless otherwise stated)

23. TRADE AND BILLS PAYABLES

	2022	2021
Trade payables	275,437	369,964
Bills payable	4,000	–
	279,437	369,964

The ageing analysis of trade payables, based on the invoice date, is as follows:

	2022	2021
Within 1 year	168,981	291,392
After 1 year but within 2 years	55,499	32,686
After 2 years but within 3 years	14,903	24,206
After 3 years	36,054	21,680
	275,437	369,964

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

	2022	2021
Payables for property, plant and equipment	6,748,002	8,420,408
Loans from related parties *(Note (i))*	114,958	80,304
Dividends payable to non-controlling interests	585,000	376,293
Accrued staff related costs	47,156	44,505
Payables for CDM projects	3,734	3,649
Payables for taxes other than income taxes	117,542	80,481
Asset retirement obligations *(Note (ii))*	110,896	104,437
Amounts due to a non-controlling interest	44,911	44,911
Contract liabilities	1,354	2,983
Other payables	356,982	347,380
	8,130,535	9,505,351
Deferred government grants	13,406	13,905
Other accruals and deferrals	69,203	68,302
	8,213,144	9,587,558
Less: Non-current portion of		
– Asset retirement obligations *(Note (ii))*	(110,896)	(104,437)
– Deferred government grants	(13,406)	(13,905)
– Other accruals and deferrals	(66,428)	(67,176)
	(190,730)	(185,518)
Total current portion of other payables and accruals	8,022,414	9,402,040

Notes:

(i) As at 31 December 2022, the loans from other related parties are unsecured, non-interest-bearing and have no fixed terms of repayment. (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.

(Amounts expressed in thousands of RMB unless otherwise stated)

24. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (Continued)

The movements in asset retirement obligations are as follows:

	2022	2021
As at 1 January	104,437	98,017
Unwinding of discount	6,459	6,420
As at 31 December	110,896	104,437

For the year ended 31 December 2022, the unwinding of discount of RMB6.5 million (2021: RMB6.4 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

	2022	2021
Bank loans		
– Unsecured	26,843,109	23,725,866
– Guaranteed *(Note 25(c))*	573,332	809,292
– Secured	12,390,107	11,921,658
– Secured and guaranteed *(Note 25(c))*	68,771	34,661
	39,875,319	36,491,477
Other loans		
– Unsecured	1,966,038	2,566,758
– Secured *(Note (i))*	3,188,246	5,590,750
	5,154,284	8,157,508
Corporate bonds and medium-term notes		
– Unsecured *(Note (ii))*	4,675,345	4,862,689
Lease liabilities *(Note 15(b))*	2,329,426	2,635,890
Total long-term borrowings	52,034,374	52,147,564
Less: current portion of long-term borrowings *(Note 25(b))*		
– Bank loans	(4,073,956)	(3,532,963)
– Other loans	(1,515,273)	(1,774,175)
– Corporate bonds and medium-term *notes*	(77,338)	(1,263,635)
– Lease liabilities *(Note 15(b))*	(422,501)	(162,307)
	(6,089,068)	(6,733,080)
Total non-current portion of long-term borrowings	45,945,306	45,414,484

(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 2022 and 2021, the details of secured other loans were as follows:

	2022	2021
Datang Financial Leasing*	1,504,619	2,519,922
Shanghai Datang Financial Leasing Company Limited ("Shanghai Datang Financial Leasing")*	517,344	1,218,690
ICBC Financial Leasing Company Limited*	270,660	611,646
CMB Financial Leasing Company Limited*	99,967	393,093
China Reform Financial Leasing Company Limited*	–	43,415
State Grid International Leasing Company Limited*	11,977	18,433
Datang Factoring Company Limited	757,415	755,527
Taiping & Sinopec Financial Leasing Company Limited*	26,264	30,024
Total	3,188,246	5,590,750

* 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 2022, cash amounting to RMB26.0 million (31 December 2021: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

