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中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01798)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2014**

INTERIM RESULTS HIGHLIGHTS

- For the six months ended June 30, 2014, revenue amounted to RMB2,575 million, representing a decrease of 6.78% as compared with the same period last year.
- For the six months ended June 30, 2014, profit before taxation amounted to RMB12 million, representing a decrease of 96.06% as compared with the same period last year.
- For the six months ended June 30, 2014, loss attributable to the owners of the Company amounted to RMB14 million, representing a decrease of 106.23% as compared with the profit in the same period last year.
- For the six months ended June 30, 2014, basic and diluted losses per share attributable to owners of the Company amounted to RMB0.002, representing a decrease of 106.29% as compared with the earnings per share in the same period last year.

The board of directors (the “**Board**”) of China Datang Corporation Renewable Power Co., Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended June 30, 2014, together with comparative figures for the corresponding period in 2013.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2014

(Amounts expressed in thousands of RMB unless otherwise stated)

		Unaudited June 30, 2014	Audited December 31, 2013
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	6	45,160,275	45,160,107
Intangible assets	6	583,089	589,271
Land use rights		396,126	379,223
Investments accounted for using the equity method		603,625	379,915
Financial assets at fair value through other comprehensive income		461,007	584,044
Deferred income tax assets		44,898	35,714
Value-added tax recoverable		2,020,103	2,201,353
Prepayments and other receivables		507,988	640,453
Total non-current assets		49,777,111	49,970,080
Current assets			
Inventories		29,765	16,885
Trade and bills receivable	7	3,953,360	3,804,677
Prepayments and other receivables		1,469,544	1,595,283
Cash and cash equivalents		1,300,345	1,001,388
Total current assets		6,753,014	6,418,233
Total assets		56,530,125	56,388,313

		Unaudited	Audited
		June 30,	December 31,
	<i>Note</i>	2014	2013
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares		7,273,701	7,273,701
Share premium		2,080,969	2,080,969
Other reserves		(1,377,605)	(1,251,472)
Retained earnings		1,151,446	1,188,787
		9,128,511	9,291,985
Non-controlling interests		2,702,802	2,570,961
Total equity		11,831,313	11,862,946
LIABILITIES			
Non-current liabilities			
Borrowings	8(a)	34,213,414	33,765,657
Deferred income tax liabilities		30,468	31,531
Accruals and other payables		452,855	457,777
Total non-current liabilities		34,696,737	34,254,965

		Unaudited June 30, 2014	Audited December 31, 2013
	<i>Note</i>		
Current liabilities			
Borrowings	8(b)	5,688,871	5,412,192
Trade and bills payable	9	260,687	308,728
Current income tax liabilities		25,052	45,635
Accruals and other payables		<u>4,027,465</u>	<u>4,503,847</u>
Total current liabilities		<u>10,002,075</u>	<u>10,270,402</u>
Total liabilities		<u>44,698,812</u>	<u>44,525,367</u>
Total equity and liabilities		<u><u>56,530,125</u></u>	<u><u>56,388,313</u></u>
Net current liabilities		<u><u>(3,249,061)</u></u>	<u><u>(3,852,169)</u></u>
Total assets less current liabilities		<u><u>46,528,050</u></u>	<u><u>46,117,911</u></u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2014

(Amounts expressed in thousands of RMB unless otherwise stated)

		Unaudited	
		For the six months	
		ended June 30,	
	<i>Note</i>	2014	2013
Revenue	4	<u>2,574,698</u>	<u>2,761,872</u>
Other income/(expense) and other gains /(losses)- net	5	<u>64,796</u>	<u>(6,255)</u>
Depreciation and amortization charges		(1,166,177)	(1,044,143)
Employee benefit expenses		(162,972)	(135,343)
Repairs and maintenance expenses		(17,396)	(47,988)
Material costs		(18,160)	(8,265)
Service concession construction costs		(3,627)	—
Other operating expenses		<u>(160,383)</u>	<u>(168,185)</u>
		<u>(1,528,715)</u>	<u>(1,403,924)</u>
Operating profit		<u>1,110,779</u>	<u>1,351,693</u>
Finance income	10	13,705	14,269
Finance expenses	10	(1,135,745)	(1,052,893)
Share of profit /(loss) of investments accounted for using the equity method		<u>23,510</u>	<u>(2,146)</u>
Profit before taxation		12,249	310,923
Income tax expense	11	<u>(19,008)</u>	<u>(24,869)</u>
(Loss)/profit for the period		<u>(6,759)</u>	<u>286,054</u>

		Unaudited For the six months ended June 30, 2014	2013
	Note		
Other comprehensive (loss)/income:			
<i>Items that will not be reclassified to profit or loss</i>			
(Losses)/gains arising on revaluation of financial assets at fair value through other comprehensive income		(127,938)	197,356
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency transaction differences		<u>2,039</u>	<u>(4,548)</u>
Total other comprehensive (loss)/income for the period		<u>(125,899)</u>	<u>192,808</u>
Total comprehensive (loss)/income for the period		<u><u>(132,658)</u></u>	<u><u>478,862</u></u>
(Loss)/profit attributable to:			
Owners of the Company		(14,402)	231,019
Non-controlling interests		<u>7,643</u>	<u>55,035</u>
		<u><u>(6,759)</u></u>	<u><u>286,054</u></u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(140,535)	424,464
Non-controlling interests		<u>7,877</u>	<u>54,398</u>
		<u><u>(132,658)</u></u>	<u><u>478,862</u></u>
Basic and diluted (losses)/earnings per share for (loss)/profit attributable to owners of the Company (<i>expressed in RMB per share</i>)	12	<u><u>(0.0020)</u></u>	<u><u>0.0318</u></u>
Dividends	13	<u><u>—</u></u>	<u><u>—</u></u>

NOTES:

(Amounts expressed in thousands of RMB unless otherwise stated)

1. GENERAL 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 July 9, 2010, as part of the reorganization of the wind power generation business of China Datang Group Corporation (中國大唐集團公司) (“**Datang Corporation**”), a limited liability company incorporated in the PRC and controlled by the PRC government. At June 30, 2014, the directors of the Company regard Datang Corporation as the Company’s ultimate holding company.

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

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

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

This condensed interim consolidated financial information is presented in Chinese Renminbi (“**RMB**”), unless otherwise stated. It was approved for issue by the Company’s Board of Directors on August 22, 2014.

This condensed interim consolidated financial information has not been audited.

2. BASIS OF PREPARATION

This condensed interim consolidated financial information for the six months ended June 30, 2014 has been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘Interim financial reporting’. It should be read in conjunction with the annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board (“IASB”).

