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)

Final Results Announcement for the Year ended December 31, 2014

FINANCIAL HIGHLIGHTS

- For the year ended December 31, 2014, revenue amounted to RMB5,186 million, representing a decrease of 7.89% as compared with last year.

- For the year ended December 31, 2014, loss before taxation amounted to RMB62 million, representing a decrease of 117.11% as compared with the profit last year.

- For the year ended December 31, 2014, loss attributable to owners of the Company amounted to RMB150 million, representing a decrease of 163.47% as compared with the profit last year.

- For the year ended December 31, 2014, basic and diluted loss per share attributable to owners of the Company amounted to RMB0.0206, representing a decrease of 163.38% as compared with the earnings per share last year.

The board of directors (the "**Board**") of China Datang Corporation Renewable Power Co., Limited* (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2014, together with the comparable figures of 2013. The financial information of the Group for the year ended December 31, 2014 set out in the results announcement is based on the audited consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements under the Hong Kong Companies Ordinance.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2014

(All amounts are in thousands of RMB unless otherwise stated)

	Note	**Year ended December 31, 2014**	2013
Revenue	4	**5,185,960**	5,630,285
Other income and other gains-net	5	**230,946**	126,198
Depreciation and amortization charges		**(2,361,512)**	(2,200,522)
Employee benefit expenses		**(405,151)**	(393,829)
Material costs		**(70,441)**	(64,551)
Repairs and maintenance expenses		**(96,690)**	(121,016)
Service concession construction costs		**(7,622)**	(185,338)
Other operating expenses		**(351,813)**	(333,241)
		(3,293,229)	(3,298,497)
Operating profit		**2,123,677**	2,457,986
Finance income	6	**27,628**	30,962
Finance expenses	6	**(2,262,052)**	(2,138,523)
Finance expenses, net	6	**(2,234,424)**	(2,107,561)
Share of profit of investments accounted for using the equity method		**49,085**	10,014
(Loss)/profit before taxation		**(61,662)**	360,439
Income tax expense	7	**(65,900)**	(53,074)
(Loss)/profit for the year		**(127,562)**	307,365

	Note	Year ended December 31, 2014	2013
Other comprehensive (loss)/income:			
Items that will not to be reclassified to profit or loss			
(Losses)/gains arising on revaluation of financial assets at fair value through other comprehensive income		**(178,802)**	247,564
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(2,065)**	(6,030)
Total other comprehensive (loss)/income for the year		**(180,867)**	241,534
Total comprehensive (loss)/income for the year		**(308,429)**	548,899
(Loss)/profit for the year attributable to:			
Owners of the Company		**(150,115)**	236,500
Non-controlling interests		**22,553**	70,865
		(127,562)	307,365
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(330,740)**	478,783
Non-controlling interests		**22,311**	70,116
		(308,429)	548,899
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to owners of the Company *(expressed in RMB per share)*	8	**(0.0206)**	0.0325
Dividends	9	**—**	21,821

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

(All amounts are in thousands of RMB unless otherwise stated)

	Note	**As at December 31, 2014**	As at December 31, 2013
Assets			
Non-current assets			
Property, plant and equipment		**48,783,400**	45,666,775
Intangible assets		**582,387**	589,271
Land use rights		**433,410**	379,223
Investments accounted for using the equity method		**666,854**	379,915
Financial assets at fair value through other comprehensive income		**405,242**	584,044
Financial assets at fair value through profit or loss		**8,900**	—
Deferred income tax assets		**37,712**	35,714
Value-added tax recoverable		**2,033,101**	2,201,353
Prepayments and other receivables		**476,076**	640,453
Total non-current assets		**53,427,082**	50,476,748
Current assets			
Inventories		**35,253**	16,885
Trade and bills receivable	10	**3,279,040**	3,804,677
Prepayments and other receivables		**828,373**	1,088,615
Time deposits		**350,000**	—
Cash and cash equivalents		**2,190,212**	1,001,388
Total current assets		**6,682,878**	5,911,565
Total assets		**60,109,960**	56,388,313