(ii) The Company issued several corporate bonds and medium-term notes amounting to RMB1,200.0 million, RMB1,000.0 million, RMB1,000.0 million, RMB500.0 million, RMB800.0 million, RMB300.0 million and RMB1,000 million with a unit par value of RMB100 each on 26 September 2019, 6 May 2021, 15 July 2021, 9 August 2021, 26 September 2021, 20 October 2021 and 28 February 2022, respectively. The annual interest rates for these corporate bonds and medium-term notes are 3.68%, 3.32%, 2.95%, 2.85%, 3.00%, 3.39% and 2.97%, respectively. The first issued corporate bonds have already matured and settled in September 2022.

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) Short-term borrowings

	2022	2021
Bank loans		
– Unsecured	128,671	875,687
Short-term bonds – Unsecured *(Note)*	1,111,441	3,772,764
Other loans		
– Unsecured	1,055,101	362,328
– Secured	249,335	717,898
	1,304,436	1,080,226
Current portion of long-term borrowings *(Note 25(a))*	6,089,068	6,733,080
	8,633,616	12,461,757

(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 2022	Issued	Interest	Payment	31 December 2022
2021 short-term bonds (the eighth tranche)	4 August 2021	1,000,000	2.31%	1,009,430	–	885	1,010,315	–
2021 short-term bonds (the ninth tranche)	11 August 2021	1,000,000	2.28%	1,008,870	–	1,312	1,010,182	–
2021 short-term bonds (the eleventh tranche)	12 November 2021	1,000,000	2.45%	1,003,155	–	4,699	1,007,854	–
2021 short-term bonds (the twelfth tranche)	3 December 2021	750,000	2.45%	751,309	–	3,121	754,430	–
2022 short-term bonds (the first tranche)	12 January 2022	1,000,000	2.24%	–	1,000,000	5,523	1,005,523	–
2022 short-term bonds (the second tranche)	19 January 2022	1,000,000	2.16%	–	1,000,000	5,327	1,005,327	–
2022 short-term bonds (the third tranche)	9 March 2022	1,000,000	2.00%	–	1,000,000	3,945	1,003,945	–
2022 short-term bonds (the fourth tranche)	15 April 2022	600,000	2.03%	–	600,000	8,609	–	608,609
2022 short-term bonds (the fifth tranche)	17 August 2022	500,000	1.52%	–	500,000	2,832	–	502,832
Total		7,850,000		3,772,764	4,100,000	36,253	6,797,576	1,111,441

The issuance cost of above-mentioned short-term bonds for the year ended 31 December 2022 was RMB1.5 million (2021: RMB3.0 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 2022 and 2021, the effective interest rates per annum on borrowings are as follows:

	2022	2021
Long-term borrowings		
Bank loans	1.25%-4.51%	2.15%-4.95%
Other loans	3.15%-4.98%	2.95%-5.80%
Corporate bonds and medium-term notes	2.85%-3.39%	2.85%-3.58%
Short-term borrowings		
Bank loans	1.70%-3.50%	2.15%-4.35%
Other loans	3.20%-4.35%	1.01%-5.70%
Short-term bonds	2.00%-2.45%	2.28%-2.45%

As at 31 December 2022 and 2021, details of the Group's guaranteed bank loans are as follows:

	2022	2021
Guarantor		
– The Company	632,028	686,346
– Non-controlling interests and an ultimate holding company of subsidiaries and a fellow subsidiary of the Company *(Note 29(b))**	10,075	157,607
	642,103	843,953

* 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 2022 and 2021, 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	
	2022	2021	**2022**	2021
Property, plant and equipment	**2,034,664**	1,314,324	**4,419,258**	7,511,790
Concession assets	**34,675**	168,810	**–**	–
Trade receivables	**5,625,359**	5,156,683	**1,110,324**	1,670,579
	7,694,698	6,639,817	**5,529,582**	9,182,369

As at 31 December 2022 and 2021, long-term borrowings were repayable as follows:

	2022	2021
Within 1 year	**6,089,068**	6,733,080
After 1 year but within 2 years	**9,828,295**	9,393,806
After 2 years but within 5 years	**21,606,173**	20,118,909
After 5 years	**14,510,838**	15,901,769
	52,034,374	52,147,564

As at 31 December 2022 and 2021, the carrying amounts of borrowings were all denominated in the RMB.