2.1 Going concern

At June 30, 2014, the Group’s current liabilities exceeded its current assets by approximately RMB3,249.1 million (December 31, 2013: RMB3,852.2 million). The Group meets its day-to-day working capital requirements from cash generated from its operating activities and available financing facilities from banks. At June 30, 2014, the Group has committed unutilized financing facilities amounting to approximately RMB17,971.2 million, of which approximately RMB2,500.0 million are subject to renewal during the next 12 months from balance sheet date of this interim financial information. Certain of these financing facilities require the Group to comply with certain covenants, mainly including certain credit rating and debt ratio requirements. At the date this financial information is approved, the directors of the Company are of the opinion that such covenants have been complied with and expect that the Group will continue complying with these covenants. The directors of the Company are confident that these financing facilities will continue to be available to the Group for the foreseeable period not less than 12 months from the balance sheet date of this interim financial information. Further information on the Group’s borrowings is set out in Note 8.

Based on its assessment, the Board of Directors of the Company is of the opinion that the Group has adequate resources to continue its operations and to repay its debts when they fall due. As a result, the Group’s condensed interim consolidated financial information has been prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group are consistent with those of the previous financial year except as described below.

- (a) Income taxes in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.**
- (b) New and amendment to standards are mandatory for the first time for the financial year beginning January 1, 2014.**
 - Amendment to IFRS 10, 12 and IAS 27 on consolidation for investment entities
 - Amendment to IAS 32, 'Financial instruments: Presentation'
 - Amendment to IAS 39, 'Financial Instruments: Recognition and Measurement'
 - International Financial Reporting Interpretations Committee Interpretation 21 'Levies'

The adoption of these new standards and amendments did not have a material impact on the Group's financial statements.

Other amendments to IFRSs effective for the financial year ending December 31, 2014 are not expected to have a material impact on the Group.

4. REVENUE AND SEGMENT INFORMATION

(a) Analysis of revenue by category

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

	For the six months ended June 30,	
	2014	2013
Sales of electricity	2,546,051	2,723,785
Service rendered under energy performance contracts (“EPC”)	21,860	17,220
Service concession construction revenue	3,627	—
Other revenues	3,160	20,867
	<u>2,574,698</u>	<u>2,761,872</u>

For the six months ended June 30, 2014, other revenues comprise primarily of revenues from rental income of power plant facilities and repair and maintenance service rendered.

For the six months ended June 30, 2013, other revenues comprise primarily of rental income, repair and maintenance service rendered and tariff revenue arising from electricity generated from third party wind turbines installed on the Group’s wind power generation facilities.

(b) 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 business on consolidated basis as all other renewable power of the Group except wind power are relatively insignificant for the six months ended June 30, 2014 and 2013. Therefore, the Group has one single reportable segment which is wind power segment.

The Company is domiciled in the PRC. For the six months ended June 30, 2014, substantially all (2013: all) the Group’s result of its revenue are derived from external customers in the PRC.

At June 30, 2014, substantially all (December 31, 2013: substantially all) the non-current assets are located in the PRC (including Hong Kong).

For the six months ended June 30, 2014, all (2013: all) revenue from the sales of electricity is charged to the provincial power grid companies in which the group companies are operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

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

5. OTHER INCOME/(EXPENSE) AND OTHER GAINS/(LOSSES)- NET

	For the six months ended June 30,	
	2014	2013
Income/(loss) from CDM* Projects:		
— Income during the period	18,405	8,674
— Foreign exchange losses, net	(365)	(10,795)
— Provision for impairment	(21,047)	(19,624)
	<u>(3,007)</u>	<u>(21,745)</u>
Government grants	64,414	13,640
Dividends from financial		
assets at fair value through other		
comprehensive income	4,317	3,619
Revaluation loss from financial assets		
at fair value through profit or loss	—	(1,769)
Losses on disposal of property,		
plant and equipment	(3,036)	—
Others	2,108	—
	<u>64,796</u>	<u>(6,255)</u>

* Clean Development Mechanism

6. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment	Intangible assets
Opening book amount as at January 1, 2014	45,160,107	589,271
Additions	1,183,718	4,605
Deemed disposal of subsidiaries	(6,600)	—
Other disposals	(20,381)	—
Depreciation and amortization charges	<u>(1,156,569)</u>	<u>(10,787)</u>
Closing book amount as at June 30, 2014	<u><u>45,160,275</u></u>	<u><u>583,089</u></u>
Opening book amount as at January 1, 2013	44,854,540	416,941
Additions	1,100,665	1,730
Disposal of subsidiaries	(1,007,938)	(31)
Depreciation and amortization charges	<u>(1,039,829)</u>	<u>(10,554)</u>
Closing book amount as at June 30, 2013	<u><u>43,907,438</u></u>	<u><u>408,086</u></u>

As at June 30, 2014, included in intangible assets are concession assets amounted to RMB504.8 million (December 31, 2013: RMB508.8 million).

As at June 30, 2014, certain property, plant and equipment amounting to RMB1,263.9 million (December 31, 2013: RMB1,298.8 million), comprising cost of RMB1,333.6 million (December 31, 2013: RMB1,333.6 million) less accumulated depreciation of RMB69.7 million (December 31, 2013: RMB34.8 million), are acquired pursuant to the finance lease framework agreement as set out in Note 8(a).

7. TRADE AND BILLS RECEIVABLE

	June 30, 2014	December 31, 2013
Trade receivables	3,803,173	3,684,801
Bills receivable	<u>152,515</u>	<u>122,204</u>
	3,955,688	3,807,005
Less: provision for doubtful debts	<u>(2,328)</u>	<u>(2,328)</u>
	<u><u>3,953,360</u></u>	<u><u>3,804,677</u></u>

Trade and bills receivable of the Group primarily represent receivables from regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest bearing. The carrying amounts of the Group's trade and bills receivable are all denominated in RMB.

For trade and bills receivable arising from tariff revenue, the Group usually grants credit period of approximately one month to local power grid companies from the date of revenue recognition in accordance with the relevant electricity sales contracts between the Group and the respective local grid companies.

Settlement of certain trade receivables due from the local power grid companies are subject to the allocation of government designated funds by the relevant government authorities to the local grid companies and tariff surcharge payable by the end users, which consequently takes a relatively long time for the grid companies to make settlement. Effective from March 2012, the application, approval and settlement of the tariff premium is subject to certain procedures as promulgated by Caijian [2012] No.102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (“可再生能源電價附加補助資金管理暫行辦法”). Caijian [2013] No.390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff premium. At June 30, 2014, most of the operating projects of the Group have been approved for the tariff premium and certain projects are in the process of applying for the approval. The directors are of the opinion that these trade and bills receivable from tariff premium are fully recoverable considering there were no bad debt experiences in the past and the tariff premium is funded by the PRC government.