	Note	As at December 31, 2014	2013
Equity			
Equity attributable to owners of the Company			
Share capital		**9,354,670**	9,354,670
Perpetual notes payable		**1,979,325**	—
Other reserves		**(1,431,364)**	(1,251,472)
Retained earnings			
— proposed final dividend	9	**—**	21,821
— others		**1,015,732**	1,166,966
		10,918,363	9,291,985
Non-controlling interests		**2,729,918**	2,570,961
Total equity		**13,648,281**	11,862,946
Liabilities			
Non-current liabilities			
Borrowings	11(a)	**35,019,802**	33,765,657
Deferred income tax liabilities		**29,405**	31,531
Accruals and other payables		**461,185**	457,777
Total non-current liabilities		**35,510,392**	34,254,965

	Note	As at December 31, 2014	2013
Borrowings	11(b)	**6,223,399**	5,412,192
Trade and bills payable	12	**433,846**	308,728
Current income tax liabilities		**43,220**	45,635
Accruals and other payables		**4,250,822**	4,503,847
Total current liabilities		**10,951,287**	10,270,402
Total liabilities		**46,461,679**	44,525,367
Total equity and liabilities		**60,109,960**	56,388,313
Net current liabilities		**(4,268,409)**	(4,358,837)
Total assets less current liabilities		**49,158,673**	46,117,911

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2014

(All amounts are in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Perpetual notes payable	Other reserves	Retained earnings	Total		
At January 1, 2013	**9,354,670**	**—**	**(1,667,986)**	**1,129,045**	**8,815,729**	**2,680,917**	**11,496,646**
Comprehensive income							
Profit for the year	—	—	—	236,500	236,500	70,865	307,365
Other comprehensive income/(loss)							
Gains arising on revaluation of financial assets at fair value through other comprehensive income	—	—	247,564	—	247,564	—	247,564
Currency translation differences	—	—	(5,281)	—	(5,281)	(749)	(6,030)
Total comprehensive income	—	—	242,283	236,500	478,783	70,116	548,899
Transaction with owners							
Acquisition of non-controlling interests of subsidiaries	—	—	7,267	—	7,267	(86,331)	(79,064)
Capital contributions	—	—	—	—	—	8,100	8,100
Disposal of subsidiaries	—	—	161,926	—	161,926	(21,000)	140,926
Appropriations							
— reserves	—	—	5,038	(5,038)	—	—	—
— others	—	—	—	(4,425)	(4,425)	(2,805)	(7,230)
Dividends	—	—	—	(167,295)	(167,295)	(78,036)	(245,331)
Total transactions with owners	—	—	174,231	(176,758)	(2,527)	(180,072)	(182,599)
At December 31, 2013	9,354,670	—	(1,251,472)	1,188,787	9,291,985	2,570,961	11,862,946

	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Perpetual notes payable	Other reserves	Retained earnings	Total		
At January 1, 2014	9,354,670	–	(1,251,472)	1,188,787	9,291,985	2,570,961	11,862,946
Comprehensive income							
(Loss)/profit for the year	–	–	–	(150,115)	(150,115)	22,553	(127,562)
Other comprehensive loss							
Losses arising on revaluation of financial assets at fair value through other comprehensive income	–	–	(178,802)	–	(178,802)	–	(178,802)
Currency translation differences	–	–	(1,823)	–	(1,823)	(242)	(2,065)
Total comprehensive Loss	–	–	(180,625)	(150,115)	(330,740)	22,311	(308,429)
Transaction with owners							
Capital contributions	–	–	(2)	–	(2)	202,185	202,183
Disposal of subsidiaries	–	–	–	–	–	(100)	(100)
Share of reserves of investments accounted for using the equity method	–	–	735	–	735	–	735
Issuance of perpetual notes payable, net of issuance costs	–	1,979,325	–	–	1,979,325	–	1,979,325
Other appropriations	–	–	–	(1,119)	(1,119)	(626)	(1,745)
Dividends	–	–	–	(21,821)	(21,821)	(64,813)	(86,634)
Total transactions with owners	–	1,979,325	733	(22,940)	1,957,118	136,646	2,093,764
At December 31, 2014	9,354,670	1,979,325	(1,431,364)	1,015,732	10,918,363	2,729,918	13,648,281

NOTES:

(All amounts are in thousand 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 ("**China**" or 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 December 31, 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 businesses.