26. SHARE CAPITAL AND SHARE PREMIUM

As at 31 December 2022 and 2021, ordinary shares comprised the following:

	2022 Number of shares *(in thousands)*	2021 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 2022 and 2021, 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	Share premium	Total
As at 31 December 2022 and 2021	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 2022

The information of 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 third tranche)	October 2021	Equity Instrument	3.48%	0.1	10,000,000	1,000,000	3 Years	25 October 2022	25 October 2024
2022 medium-term note (the first tranche)	May 2022	Equity Instrument	3.07%	0.1	10,000,000	1,000,000	3 Years	19 May 2023	19 May 2025
Total					140,000,000	14,000,000			

27. PERPETUAL NOTE AND BONDS (CONTINUED)

(a) Perpetual note and bonds as at 31 December 2022 (Continued)

The perpetual note and bonds as at 31 December 2022 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 2022, the Company accrued interest of RMB 556.3 million (2021: RMB520.6 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 2022

Type of instruments	As at 1 January 2022	Issuance amount	Cumulative distributions		Repayment amount	As at 31 December 2022
			Accrued	Appropriation		
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**
2021 renewable bonds (the first tranche)	2,054,828	–	76,800	76,800	–	**2,054,828**
2021 renewable bonds (the second tranche)	1,003,843	–	26,857	30,700	1,000,000	**–**
2021 renewable bonds (the third tranche)	1,003,597	–	34,800	34,800	–	**1,003,597**
2022 medium-term note (the first tranche)	–	997,526	23,115	–	–	**1,020,641**
Total	14,294,047	997,526	556,272	537,000	1,000,000	**14,310,845**

28. RESERVES

(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.

For the purpose of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

(a) Significant related party transactions

	2022	2021
Transactions with fellow subsidiaries of the Group:		
– Provision of installation, construction, general contracting services	37,411	1,316
– Sales of electricity and equipment	1,665	13,673
– Purchases of engineering, construction, supervisory services, insurance services and general contracting services *(Note (i))*	(706,978)	(200,980)
– Purchases of key and auxiliary materials, equipment and finished goods *(Note (ii))*	(1,995,543)	(3,058,795)
– Interest income earned	22,443	14,897
– Interest expense charged	(339,697)	(384,738)
– Loans from related parties *(Note (iii))*	6,181,244	6,874,284
– Repayments of loans from related parties	(9,588,861)	(9,752,119)
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (contracted, but not provided for)	1,868,510	751,135

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 2022, 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 9 February 2023 to 27 December 2037 (2021:27 June 2021 to 14 December 2035), and the interest rates range from 3.15% – 4.98% per annum (2021:2.95%~5.80%).

(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.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

Notes: (Continued)

As at 31 December 2022, the Group had a cash deposit held at Datang Finance amounting to RMB1,808.6 million (31 December 2021: RMB2,854.3 million), and the interest income on the deposit was RMB22.4 million for the year ended 31 December 2022 (31 December 2021: RMB14.9 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.