Aging analysis of trade and bills receivable is as follows:

	June 30, 2014	December 31, 2013
Within 1 year	2,055,546	2,112,774
Between 1 and 2 years	330,590	177,534
Between 2 and 3 years	692,316	1,419,182
Over 3 years	877,236	97,515
	3,955,688	3,807,005

8. BORROWINGS

(a) Long-term borrowings

	June 30, 2014	December 31, 2013
Bank loans		
— unsecured loans	17,709,005	17,753,187
— guaranteed loans	3,168,803	4,435,644
— secured loans	<u>4,561,682</u>	<u>3,210,593</u>
	<u>25,439,490</u>	<u>25,399,424</u>
Other loans		
— unsecured loans	600,000	600,000
— guaranteed loans	4,241,509	3,731,038
— secured loans (<i>Note</i>)	<u>2,667,506</u>	<u>2,805,524</u>
	<u>7,509,015</u>	<u>7,136,562</u>
Corporate bonds-unsecured	<u>4,189,800</u>	<u>4,187,652</u>
Total long-term borrowings	<u>37,138,305</u>	<u>36,723,638</u>
Less: Current portion of long-term borrowings (<i>Note 8(b)</i>)		
— bank loans	(2,530,887)	(2,539,559)
— other loans	<u>(394,004)</u>	<u>(418,422)</u>
	<u>(2,924,891)</u>	<u>(2,957,981)</u>
	<u><u>34,213,414</u></u>	<u><u>33,765,657</u></u>

Note:

At June 30, 2014, included in secured other loans are borrowings amounting to RMB1,249.9 million (December 31, 2013: RMB1,350.0 million) due to Datang Financial Leasing Co., Ltd. (“Datang Financial Leasing”), pursuant to a Finance Lease Framework Agreement entered into in May 2013, which allows certain subsidiaries of the Company to sell and lease back certain property, plant and equipment to and from Datang Financial Leasing for a period ranging from 10 to 13 years. According to this framework agreement, the underlying property, plant and equipment will be transferred to the relevant group companies at a notional consideration of RMB1.00 at the end of the lease term. In accordance with Standing Interpretations Committee (SIC) Interpretation 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”, proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement.

At June 30, 2014 and December 31, 2013, deferred loss and revenue recognized representing the adjustments for the present value of these borrowings, and are included in ‘prepayments and other receivables’ and ‘accruals and other payables’ in the condensed interim consolidated statement of financial position, respectively.

(b) Short-term borrowings

	June 30, 2014	December 31, 2013
Bank loans		
— unsecured loans	—	400,237
— secured loans	—	700,000
	—	1,100,237
Short-term bonds-unsecured (<i>Note</i>)	1,997,316	—
Other loans-unsecured	766,664	1,353,974
Current portion of long-term borrowings (<i>Note 8(a)</i>)	2,924,891	2,957,981
	5,688,871	5,412,192

Note:

On 11 June 2014, the Company issued short-term bonds with par value of RMB100 each for cash of RMB2,000.0 million, net of issuance cost of RMB8.0 million. These bonds have an annual coupon and effective interest rates at 4.90% and 5.32%, respectively, and are matured in June 2015.

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

At June 30, 2014, the Group's borrowings are repayable as follows:

	June 30, 2014	December 31, 2013
Within 1 year	5,688,871	5,412,192
After 1 year but within 2 years	3,810,763	3,523,526
After 2 years but within 5 years	12,653,411	12,495,120
After 5 years	17,749,240	17,747,011
	<u>39,902,285</u>	<u>39,177,849</u>

At June 30, 2014, details of the Group's guaranteed borrowings are as follows:

	June 30, 2014	December 31, 2013
Guarantor		
— the Company *	4,651,112	4,890,283
— non-controlling interests of subsidiaries and the ultimate holding company of a non-controlling interest of a subsidiary	209,200	1,276,399
— Datang Corporation	2,550,000	2,000,000
	<u>7,410,312</u>	<u>8,166,682</u>

- * At June 30, 2014, guaranteed loans by the Company amounting to RMB61.0 million (December 31, 2013: RMB64.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

At June 30, 2014, the Group has pledged certain assets as collateral to certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	June 30,	December 31,	June 30,	December 31,
	2014	2013	2014	2013
Property, plant and equipment	3,110,638	1,140,236	2,810,077	2,884,555
Concession assets	283,513	291,090	—	—
Tariff collection rights	597,749	416,113	524,845	550,257
	<u>3,991,900</u>	<u>1,847,439</u>	<u>3,334,922</u>	<u>3,434,812</u>

9. TRADE AND BILLS PAYABLE

At June 30, 2014 and December 31, 2013, substantially all trade and bills payable are within one year since the invoice date.

10. FINANCE INCOME AND EXPENSES

	For the six months ended June 30,	
	2014	2013
Finance income		
Interest income on deposits with banks and other financial institutions	5,246	7,517
Interest income on loans	8,459	6,752
	<u>13,705</u>	<u>14,269</u>
Finance expenses		
Interest expenses	(1,192,359)	(1,137,656)
Less: interest expenses capitalized in property, plant and equipment and intangible assets	59,465	83,284
	<u>(1,132,894)</u>	<u>(1,054,372)</u>
Foreign exchange (losses)/gains, net	(2,851)	1,479
	<u>(1,135,745)</u>	<u>(1,052,893)</u>
Net finance expenses	<u>(1,122,040)</u>	<u>(1,038,624)</u>
Interest capitalization rate	<u>5.60% – 7.34%</u>	<u>5.57% – 6.61%</u>

11. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2014	2013
Current tax expense		
PRC enterprise income tax	27,117	30,541
Under-provision in respect of prior years	2,137	—
	29,254	30,541
Deferred tax benefit		
Origination and reversal of temporary differences and tax deduction	(10,246)	(5,672)
Income tax expense	19,008	24,869

Income tax expense is provided based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The statutory tax rate for the year ending December 31, 2014 is 25% (2013: 25%), except for certain subsidiaries incorporated in the PRC which were exempted or entitled to preferential rates and subsidiaries incorporated outside of the PRC for which taxation is calculated at the rates of taxation prevailing in the countries the Group operates.

12. EARNINGS PER SHARE

(a) Basic earnings per share

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

	For the six months ended June 30,	
	2014	2013
(Loss)/profit attributable to owners of the Company	(14,402)	231,019
Weighted average number of ordinary shares in issue (<i>thousands of shares</i>)	<u>7,273,701</u>	<u>7,273,701</u>

(b) Diluted earnings per share

Diluted earnings per share for the years ended 2014 and June 30, 2013 is the same as the basic earnings per share as there are no dilutive potential shares.