2. BASIS OF PREPARATION

The financial information of the Group for the year ended December 31, 2014 set out in this announcement is based on the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**"). The consolidated financial statements of the Company have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are carried by fair value.

Except otherwise stated, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2013, as described therein.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

2.1 Going concern

At December 31, 2014, the Group's current liabilities exceeded its current assets by approximately RMB4,268.4 million (2013: RMB4,358.8 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 December 31, 2014, the Group has committed unutilized financing facilities amounting to approximately RMB20,057.9 million, of which approximately RMB14,605.4 million are subject to renewal during the next 12 months from balance sheet date of these consolidated financial statements. Certain of these financing facilities require the Group to comply with certain covenants. At the date these financial statements are 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 these financial statements. Further information on the Group's borrowings is set out in Note 11.

Based on its assessment, the Board 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 financial statements have been prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following new and amended standards have been adopted by the Group for the first time for the financial year beginning on or after January 1, 2014:

- Amendments to IFRS 10, 12 and IAS 27, '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 ("IFRIC") Interpretation 21, 'Levies'

The adoption of these new and amended standards did not result in any significant impact to the Group's financial statements other than addition of certain required disclosures.

Other standards, amendments and interpretations which are effective for the financial year beginning on January 1, 2014 are not material to the Group.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after March 3, 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

(b) New standards, amendments and interpretations not effective for the financial year beginning January 1, 2014 and not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- IFRS 15, 'Revenue from contracts with customers'

- Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortisation

- Amendments to IFRS 10 and IAS 28 on sale or contribution of assets between an investor and its associate or joint venture

- Amendment to IAS 27 on equity method in separate financial statements

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be 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 year is as follows:

	Year ended December 31,	
	2014	2013
Sales of electricity	**5,131,501**	5,364,481
Provision of services under energy performance contracts	**43,855**	40,530
Provision of services under concession arrangements	**7,622**	185,338
Other revenues *(Note)*	**2,982**	39,936
	5,185,960	5,630,285

Note:

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

(b) Segment information

Management has determined the operating segments based on the information reviewed by the Executive Management for the purposes of allocating resources and assessing performance.

The Executive Management considers the performance of all business on consolidated basis as all other renewable power except wind power are relatively insignificant for 2014 and 2013. Therefore, the Group has one single reportable segment which is wind power segment.

The Company is domiciled in the PRC. During the year ended December 31, 2014, substantially all (2013: substantially all) the Group's revenue are derived from external customers in the PRC.

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

For the year ended December 31, 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.

5. OTHER INCOME AND OTHER GAINS-NET

	Year ended December 31,	
	2014	2013
(Loss)/income from Clean Development Mechanism ("CDM") Projects:		
— Income during the year	**6,619**	73,191
— Foreign exchange losses, net	**(28,430)**	(5,415)
— Provision for impairment	**(36,269)**	(14,856)
	(58,080)	52,920
Government grants	**153,688**	61,000
Dividend from financial assets at fair value through other comprehensive income	**4,361**	3,619
Revaluation loss from financial assets at fair value through profit or loss	**—**	(1,836)
Gains on disposal of subsidiaries	**—**	4,001
Compensation from a wind turbine supplier *(Note)*	**121,184**	—
Loss on disposal of property, plant and equipment	**(1,538)**	—
Others	**11,331**	6,494
	230,946	126,198

Note:

Compensation from a wind turbine supplier represented compensation for revenue losses incurred mainly due to the delays of provision of maintenance services, including poor spare parts condition, during the period within the relevant manufacturer warranty period.