(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:

	2022	2021
Cash and cash equivalents deposited with		
A subsidiary of Datang Corporation *(Note 29 (a) (iv))*	1,808,553	2,854,338
Trade and bills receivables		
Datang Corporation and its subsidiaries	59,090	21,993
Prepayments, other receivables and other assets		
Datang Corporation and its subsidiaries	737,928	354,078
Other related parties	5,000	5,000
Trade and bills payables		
Datang Corporation and its subsidiaries	(1,570,203)	(26,328)
Other payables and accruals		
Datang Corporation and its subsidiaries	(114,958)	(1,070,457)
Other related parties	(57,636)	(57,624)
Interest-bearing bank and other borrowings		
Subsidiaries of Datang Corporation	(8,113,647)	(14,034,488)

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 2022, amounts included in "Other payables and accruals" of RMBnil million (31 December 2021: RMB67.5 million) and "Interest-bearing bank and other borrowings" of RMB8,113.6 million (31 December 2021: RMB14,034.5 million) were payables to Datang Corporation and certain fellow subsidiaries which bore interest at rates ranging from 3.15% – 4.98% per annum (2021: 2.95% to 5.80%). Except for the above-mentioned balances, all (2021: all) other balances with Datang Corporation and its subsidiaries are interest-free, unsecured and due on demand.

As at 31 December 2022, 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 RMB10 million (31 December 2021: RMB111.6 million). As at 31 December 2021, the Company's ultimate holding company and a fellow subsidiary of the Company have guaranteed certain bank loans and other loans made to the Group of up to RMB11.3 million and RMB34.7 million respectively.

(c) Significant transactions with other state-owned enterprises

For the year ended 31 December 2022, all (2021: 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 2022, substantially all (31 December 2021: 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 2022 and 2021, 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 2022 and 2021, 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

	2022	2021
Basic salaries, housing fund, other allowances and benefits in kind	1,294	972
Discretionary bonuses	1,868	2,587
Pension costs	168	189
	3,330	3,748

Details of directors' and supervisors' remuneration are included in Note 12 to the financial statements.

(e) Commitments with related parties

As at 31 December 2022 and 2021, 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 2022, the Group recognised right-of-use assets of RMB154.2 million (2021: RMB173.5 million), and lease liabilities of RMB168.7 million (2021: RMB191.3 million) for new leases from related parties.

Also in 2022, the Group recognised depreciation expenses of RMB100.8 million (2021: RMB158.9 million) from right-of-use assets, and interest expenses of RMB83.9 million (2021: RMB111.7 million) from lease liabilities and paid an amount of RMB368.6 million (2021: RMB493.4 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

	2022				
	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	–	–	55,712	–	55,712
Trade and bills receivables	–	14,387,162	–	81,111	14,468,273
Restricted cash	–	25,466	–	–	25,466
Cash and cash equivalents	–	2,440,992	–	–	2,440,992
Financial assets included in prepayments, other receivables and other assets	–	639,073	–	–	639,073
Financial assets at fair value through profit or loss	9,972	–	–	–	9,972
	9,972	17,492,693	55,712	81,111	17,639,488

Financial liabilities

	2022	
	Financial liabilities at amortised cost	Total
Trade and bills payables	279,437	279,437
Financial liabilities included in other payables and accruals	7,853,587	7,853,587
Interest-bearing bank and other borrowings	54,578,922	54,578,922
	62,711,946	62,711,946

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Financial instruments by category (Continued)

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)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2022, 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 RMB109.1 million (31 December 2021: RMB215.9 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	
	2022	2021	**2022**	2021
Financial liability:				
Long-term interest bearing bank and other borrowings (other than lease liabilities)	**44,038,381**	42,940,901	**42,407,573**	41,419,808

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 2022 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 2022 and 2021:

	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	2022: 1.4x (2021: 1.4x)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB5,983,824 (2021: RMB4,938,278)
		Discount for lack of marketability	2022: 20%-30% (2021: 20%-30%)	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB2,417,405 (2021: RMB2,116,405)

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 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Bills receivables	–	81,111	–	81,111
Equity investments designated at fair value through other comprehensive income	–	–	55,712	55,712
Financial assets at fair value through profit or loss	–	–	9,972	9,972
	–	81,111	65,684	146,795

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
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

(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:

	2022	2021
As at 1 January	62,639	60,373
Total gains/(losses) recognised in the other comprehensive income	4,795	8,467
Total gains recognised in the statement of profit or loss included in other income	–	243
Investments in equity investments designated at *(Note 16(b))*	–	(5,444)
Disposals of financial assets at fair value through profit or loss	(1,750)	(1,000)
As at 31 December	65,684	62,639

During the year, the Group had no transfers of fair value measurements between Level 1 and Level 2 (2021: Nil).