13. DIVIDENDS

The Company's Board of Directors did not recommend the payment of an interim dividend for the six months ended June 30, 2014 (2013: nil).

A final dividend for the year ended December 31, 2013 of RMB0.003 per share, amounting to RMB21.8 million was declared and approved by the shareholders at the Company's Annual General Meeting on June 6, 2014, and was fully paid in August 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

In the first half of 2014, the nationwide electricity supply and demand were generally in balance, with the stable increase in electricity consumption. According to the data of China Electricity Council, the national electricity consumption was 2.6276 million GWh in the first half of 2014, representing a year-on-year increase of 5.3%, with the increase of 0.2 percentage point in the growth as compared with the same period of last year. The total electricity generation of power plants above a certain scale in the PRC was 2.6163 million GWh, representing a year-on-year increase of 5.8%, with the increase of 1.5 percentage points in the growth as compared with the same period of last year. In the first half of 2014, the average utilization hours of the nationwide hydropower equipment was 1,430 hours, representing a decrease of 101 hours as compared with the same period of last year. The average utilization hours of the thermal power equipment was 2,375 hours, representing a decrease of 26 hours as compared with the same period of last year.

This year is an important year for the implementation of environmental protection of the whole electricity industry, as the Chinese government will accelerate the electricity structural adjustment, transform the development mode of electricity and continue to increase the policy support for the renewable energy of wind power and solar energy, etc.

In the National Energy Work Conference held at the beginning of 2014, the National Energy Administration proposed the specific installed capacity goal: the additional wind power installed capacity in 2014 would amount to be 18 GW, representing an increase of 11.8% as compared with the 16.1 GW of 2013. In the first half of 2014, 4.43 GW additional wind power was put into operation. Therefore, there is a high chance that the original objective will be exceeded in the year.

In February 2014, the National Energy Administration enacted the Fourth Batch of Wind Power Projects Approval Plan, in which the total installed capacity of the projects was expected to be 27.6 GW. The figures far surpassed the market expectation, which indicated the determination of the PRC to continue to firmly promote the healthy development of the wind power industry.

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

In May 2014, the National Energy Administration formally issued Notice on Expedition of the Construction of Twelve Key Transmission Channels of the Air Pollution Prevention Plan (《關於加快推進大氣污染防治行動計劃12條重點輸電通道建設的通知》) to approve the preliminary work of the twelve electricity transmission channels. In particular, it clearly proposed the project construction scheme comprising eight extra-high voltage circuits including four alternating current circuits and four direct current circuits. In addition, it firstly clarified the circuit construction schedule and scheme that all of the circuits would be put into operation no later than the end of 2017. The accelerated construction of power grid transmission circuits would largely ease the power curtailment in the northern China.

In June 2014, the National Development and Reform Commission issued the Notice of On-grid Tariff of Offshore Wind Power (《關於海上風電上網電價政策的通知》), which regulated the on-grid tariff of the offshore wind power to lay the foundation for the development of the national offshore wind power.

In the first half of this year, affected by the wind power resources, the average utilization hours of the wind power equipment in the PRC was 986 hours, representing a decrease of 114 hours as compared with the same period of last year. However, along with the implementation of the above policies, the overall development situation of the PRC wind power industry was good with certain alleviation of power curtailment. The prospect of new energy industry is still promising under the strong support and promotion from the government.

II. BUSINESS OVERVIEW

As at June 30, 2014, the Group's consolidated installed capacity amounted to 5,841 MW, representing an increase of 3.66% as compared with the same period of last year; electricity generation for the first half of 2014 amounted to 5,161,114 MWh, representing a decrease of 8.44% as compared with the same period of last year. The Group's average on-grid tariff (tax inclusive) was RMB596.30/MWh, representing an increase of RMB16.30/MWh as compared with the same period of 2013. The revenue amounted to RMB2,574.70 million, representing a decrease of 6.78%. Loss attributable to owners of the Company amounted to RMB14.40 million, representing a decrease of 106.23% as compared with the profit in the same period of last year.

1. Reinforce the production and management, stabilize power generation

In the first half of 2014, average wind speed of the Group's wind power farms reduced by 0.72 m/s, and the electricity generated by the Group reduced slightly as compared with the same period of last year. Through enhanced management of equipment, the Group made much efforts such as accelerating the implementation of production informationalization to improve the generating capacity of the wind power farms. Despite the decrease of wind speed, the production still maintained steadily.

In the first half of 2014, the Group generated total electricity of 5,161,114 MWh, representing a year-on-year decrease of 8.44%. In particular, the Group generated wind power of 5,052,104 MWh, representing a year-on-year decrease of 9.07%; the average utilization hours of wind power was 907.84 hours, representing a year-on-year decrease of 13.90%; the ratio of grid curtailment for wind energy (風電限電比) was 14.30%, 4.58 percentage points lower than the same period of last year.

During the reporting period, the consolidated wind power generation of the Group by geographical area was as follows:

Region	For the six months ended June 30, 2014 (MWh)	For the six months ended June 30, 2013 (MWh)	Year-on-year rate of change (%)
Inner Mongolia	2,248,367	2,481,962	−9.41%
Heilongjiang	312,352	366,972	−14.88%
Jilin	486,800	525,538	−7.37%
Liaoning	280,765	364,695	−23.01%
Hebei	39,470	24,045	64.15%
Gansu	319,777	318,985	0.25%
Henan	106,728	124,560	−14.32%
Shanxi	200,282	260,477	−23.11%
Ningxia	215,685	224,394	−3.88%
Shaanxi	78,248	21,465	264.54%
Yunnan	146,661	148,499	−1.24%
Shandong	449,998	524,272	−14.17%
Guangdong	43,948	36,490	20.44%
Shanghai	123,023	133,883	−8.11%
Total	5,052,104	5,556,237	−9.07%

During the reporting period, the average utilization hours of the Group's wind farms by geographical area were as follows:

Region	For the six months ended June 30, 2014 (hours)	For the six months ended June 30, 2013 (hours)	Year-on-year rate of change (%)
Inner Mongolia	954.00	1,103.60	-13.56%
Heilongjiang	778.93	1,080.92	-27.94%
Jilin	751.12	878.68	-14.52%
Liaoning	861.77	1,119.38	-23.01%
Hebei	797.37	485.76	64.15%
Gansu	812.03	810.02	0.25%
Henan	1,059.34	1,236.33	-14.32%
Shanxi	1,011.53	1,315.54	-23.11%
Ningxia	871.46	906.64	-3.88%
Shaanxi	790.38	806.05	-1.94%
Yunnan	1,492.73	1,511.44	-1.24%
Shandong	909.09	1,059.14	-14.17%
Guangdong	887.84	794.64	11.73%
Shanghai	1,206.11	1,312.58	-8.11%
Total	<u>907.84</u>	<u>1,054.37</u>	<u>-13.90%</u>

2. Strengthen development plan to facilitate the optimization of regional structure

To meet the internal needs and external environment of development, the Group facilitated the optimization of regional structure with various means through speeding up the structural adjustment on a continuous manner and making more efforts to the development of projects in the non-restricted region, and thus made continuous improvement on the quality of the Group's project development.