6. FINANCE INCOME AND EXPENSES

	Year ended December 31,	
	2014	2013
Finance income		
Interest income on deposits with banks and other financial institutions	**13,199**	16,357
Interest income on loans	**13,014**	14,605
Interest income from financial lease receivable	**1,415**	—
	27,628	30,962
Finance expenses		
Interest expenses	**(2,370,514)**	(2,294,536)
Less: interest expenses capitalized in property, plant and equipment and intangible assets	**110,068**	152,786
	(2,260,446)	(2,141,750)
Foreign exchange (losses)/gains, net	**(1,606)**	3,227
	(2,262,052)	(2,138,523)
Finance expenses, net	**(2,234,424)**	(2,107,561)
Interest capitalization rate	**5.37% to 6.64%**	5.61% to 6.94%

7. INCOME TAX EXPENSE

	Year ended December 31,	
	2014	2013
Current tax		
PRC enterprise income tax	**64,987**	59,681
Under-provision for prior years	**5,037**	182
	70,024	59,863
Deferred tax		
Reversal of temporary differences	**(4,124)**	(6,789)
Income tax expense	**65,900**	53,074

For the year ended December 31, 2014, except for certain subsidiaries incorporated in the PRC which were exempted or entitled to preferential rates of 7.5% to 15% (2013: 7.5% to 12.5%), all other subsidiaries incorporated in the PRC are subjected to income tax rate of 25% (2013: 25%). Taxation 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.

For the year ended December 31, 2014, the joint ventures and associates are subjected to income tax rate of 25% (2013: 25%), and the share of income tax expense of joint ventures and associates of nil (2013: RMB0.4 million) and RMB12.3 million (2013: RMB8.3 million) respectively, were included in "share of profit of investments accounted for using the equity method".

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

	Year ended December 31,	
	2014	2013
(Loss)/profit before taxation	**(61,662)**	360,439
Taxation calculated at the statutory tax rate	**(22,320)**	86,794
Income tax effects of:		
— Preferential income tax treatments	**(72,628)**	(145,360)
— Income not subject to tax	**(7,067)**	(4,034)
— Expenses not deductible for tax purpose	**767**	2,703
— Tax losses and temporary differences for which no deferred income tax asset was recognized	**162,680**	119,591
— Utilization of previously unrecognized tax losses and temporary differences	**(569)**	(7,874)
— Under-provision for prior years	**5,037**	182
— Others	**—**	1,072
	65,900	53,074
Weighted average effective income tax rate	**–107%**	15%

The change in weighted average effective income tax rate was primarily caused by change in the profitability of the Group's subsidiaries in the respective locations and tax losses for which no deferred income tax assets were recognized.

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	Year ended December 31,	
	2014	2013
(Loss)/profit attributable to owners of the Company	**(150,115)**	236,500
Weighted average number of ordinary shares in issue *(thousands of shares)*	**7,273,701**	7,273,701

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the years ended December 31, 2014 and 2013 is the same as the basic (loss)/earnings per share as there are no dilutive potential shares.

9. DIVIDENDS

The dividends paid in 2014 were RMB21.8 million (RMB0.003 per share) (2013: RMB167.3 million (RMB0.023 per share)).

The Board does not recommend distribution of any dividend for the year ended December 31, 2014 (2013: RMB21.8 million (RMB0.003 per share)).

	Year ended December 31,	
	2014	2013
Interim dividend paid of RMB — (2013: nil) per ordinary share	**—**	—
Proposed final dividend of RMB — (2013: RMB0.003) per ordinary share	**—**	21,821
	—	21,821

The aggregate amounts of the dividends paid and proposed have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

10. TRADE AND BILLS RECEIVABLE

	As at December 31,	
	2014	2013
Trade receivables	**3,149,589**	3,684,801
Bills receivable	**131,779**	122,204
	3,281,368	3,807,005
Less: provision for doubtful debts	**(2,328)**	(2,328)
	3,279,040	3,804,677

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

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

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 gird companies and tariff surcharge payable by the end users, which consequently takes a relatively long time for the grid companies to make settlement. At December 31, 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 of the Company 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 was as follows:

	As at December 31,	
	2014	2013
Within 1 year	**1,578,810**	2,112,774
Between 1 and 2 years	**265,881**	177,534
Between 2 and 3 years	**53,581**	1,419,182
Over 3 years	**1,383,096**	97,515
	3,281,368	3,807,005

At December 31, 2014 and 2013, the Group has pledged proportion of their tariff collection rights as security for certain bank and other loans (Notes 11(c)).