There were no assets for which fair values were disclosed as at 31 December 2022 and 2021.

(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 2022

	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)	–	42,407,573	–	42,407,573

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

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 2022, 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 2022, if RMB had weakened/strengthened by 5% (31 December 2021: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB10.6 million lower/higher (31 December 2021: RMB1.2 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.

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.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(a) Market risk (Continued)

(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 2022, the Group's borrowings at variable rates were denominated in RMB (2021: 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 2022, 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 RMB237.5 million (31 December 2021: RMB251.1 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.

(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 2022, the Group was exposed to equity price risk primarily arising from the investments classified as equity investments. The directors manage this exposure by maintaining a portfolio of investments with difference risk profiles.

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 RMB6.6 million (31 December 2021: RMB11.4 million) as a result of the increase/decrease in equity securities classified as at fair value through other comprehensive income.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(b) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to receivable balances. Each local entity is responsible for managing and analysing the credit risk for each debtor. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and bank guarantees extended to external parties. For banks and financial institutions, the Group has the policy to review the credit risks of any banks and financial institutions and does not expect any significant losses from non-performance of these banks and financial institutions. The Group's policy requires all of the Group's cash and cash equivalents in the PRC to be deposited in the major state-owned/controlled PRC banks or financial institutions and well-known international banks outside of the PRC.

The receivables from sales of electricity mainly represent receivables from the provincial power grid companies. The Group has no significant credit risk with any of these power grid companies, which are major state-owned entities, and the Group maintains long-term and stable business relationships with these companies. With regard to 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.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Treasury. The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure 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.

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 2022, the Group held cash and cash equivalents of RMB2,441.0 million (31 December 2021: RMB3,120.0 million) (Note 22). In addition, the Group held listed equity securities of RMBnil (31 December 2021: RMB51.2 million) (Note 17), which could be readily realised to provide a further source of cash should the need arise.

As at 31 December 2022, the Group's net current assets amounted to approximately RMB1,788.7 million (net current liabilities as at 31 December 2021: RMB941.7 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.

(Amounts expressed in thousands of RMB unless otherwise stated)

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

As at 31 December 2022 and 2021, the Group had the following undrawn borrowing facilities at floating rates:

	2022	2021
Expiring within one year	23,221,000	14,456,656
Expiring beyond one year	35,379,400	1,500,000
	58,600,400	15,956,656

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

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 1year	1 to 2 years	2 to 5 years	Over 5 years	Total
As at 31 December 2022					
Lease liabilities	461,136	380,272	1,035,752	969,370	2,846,530
Long-term loans *(Note 25(a))*	7,135,443	7,286,483	22,058,819	15,516,080	51,996,825
Long-term bonds *(Note 25(a))*	218,158	3,692,340	1,004,950	–	4,915,448
Short-term loans *(Note 25(b))*	1,460,409	–	–	–	1,460,409
Short-term bonds *(Note 25(b))*	1,112,687	–	–	–	1,112,687
Financial liabilities included in other payables and accruals	7,853,587	–	–	–	7,853,587
Trade and bills payables *(Note 23)*	279,437	–	–	–	279,437
	18,520,857	11,359,095	24,099,521	16,485,450	70,464,923
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

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 2022 was 64.9% (31 December 2021: 68.4%).