In the first half of 2014, the approved capacity of wind power projects of the Group was 350.50 MW. As at June 30, 2014, the Group had total approved capacity of wind power of 10,731.65 MW, among which, the approved planned capacity of wind power projects listed in the “Twelfth Five-Year Plan” was 4,962.50 MW covering 26 provinces, cities and autonomous regions. With the approval of quality projects in southern China, the regional distribution of the Group was rationalized.

As at June 30, 2014, the Group’s capacity of wind power projects included in the national approval plan, the cumulative approved capacity and the unapproved capacity included in the national wind power approval plan by geographical area were as follows:

Area	Capacity included in the national approval plan (MW)	Cumulative approved capacity (MW)	Unapproved capacity included in the national wind power approval plan (MW)
Inner Mongolia	628.50	3,379.95	—
Heilongjiang	250.00	738.00	—
Jilin	200.00	746.10	—
Liaoning	243.00	509.30	97.50
Hebei	97.50	99.00	48.00
Gansu	349.50	1,143.80	—

Area	Capacity included in the national approval plan (MW)	Cumulative approved capacity (MW)	Unapproved capacity included in the national wind power approval plan (MW)
Henan	—	100.75	—
Shanxi	548.50	796.00	—
Shaanxi	148.50	198.00	—
Yunnan	495.50	246.75	347.00
Shandong	343.50	724.50	145.50
Guangdong	89.00	49.50	39.00
Shanghai	—	102.00	—
Jiangsu	147.00	300.00	147.00
Zhejiang	115.00	46.00	69.00
Anhui	193.50	143.50	—
Fujian	126.00	72.00	48.00
Jiangxi	46.00	46.00	—
Hubei	147.50	97.50	48.00
Hunan	149.00	49.50	99.90
Guangxi	297.50	248.00	49.55
Guizhou	49.50	48.00	—
Qinghai	50.00	49.50	—
Ningxia	99.50	742.50	—
Beijing	49.50	—	49.50
Chongqing	99.00	49.50	49.50
Hainan	—	6.00	—
Total	4,962.50	10,731.65	1,237.45

3. Strictly control the scale of investment while further promoting the key projects

In the first half of 2014, the Group focused on improving quality and efficiency of development while greater efforts were made to promote key and high performance projects, rather than pursuing high-speed development. Funds were invested in quality and efficient projects and various measures were adopted to ensure these projects to be put into operation as scheduled.

By the end of June 2014, the Group had projects under construction with capacity of 1,061.50 MW while the cumulative consolidated installed capacity of wind power was 5,718.55 MW, representing an increase of 3.37% over the same period of last year. The cumulative consolidated installed capacity of solar power was 117.47 MW, representing an increase of 20.52% over the same period of last year.

As of June 30, 2014, the consolidated installed capacity of wind power of the Group by region was as follows:

Area	As of June 30, 2014 (MW)	As of June 30, 2013 (MW)	Year-on year rate of change (%)
Inner Mongolia	2,507.35	2,457.85	2.01%
Heilongjiang	401.00	351.50	14.08%
Jilin	648.10	598.10	8.36%
Liaoning	325.80	325.80	—
Hebei	49.50	49.50	—
Gansu	393.80	393.80	—
Henan	100.75	100.75	—
Shanxi	198.00	198.00	—
Ningxia	247.50	247.50	—
Shaanxi	99.00	61.50	60.98%
Guangxi	3.00	3.00	—
Yunnan	98.25	98.25	—
Shandong	495.00	495.00	—
Guangdong	49.50	49.50	—
Shanghai	102.00	102.00	—
Total	5,718.55	5,532.05	3.37%

As of June 30, 2014, the consolidated installed capacity of solar power of the Group by region was as follows:

Area	As of June 30, 2014 (MW)	As of June 30, 2013 (MW)	Year-on year rate of change (%)
Jiangsu	18.47	18.47	—
Ningxia	49.00	49.00	—
Qinghai	50.00	30.00	66.67%
Total	<u>117.47</u>	<u>97.47</u>	<u>20.52%</u>

4. Enhance the improvement on management and control to effectively lower the capital risk

In the first half of 2014, the Group adopted various measures to strengthen the management and control, with the objective to manage and lower the capital risk in an effective manner. The financial management and control was further strengthened while capital expenditure was under stringent control to ensure the proper cash expenditure. In the meantime, more rigorous management on financing was implemented. Efforts were made to obtain policy supports, among which, the Supervisory Office of Recovery of Subsidy Funds for Tariff (補貼電費回收督辦) was established to enhance the timely collection in the core provinces and regions. The overall planning and budget management were further deepened while all the investment risks were controllable and under control.

III. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

The Group's net loss for the six months ended June 30, 2014 amounted to RMB6.76 million, representing a decrease of 102.36% as compared with the profit of RMB286.05 million for the same period of 2013. Loss attributable to the owners of the Company for the period amounted to RMB14.40 million, representing a decrease of 106.23% as compared with the profit of RMB231.02 million for the same period of 2013.

2. Revenue

The Group's revenue for the six months ended June 30, 2014 decreased by 6.78% to RMB2,574.70 million as compared with RMB2,761.87 million for the same period of 2013, primarily due to the year-on-year decrease in wind speed, which led to the decline in on-grid electricity.

The Group's electricity sales revenue for the six months ended June 30, 2014 decreased by 6.53% to RMB2,546.05 million as compared with RMB2,723.79 million for the same period of 2013, primarily due to the year-on-year decrease in wind speed, which led to the decline in on-grid electricity .

The Group's revenue from EPC services for the six months ended June 30, 2014 amounted to RMB21.86 million, representing an increase of 26.95% as compared with RMB17.22 million for the same period of 2013.

3. Other income/(expense) and other gains/(losses) — net

The Group's other income/(expense) and other gains/(losses) — net for the six months ended June 30, 2014 increased by 1,135.91% to the gains of RMB64.80 million as compared with the losses of RMB6.26 million for the same period of 2013, primarily due to the increase in government grants and the decrease in losses from CDM projects.