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

11. BORROWINGS

(a) Long-term borrowings

	As at December 31,	
	2014	2013
Bank loans		
— unsecured	**16,993,331**	17,753,187
— guaranteed	**5,586,735**	4,435,644
— secured	**3,242,463**	3,210,593
	25,822,529	25,399,424
Other loans		
— unsecured	**822,905**	600,000
— guaranteed *(Note (i))*	**4,009,409**	3,731,038
— secured *(Note (ii))*	**3,171,100**	2,805,524
	8,003,414	7,136,562
Corporate bonds — unsecured	**4,191,305**	4,187,652
Total long-term borrowings	**38,017,248**	36,723,638
Less: Current portion of long-term borrowings *(Note 11(b))*		
— bank loans	**(2,134,300)**	(2,539,559)
— other loans	**(863,146)**	(418,422)
	(2,997,446)	(2,957,981)
Total non-current portion of long-term borrowings	**35,019,802**	33,765,657
Estimated fair value of long-term borrowings *(Note (iii))*	**38,062,063**	36,657,446

Notes:

(i) At December 31, 2014, included in other loans were borrowings of RMB2,825.1 million (2013: RMB3,010.0 million) from ICBC Financial Leasing Company Limited (工銀金融租賃有限公司) for the constructions of designated wind farms. Pursuant to the related loan agreements, certain property, plant and equipment of relevant wind farms are pledged as security. Prior to the period before the pre-determined criteria were met, these borrowings were all guaranteed by the Company. At December 31, 2014, cash amounting to RMB50.0 million (2013: RMB50.0 million) was held in a deposit accounts with ICBC Financial Leasing Company Limited.

In addition, at December 31, 2014, the borrowings from Pingan Assets Management Co. Ltd. amounted to RMB3 billion (2013: RMB2 billion), which were guaranteed by Datang Corporation.

(ii) At December 31, 2014, included in secured other loans are borrowings amounting to RMB1,189.9 million (2013: RMB1,350.0 million) due to Datang Financial Leasing, which allows certain subsidiaries of the Company sell and lease back certain property, plant and equipment to and from Datang Financial Leasing for a period ranging from 10 to 13 years. The underlying property, plant and equipment will be transferred to the relevant group companies at a notional consideration of RMB1.00 at the end of the lease term. In accordance with Standing Interpretations Committee (SIC) Interpretation 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease", proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement.

At December 31, 2014 and 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 consolidated statement of financial position, respectively.

(iii) Except for the fair value of corporate bonds are based on its closing prices quoted as of December 31, 2014 on the Shanghai Stock Exchange, which is within level 1 of the fair value hierarchy, the estimated fair value of long-term loans (including current portion) is calculated based on discounted cash flow using applicable discount rates from prevailing market interest rates offered to the Group for loans with substantially the same characteristics and maturity dates. The annual discount rates applied as at December 31, 2014 were ranging 4.07% to 7.34% (2013: 4.32% to 7.34%). The fair values of long-term loans (including current portion and excluding corporate bonds) are within level 2 of the fair value hierarchy.

(b) Short-term borrowings

	As at December 31,	
	2014	2013
Bank loans		
— unsecured	**20,014**	400,237
— secured *(Note (i))*	**—**	700,000
	20,014	1,100,237
Short-term bonds-unsecured *(Note (ii))*	**2,052,089**	—
Other loans — unsecured	**1,153,850**	1,353,974
Current portion of long-term borrowings *(Note 11(a))*	**2,997,446**	2,957,981
	6,223,399	5,412,192

Notes:

(i) At December 31, 2013, the Company's intra-group loans receivable from certain subsidiaries amounting to RMB1,910.6 million were pledged for the loans from China Construction Bank Corporation amounting to RMB700.0 million, which were paid off by December 31, 2014.

(ii) On June 11, 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 RMB6.7 million. These bonds have an annual coupon and effective interest rates at 4.90% and 5.32%, respectively, and are matured in June 2015.