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 2022, 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)	Paid-in capital: 529,263 Registered capital: 610,000	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)	483,770	100%	–
Shanghai Dong Hai (上海東海風力發電有限公司) *(Note (i))*	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)	Paid-in capital: 585,983 Registered capital: 603,493	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 agree the decision-making related to revenant activities undertaken by the Company. The Company's proportion of voting rights of Shanghai Dong Hai was up to 60% as at 31 December 2022 which was included in the consolidation.

(ii) As at 31 December 2022, 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 2022, in order to improve management efficiency, the Group disposed one subsidiary and cancelled two subsidiaries with a total net liability value of RMB7.4 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:

	2022	2021
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	88,629	57,416
Shanghai Dong Hai	48,434	27,887
Guoxin Bin Hai	115,881	157,998
Handian (Chaoyang)	10,270	8,803
Zhongdian (Jilin)	5,764	7,104
Sanhe (Linxi)	17,215	2,020
Zhongri Renewable	14,566	9,076

(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)

	2022	2021
Dividends paid to non-controlling interests:		
Chifeng Renewable	132,261	84,211
Shanghai Dong Hai	104,781	–
Guoxin Bin Hai	–	–
Handian (Chaoyang)	14,062	15,044
Zhongdian (Jilin)	24,500	–
Sanhe (Linxi)	34,590	–
Zhongri Renewable	–	–
Accumulated balances of non-controlling interests at the reporting date:		
Chifeng Renewable	1,044,991	1,088,623
Shanghai Dong Hai	773,368	770,280
Guoxin Bin Hai	799,288	683,407
Handian (Chaoyang)	254,906	242,958
Zhongdian (Jilin)	179,299	198,035
Sanhe (Linxi)	119,706	137,080
Zhongri Renewable	147,889	133,284

(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:

2022	Chifeng Renewable	Shanghai Dong Hai	Guoxin Bin Hai
Revenue	732,594	407,714	673,387
Total cost and expenses	(511,022)	(340,445)	(383,684)
Profit for the year	221,572	67,269	289,703
Total comprehensive income for the year	222,649	67,269	289,703
Current assets	1,721,295	584,904	679,535
Non-current assets	2,883,156	2,630,494	3,617,062
Current liabilities	(1,413,256)	(549,886)	(641,501)
Non-current liabilities	(547,180)	(1,591,390)	(1,656,872)
Net cash flows from operating activities	183,122	607,134	843,861
Net cash flows used in investing activities	(94,378)	(241,413)	(151,898)
Net cash flows (used in)/from financing activities	(143,942)	(297,695)	(700,199)
Net increase/(decrease) in cash and cash equivalents	(55,198)	68,026	(8,236)

(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	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)

2022	Handian (Chaoyang)	Zhongdian (Jilin)	Sanhe (Linxi)
Revenue	153,775	74,205	110,253
Total cost and expenses	(128,099)	(62,441)	(75,121)
Profit for the year	25,676	11,764	35,132
Total comprehensive income for the year	25,676	11,764	35,132
Current assets	180,631	78,405	251,153
Non-current assets	748,897	310,178	408,038
Current liabilities	(152,945)	(22,666)	(223,761)
Non-current liabilities	(164,840)	–	(191,040)
Net cash flows from operating activities	191,225	140,402	37,313
Net cash flows used in investing activities	(20,628)	(17,876)	(10,572)
Net cash flows used in financing activities	(172,732)	(146,993)	(40,201)
Net increase in cash and cash equivalents	(2,135)	(24,467)	(13,460)

(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)

2022	Zhongri Renewable
Revenue	64,097
Total cost and expenses	(34,370)
Profit for the year	29,727
Total comprehensive income for the year	29,727
Current assets	137,019
Non-current assets	190,907
Current liabilities	(26,110)
Non-current liabilities	–
Net cash flows from operating activities	20,957
Net cash flows used in investing activities	(2,798)
Net cash flows used in financing activities	(23,646)
Net increase in cash and cash equivalents	(5,487)

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

(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 RMB362.2 million (2021: RMB461.9 million) and RMB284.8 million (2021: RMB251.8 million), respectively, in respect of lease arrangements for plant and equipment and other use rights.