The Group's government grants for the six months ended June 30, 2014 increased by 372.24% to RMB64.41 million as compared with RMB13.64 million for the same period of 2013, primarily due to the increase in value-added tax ("VAT") refund during the period.

The Group's loss from CDM projects for the six months ended June 30, 2014 decreased by 86.17% to RMB3.01 million as compared with RMB21.75 million for the same period of 2013, primarily due to a net gain resulted from settlement of certain receivables and decrease in exchange losses.

4. Operating expenses

The Group's operating expenses for the six months ended June 30, 2014 increased by 8.89% to RMB1,528.72 million as compared with RMB1,403.92 million for the same period of 2013. This increase was mainly attributable to (i) the increase in depreciation and amortization charges of wind turbines; (ii) higher labor cost.

The Group's depreciation and amortization charges for the six months ended June 30, 2014 increased by 11.69% to RMB1,166.18 million as compared with RMB1,044.14 million for the same period of 2013, primarily due to more wind power projects which were put into operation.

The Group's employee benefit expenses for the six months ended June 30, 2014 increased by 20.41% to RMB162.97 million as compared with RMB135.34 million for the same period of 2013, primarily due to the increase in the number of projects commissioned for production and operation, which led to the increase in expensed labor cost.

The Group's other operating expenses for the six months ended June 30, 2014 decreased by 4.64% to RMB160.38 million as compared with RMB168.19 million for the same period of 2013, primarily attributable to the further strengthened cost and expenses control, which effectively reduced the operational and management cost.

5. Operating profit

The Group's operating profit for the six months ended June 30, 2014 decreased by 17.82% to RMB1,110.78 million as compared with RMB1,351.69 million for the same period of 2013, primarily due to a decline in on-grid electricity and an increase in depreciation and amortization charges.

6. Finance income

The Group's finance income for the six months ended June 30, 2014 decreased by 3.95% to RMB13.71 million as compared with RMB14.27 million for the same period of 2013, primarily due to the decrease in the average balance of the Group's bank deposits.

7. Finance expenses

The Group's finance expenses for the six months ended June 30, 2014 increased by 7.87% to RMB1,135.75 million as compared with RMB1,052.89 million for the same period of 2013, primarily due to (1) the termination of capitalization of the interest on loans for projects which were put into operation; (2) the increase in average amount of balance of borrowings as compared with that of the same period of 2013.

8. Share of profit/(loss) of investments accounted for using the equity method

The Group recorded a profit of RMB24.08 million in share of profit of associates for the six months ended June 30, 2014 as compared with a loss of RMB1.95 million in share of loss of associates for the same period of 2013.

The Group recorded a loss of RMB0.57 million in share of loss of joint ventures for the six months ended June 30, 2014 as compared with RMB0.20 million for the same period of 2013.

9. Income tax expense

The Group's income tax expense for the six months ended June 30, 2014 was RMB19.01 million, representing a decrease of 23.57% from RMB24.87 million for the same period of 2013. This was mainly due to (1) the decrease in the Group's total profit for the six months ended June 30, 2014 over the same period of 2013, which led to a corresponding decrease in income tax expense; (2) the fluctuation in profitability as well as the difference in initiation and expiration of tax benefit of certain subsidiaries of the Company located in regions with preferential income tax rate; and (3) the impact of deferred tax assets recognized according to deductible temporary differences.

10. (Loss)/profit for the period

The Group's loss for the six months ended June 30, 2014 amounted to RMB6.76 million, representing a decrease of 102.36% as compared with the profit RMB286.05 million for the same period of 2013. The Group's loss as a percentage of its total revenue for the six months ended June 30, 2014 amounted to 0.26% as compared with a profit margin of 10.36% for the same period of 2013, primarily due to (1) the increase in installed capacity of the Group, which led to the increase in depreciation and amortization charges and finance expenses; (2) a year-on-year drop in the wind speed, which led to the decrease in on-grid electricity as compared with that of the same period of 2013.

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

The Group's loss attributable to the owners of the Company for the six months ended June 30, 2014 amounted to RMB14.40 million, representing a decrease of 106.23% as compared with the profit of RMB231.02 million for the same period of 2013.

12. Profit attributable to non-controlling interests

The Group's profit attributable to non-controlling interests for the six months ended June 30, 2014 decreased by 86.11% to RMB7.64 million as compared with RMB55.04 million for the same period of 2013.

13. Liquidity and capital resources

The Group's cash and cash equivalents as at June 30, 2014 increased by 29.85% to RMB1,300.35 million as compared with RMB1,001.39 million as at December 31, 2013. The main sources of operating capital of the Group included: (1) approximately RMB17,971.2 million as at June 30, 2014 of unutilized financing facilities, primarily including the undrawn credit facilities under the financing facilities agreements which the Company entered into with commercial banks in China; (2) RMB1,300.35 million of cash and cash equivalents as at June 30, 2014.

As at June 30, 2014, the Group's borrowings increased by 1.85% to RMB39,902.29 million as compared with RMB39,177.85 million as at December 31, 2013. In particular, an amount of RMB5,688.87 million (including an amount of RMB2,924.89 million of long-term borrowings due within 1 year) was short-term borrowings, and an amount of RMB34,213.41 million was long-term borrowings.

14. Capital expenditure

The Group's capital expenditure for the six months ended June 30, 2014 increased by 5.76% to RMB1,209.26 million as compared with RMB1,143.44 million for the same period of 2013. Capital expenditure mainly comprised of costs for purchase and construction of property, plant and equipment.

15. Net gearing ratio

As at June 30, 2014, the Group's net gearing ratio (net debt (total borrowings minus cash and cash equivalents) divided by the sum of net debt and total equity) was 76.54%, representing an increase of 0.25 percentage point as compared with 76.29% as at December 31, 2013, which was mainly due to the increase in total borrowings during the period.

16. Significant investment

The Group had no significant investment during the six months ended June 30, 2014.

17. Material acquisitions and disposals

The Group had no material acquisitions and disposals during the six months ended June 30, 2014.

18. Pledge of assets

Some of the Group's loans are secured by property, plant and equipment, intangible assets and tariff collection rights. As at June 30, 2014, net carrying value of the pledged assets amounted to RMB7,326.82 million.

19. Contingent liabilities

As at June 30, 2014, the Group had no material contingent liabilities.

IV. RISK FACTORS AND RISK MANAGEMENT

1. Policy risk

Since 2005, the PRC government has offered increasing policy support to the renewable energy industry and implemented a series of preferential measures to bolster the development of domestic wind power projects, including compulsory grid connections, on-grid tariff subsidies, and tax incentives like the reduction/exemption or a 50% refund for value-added tax. Although the PRC government has reiterated that it would continue to intensify its support for the development of the wind power industry, there is still possibility that it might alter or repeal the current preferential measures and favorable policies without any prior notice.

2. Grid curtailment risk

As the speed of the Group's grid construction and wind farm construction in certain regions are out of sync, it is difficult to transmit all the potential electricity that could be generated when wind farms run at full load, thus hindering its power transmission upon completion of relevant projects. In addition, if all electricity generated by the Group's wind farms upon operation at full load fails to be consumed locally, the Group may reduce its power generation.

3. Technological risk

The energy industry develops rapidly amid fierce competition. Technological progress may result in the reduction of development costs for different types of energy, and put the existing wind power projects and technologies in an uncompetitive or obsolete situation. Failure to adopt newly-developed technologies in time may have an adverse impact on the Group's business, financial position and operating results.

4. Competition risk

In China, the competition in the wind power industry is increasingly fierce as many entities are investing in wind power projects, all of which are competing for resources through different ways and measures. As a result, the Group will continue to scientifically adjust its portfolio, consolidate existing resource reserves, explore new area of resources and further expand resource reserves. At the same time, the Group will enhance efforts in technology and management innovation and keep improving its core competitiveness by making use of its existing advantages.

5. Risks related to recoverability of CDM emission reductions receivables

In the first half of 2014, as the economic crisis in Europe had not been effectively alleviated, transaction prices and trading volume in the secondary market of carbon emission reductions remained in a prolonged doldrums. As a result, the risks related to collectibility of receivables in relation to contracted emission reductions of carbon assets remained. Therefore, the Group will continue to keep a close track of the changes in policies and the market condition and formulate practicable roadmap and implementation scheme to manage relevant risk and thus ensure the collectibility of the carbon assets of the Group.

6. Risks related to geographical concentration of wind power projects

The Group's wind power projects are primarily located in Inner Mongolia region. Although this region offers abundant wind resources, and the local government provides wind power companies with relatively lower benchmark on-grid tariffs compared to other regions in the PRC, the Group's wind power projects in Inner Mongolia are currently adversely affected by grid curtailment due to the mismatch between the speed of the Group's wind farm construction and that of the local power grids construction. Any change adversely affecting the local wind conditions, local grid transmission capacity, on-grid tariffs and government policies in Inner Mongolia, could reduce the electricity the Group generates and have an adverse impact on the Group's wind power business. To cope with this, the Group will timely and accordingly adjust its project portfolio in response to the changes in its business strategy, government policy and other factors.

7. Climate risk

The commercial viability and profitability of the Group's wind farms are highly dependent on suitable wind resources and relevant weather conditions. The electricity and revenue generated from a wind power project are highly dependent on local climatic conditions, particularly conditions of wind resources, which vary substantially in different seasons and regions and are difficult to predict. Turbines will only start to operate when the wind speed reaches a certain threshold, and must be disconnected when the wind speed exceeds a certain maximum velocity to avoid damage. The Group's investment decisions for each wind power project are based on the findings of feasibility studies conducted on site before starting construction. However, the actual climatic conditions at a project site, particularly wind conditions, may not conform to the findings of these feasibility studies, and, therefore, the wind power projects may not meet anticipated production levels, which could adversely affect the Group's forecasted profitability.

8. Project construction risk

The Group's rapid expansion of wind power projects range in the southern coastal regions further increases the number of places unfavourable for wind farm construction and land and labour costs for wind farm construction. The Group may encounter such risks as delays in completion of project construction due to increased construction difficulties, and total construction costs for such wind power projects may thus exceed the budget.

9. Risks related to safety management

The Group has transformed its business from wind power generation to a diversified portfolio comprising wind power, solar power, biomass, CBM, EPC and distributed energy, etc., with a focus on wind power. There will be more and more hazard sources and hidden hazards in the course of the Group's business diversification, as the Group are yet to be familiar with the features and patterns of production safety management in these sectors and it takes time for us to establish a rigorous, sound and orderly production safety management system. In this regard, the Group will put more efforts in scientific research and promote the establishment and improvement of its production safety management system through thorough studies and practical experience.

10. Interest risk

Interest risk may result from fluctuations in bank loan rates. Such interest rate changes will impact the Group's capital expenditure and financial costs, thus affecting the operating results. As the Group highly relies on external financing to obtain the required investment capital to expand wind power business, the Group is particularly sensitive to the capital cost in securing such loans.

11. Exchange rate risk

Fluctuations of RMB exchange rates could adversely affect the Group's financial position and operating results. Though the Group conducts substantially all of its business operations in China and the major revenue is denominated in RMB, it also derives revenue from the sales of certified emission reductions (“**CERs**”) which is denominated in foreign currencies. Meanwhile, the Group converts RMB into foreign currencies to purchase equipment and services from abroad, make investments and acquisitions overseas, or pay dividends to the shareholders. The Group is therefore subject to risks associated with foreign currency exchange rate fluctuations. Fluctuations in the value of RMB against foreign currencies may reduce the Group's RMB receivables from the sales of CERs, increase the Group's RMB costs for foreign acquisitions and foreign currency borrowings, or affect the prices of the Group's imported equipment and materials. To this end, the Group will keep a close eye on the movement of exchange rates in the capital market and conduct research thereon, and use various means to enhance the Group's control over exchange rate risk.

12. Risks related to high gearing ratio

The Group operates in a capital-intensive industry, and an increase in gearing ratio could increase the Group's finance cost and have a material adverse effect on the Group's business, financial condition or operating results.

V. OUTLOOK FOR BUSINESS IN SECOND HALF OF 2014

In the second half of 2014, the PRC will further intensify its support of the development of clean energy. Due to the significant breakthrough of the consideration and approval as well as the construction of energy transmission channels in the northern part of the PRC, the grid curtailment issue is expected to be mitigated and the project development in the grid curtailment regions will have a new opportunity. On the other hand, affected by the decrease in wind speed this year, the Group will still face severe power generating situation in the next half year.

In the second half of 2014, the Group will focus on the following tasks:

1. Be the first mover of power generation and enhance productivity

The Group will expedite the improvement of occupational qualities of the production staff and accelerate the construction of the production information dispatching centre. By initiating special governance activities of wind turbines, the Group will spare no effort to enhance the efficiency and renovate its wind turbines, optimize the management of wind turbines spare parts and strengthen efforts in electricity marketing.

2. Focus on major projects and propel projects into production

The Group will enhance the supervision of project progresses to ensure the control of the safety, quality and progress of project construction. In addition, it will tighten the project award and assessment system to ensure that construction will proceed as scheduled. Meanwhile, the Group will exercise strict control over the project costs to increase the project revenue.