(b) Changes in liabilities arising from financing activities

2022

	Interest-bearing bank and other borrowings	Other payables and accruals
As at 1 January 2022	57,876,241	9,587,558
Changes from financing cash flows	(5,411,039)	4,677,922
Foreign exchange movement	–	(4,678,175)
Interest expense	2,028,789	–
New leases	297,307	–
Revision of lease terms	(98,733)	–
Changes from operating cash flows	–	358,205
Changes from investing cash flows	(113,643)	(1,732,366)
As at 31 December 2022	54,578,922	8,213,144

(Amounts expressed in thousands of RMB unless otherwise stated)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (Continued)

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	–
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

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2022	2021
Within operating activities	**24,883**	50,338
Within financing activities	**616,418**	508,480
	641,301	558,818

35. CONTINGENT LIABILITIES

As at 31 December 2022 and 2021, the Group had no significant contingent liabilities.

(Amounts expressed in thousands of RMB unless otherwise stated)

36. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	2022	2021
Contracted, but not provided for	5,855,375	6,821,983

(b) The Group has no lease contracts that have not yet commenced as at 31 December 2022.

37. EVENTS AFTER THE REPORTING PERIOD

As at 28 March 2023, the board of directors of the Company proposed to distribute the final dividend for the year ended 31 December 2022 of RMB0.05 per share (before tax) in cash to the shareholders with an amount of RMB363.7 million. The proposal is subject to the approval by the shareholders at the 2022 Annual General Meeting of the Company.

On 13 January 2023, the Company decided not to exercise the renewal option of the 2020 Renewable Bonds (the second tranche) (the "20唐新Y2") amounting to RMB2 billion. and The 20唐新Y2 were fully settled on 27 February 2023.

On 16 January 2023, the Company did not exercise the renewal option of the 2020 Renewable Bonds (the first tranche) (the "20唐新Y1") amounting to RMB2 billion and the 20唐新Y1 were fully settled.

The Company has completed the public issuance of its renewable corporate bonds (first tranche) of 2023 (the "23唐新Y1")") and received the proceeds therefrom on 16 January 2023. The amount of the 23唐新Y1 is RMB2 billion, with a basic term of 2 years. The unit par value is RMB100 and the interest rate is 3.52%. The interest starts to accrue on 16 January 2023.

The Company has completed the issuance of 2023 first tranche of the ultra-short-term debentures on 8 February 2023 (the "23大唐新能源SCP001"). The amount of the 23大唐新能源 SCP001 is RMB700 million, with a maturity period of 69 days. The unit par value was RMB100 and the interest rate was 2.02%. The interest starts to accrue on 9 February 2023.

The Company has completed the public issuance of its renewable corporate bonds (second tranche) of 2023 (the "23唐新Y2") and received the proceeds therefrom on 22 February 2023. The amount of the 23唐新Y2 is RMB1.9 billion, with a basic term of 3 years. The unit par value is RMB100 and the interest rate is 3.62%. The interest starts to accrue on 22 February 2023.

Except events above, until the approval date of the consolidated financial statements, there is no significant event after the reporting period that need to be disclosed.

(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:

	2022	2021
Assets		
Non-current assets		
Property, plant and equipment	229,828	235,206
Intangible assets	8,812	8,759
Right-of-use assets	8,037	11,722
Investments in subsidiaries	26,500,643	25,248,704
Investments in associates and joint ventures	199,719	172,821
Equity investments designated at fair value through other comprehensive income	4,305	4,305
Financial assets at fair value through profit or loss	9,972	8,972
Prepayments, other receivables and other assets	9,304,585	9,293,156
Total non-current assets	36,265,901	34,983,645
Current assets		
Inventories	40	83
Trade and bills receivables	106,998	101,347
Prepayments, other receivables and other assets	8,939,797	9,304,324
Cash and cash equivalents	145,902	402,741
Total current assets	9,192,737	9,808,495
Total assets	45,458,638	44,792,140

(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)

	2022	2021
Liabilities		
Current liabilities		
Interest-bearing bank and other borrowings	1,805,505	5,926,235
Trade and bills payables	292	41
Current income tax liabilities	7,997	2,142
Other payables and accruals	147,390	133,767
Total current liabilities	1,961,184	6,062,185
Net current assets	7,231,553	3,746,310
Non-current liabilities		
Interest-bearing bank and other borrowings	15,419,559	11,853,229
Other payables and accruals	9,851	9,851
Total non-current liabilities	15,429,410	11,863,080
Net assets	28,068,044	26,866,875
Equity		
Share capital	7,273,701	7,273,701
Share premium	2,080,969	2,080,969
Perpetual note and bonds	14,310,845	14,294,047
Retained profits	2,412,988	1,423,057
Other reserves	1,989,541	1,795,101
Total equity	28,068,044	26,866,875

(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:

	Retained profits	Other reserves: Statutory surplus reserves	Other reserves: Fair value reserve	Other reserves: Others	Total
As at 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 and 1 January 2022	**1,423,057**	**504,115**	**–**	**1,290,986**	**3,218,158**
Profit for the year	1,402,540	–	–	–	1,402,540
Transfer from retained profits	(194,398)	194,398	–	–	–
Dividends paid	(218,211)	–	–	–	(218,211)
Others	–	–	–	42	42
As at 31 December 2022	**2,412,988**	**698,513**	**–**	**1,291,028**	**4,402,529**

39. COMPARATIVE FIGURES

As a result of the application of IAS16, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2022. Further details of the changes in accounting policies are disclosed in note 2.2.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 28 March 2023.

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
"Clean Development Mechanism"	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" or "CDC"	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

Glossary of Terms (Continued)

"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 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.
"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份有限公司) and its subsidiaries
"GWh"	unit of energy, gigawatt-hour. 1 GWh=1 million kWh

"Hong Kong Stock Exchange" or "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 annual 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

Glossary of Terms (Continued)

"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
"Year"	for the year ended 31 December 2022
"%"	per cent.

* *For identification purpose only*

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

Ms. Zon Min
Ms. Kwong Yin Ping Yvonne

* *For identification purpose only*

BOARD OF DIRECTORS

Executive Director

Mr. Liu Guangming *(Chairman)*

Non-executive Directors

Mr. Yu Fengwu
Mr. Ye Heyun
Mr. Liu Quancheng
Ms. Zhu Mei
Mr. Shi Feng

Independent Non-executive Directors

Mr. Lo Mun Lam, Raymond
Mr. Yu Shunkun
Mr. Qin Haiyan

COMMITTEES UNDER THE BOARD

Audit Committee

Mr. Lo Mun Lam, Raymond *(independent non-executive Director) (Chairman)*
Mr. Shi Feng *(non-executive Director)*
Mr. Yu Shunkun *(independent non-executive Director)*

Nomination Committee

Mr. Qin Haiyan *(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 Quancheng *(non-executive Director)*
Mr. Qin Haiyan *(independent non-executive Director)*

Strategic Committee

Mr. Liu Guangming *(executive Director) (Chairman)*
Mr. Yu Fengwu *(non-executive Director)*
Ms. Zhu Mei *(non-executive Director)*

AUDITOR

Moore Stephens CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
801-806 Silvercord, Tower 1, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong

Da Hua Certified Public Accountants (Special General Partnership)
12/F, Building 7, No.16 Xi Si Huan Zhong Road, Haidian District,
Beijing, the PRC

LEGAL ADVISORS

As to Hong Kong law
Clifford Chance
27/F, Jardine House, One Connaught Place, Central, Hong Kong

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

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

STOCK CODE

01798

INVESTOR INQUIRIES

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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
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