3. Reinforce budget management and control and optimize costs control

The Group will stipulate rigid budget management and control procedures to reinforce the overall execution of the budget management. Through the enhancement of capital management and control, the Group will prevent and control the financial risks to minimize cost. By paying close attention to the changes in market rates, it will continue to facilitate a sound financing management.

4. Deepen institutional innovation and realize enterprise reform

The Group will advance structural reform, put effort in cultivating talents, and enhance the management of the wind power plants. Therefore, the Group will actively promote and develop a maintenance mode in accordance with the management requirements of wind power plants. In addition, it will deepen its reform of the internal remuneration distribution system to fully tap into the incentives arising from distribution of remuneration.

OTHER INFORMATION

1. Share Capital

As of June 30, 2014, the total ordinary shares of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each.

2. Interim Dividends

The Board of the Company does not recommend payment of an interim dividend for the six months ended June 30, 2014 (2013: Nil).

3. **Interests and Short Positions of the Directors, Supervisors and Chief Executive In the Shares, Underlying Shares and Debentures**

As of June 30, 2014, none of the Directors, supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (the “**Listing Rules**”).

4. **Changes in Information of Directors, Supervisors and Senior Management**

For the six months ended June 30, 2014, the Directors, supervisors and senior management of the Company who were appointed or retired and the reasons thereof are set out as below:

1. Since June 6, 2014, due to rearrangement of positions, Mr. Wu Jing resigned as the non-executive Director, the chairman of the Strategic Committee and a member of the Remuneration and Assessment Committee of the Company. The Company appointed Mr. Zhang Chunlei as the non-executive Director, a member of the Strategic Committee and a member of the Remuneration and Assessment Committee of the Company.
2. Since June 6, 2014, due to rearrangement of positions, Mr. Wang Guoping, Mr. Zhang Xiaochun and Mr. Dong Jianhua resigned as the supervisors of the Company. The Company appointed Mr. He Hua, Mr Guo Shuping and Ms. Mi Keyan as the supervisors of the Company.
3. Since June 10, 2014, Mr. Wang Wenpeng resigned as the Secretary to the Board and the joint company secretary of the Company. Upon election by the Board of the Company, Mr. Chen Yong has been appointed as the Secretary to the Board and the joint company secretary of the Company.

For the six months ended June 30, 2014, the changes of relevant information of the Directors of the Company are set out as below:

1. Due to a rearrangement of positions, Mr. Su Min has served as the director of the Project Management Department of Datang Corporation since May 6, 2014 and no longer holds the position of General Manager of Datang Jilin Power Generation Company Limited.
2. Since June 10, 2014, upon election by the Board of the Company, Mr. Hu Yongsheng was elected as the Vice Chairman of the Company and the Chairman of the Strategic Committee.

5. Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended June 30, 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

6. Acquisition and Disposal

For the period of six months ended June 30, 2014, the Company or any other subsidiaries were not involved in any material acquisition or disposal of assets.

7. Material Litigation and Arbitration

As of June 30, 2014, the Company was not involved in any material litigation or arbitration, and there was no litigation or claim of material importance to be pending or threatened by or against the Company.

8. Compliance with the Corporate Governance Code

The Company has always been in strict compliance with the principles and requirements of Listing Rules. For the six months ended June 30, 2014, the Company was not involved in any material litigation liable by any Director. Each Director of the Company has the necessary qualification and experience required for performing his duty. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Director shall take responsibility. Therefore, the Company confirmed that no liability insurance was arranged for Directors.

The Company believes that diversity of the Board members will promote the achievement of its strategic goals, as well as the sustainable development of the Company. Therefore, as at the date of this announcement, the Company considered and approved the Policy Concerning Diversity of Board Members, and affirmed that diversity of the Board members will be considered in various aspects in regards of composition of Board members. All the nomination of the Directors by the Board will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, features of business in the Company, and demand for future development. Selection of candidates for the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, region, professional experience, skills, knowledge and length of service. The policy has been disclosed in the Company's website.

The nomination committee will annually disclose the composition of the Board in the Corporate Governance Report, and supervise the implementation of the policy. The nomination committee will review the policy in due time to ensure its effectiveness in performance. The nomination committee will discuss any possible amendments, and offer the advice on amendments to the Board for its consideration.

For the six months ended June 30, 2014, save as disclosed above, the Company has been in strict compliance with the principles and code provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules, as well as certain recommended best practices.

9. Compliance with the Model Code for Securities Transactions by Directors, Supervisors and Relevant Employees

The Company has adopted the Model Code as the code of conduct and rules governing dealings by all of our Directors, supervisors and relevant employees (as defined in the Corporate Governance Code) in the securities of the Company. Upon specific enquiries of the Directors and supervisors of the Company, each of the Directors and supervisors has strictly complied with the required standard set out in the Model Code during the reporting period.

The Board will examine the corporate governance and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to protect shareholders' interests.

10. Independent Non-Executive Directors

Pursuant to the relevant requirements of the Listing Rules, the Company has appointed sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or related financial management expertise. As of June 30, 2014, the Company has appointed a total of three independent non-executive Directors, namely Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Ma Zhizhong.

11. Review by the Audit Committee

The Company has complied with Rule 3.21 of the Listing Rules and established an audit committee in accordance with the board resolution adopted on July 12, 2010. The audit committee was established with specific written terms of reference pursuant to the code provisions as set out in the Corporate Governance Code. As of June 30, 2014, the audit committee consisted of three members (including two independent non-executive Directors), namely Mr. Lo Mun Lam, Raymond, Mr. Ma Zhizhong and Mr. Su Min.

The audit committee has reviewed the accounting standards and practices adopted by the Company and discussed the matters related to audit, internal control and financial reporting. The audit committee has reviewed the unaudited condensed interim consolidated financial information for the six months ended June 30, 2014 and the 2014 interim report of the Company.

PUBLICATION OF THE INTERIM RESULTS AND THE INTERIM REPORT

This results announcement will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company's website at www.dtxny.com.cn.

The Company's 2014 interim report containing all the information required under the Listing Rules will be dispatched to the shareholders and will be published on the websites of the Company and the Hong Kong Stock Exchange in due course.

By order of the Board
China Datang Corporation Renewable Power Co., Limited*
Chen Yong
Joint Company Secretary

Beijing, the PRC, August 22, 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Hu Yongsheng and Mr. Hu Guodong; the non-executive Directors are Mr. Wang Yeping, Mr. Kou Bing'en, Mr. Zhang Chunlei and Mr. Su Min; and the independent non-executive Directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Ma Zhizhong.

* *For identification purpose only*