The estimated fair value of short-term borrowings approximates their carrying amounts.

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

During the year ended December 31, 2014, effective interest rates per annum on borrowings are as follows:

	Year ended December 31,	
	2014	2013
Long-term		
Bank loans	**4.07%–6.56%**	4.32%–7.05%
Other loans	**5.54%–7.34%**	5.54%–7.34%
Short-term		
Bank loans	**5.04%–6.60%**	5.04%–6.60%
Other loans	**5.04%–6.00%**	5.04%–5.60%

At December 31, 2014, details of the Group's guaranteed borrowings are as follows:

	As at December 31,	
	2014	2013
Guarantor		
— The Company*	**3,454,137**	3,159,245
— Non-controlling interests of subsidiaries and ultimate holding companies of non-controlling interests	**2,132,598**	1,276,399
	5,586,735	4,435,644

* At December 31, 2014, guaranteed loans by the Company amounting to RMB58.0 million (2013: RMB64.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

At December 31, 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 As at December 31,		Other loans As at December 31,	
	2014	2013	**2014**	2013
Property, plant and equipment	**1,068,263**	1,140,236	**3,277,151**	2,884,555
Concession assets	**275,777**	291,090	**—**	—
Tariff collection rights	**485,873**	416,113	**531,874**	550,257
	1,829,913	1,847,439	**3,809,025**	3,434,812

At December 31, 2014, long-term borrowings are repayable as follows:

	As at December 31,	
	2014	2013
Within 1 year	**2,997,446**	2,957,981
After 1 year but within 2 years	**7,225,417**	3,523,526
After 2 years but within 5 years	**10,274,434**	12,495,120
After 5 years	**17,519,951**	17,747,011
	38,017,248	36,723,638
Wholly repayable within 5 years	**7,223,514**	6,850,863

12. TRADE AND BILLS PAYABLE

	As at December 31,	
	2014	2013
Trade payables	**106,712**	76,856
Bills payable	**327,134**	231,872
	433,846	308,728

At December 31, 2014 and 2013, substantially all trade and bills payable are within one year since their invoice date, and are denominated in RMB.

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

According to the information released by the National Energy Administration, the national electricity consumption increased at a slower pace of 3.8% year on year in 2014, with the decrease of 3.7 percentage points in the growth as compared with the same period last year. The newly-added installed capacity of wind power in the PRC for the year was 19,813MW; accumulative on-grid capacity was 96,371MW, representing an increase of 25.88% as compared with 2013. The average wind speed on the land at 70 meters high was approximately 5.5 m/s in the PRC, with a decrease of 8% to 12% as compared with the past years. In 2014, the national average utilization hours of wind power were 1,893 hours, representing a year-on-year decrease of 181 hours or 8.73%. The national average wind curtailment ratio was 8%, representing a decrease of 4 percentage points as compared with the same period last year, which was the lowest in recent years. Wind curtailment ratio decreased to differnet extents in all regions in the PRC except Xinjiang region.

In 2014, the government further strengthened its policy support to the new energy industry and launched a series of policies.

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和消納相關工作的通知》), which required the full recognition of the importance of wind power consumption, guarantee of the wind power consumption in the key areas, 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 the operation and management of grid connection, and provide good services for grid connection of wind power.

In May 2014, the National Energy Administration 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》), which planned 9 extra-high voltage lines (including four AC lines and five DC lines) to be completed in 2014 and 2015. The issue on grid connection of wind power is expected to be effectively addressed upon completion of the transmission channels.

In November 2014, the General Office of the State Council of the PRC issued the Implementation Plan for Energy Development Strategy (2014-2020) (《能源發展戰略行動計劃(2014-2020年)》), which proposes to increase the consumption proportion of renewable energy such as wind power and solar energy significantly. It plans to achieve 200 GW and 100 GW of installed capacity for wind power and photovoltaic power respectively in 2020. It also explicitly proposes to improve the utilization of renewable energy and resolve the wind curtailment issue in a practical way. During the 13th Five-Year Plan Period, it gives priority to construct nine major wind power bases and ancillary transmission projects in, among others, Jiuquan, western Inner Mongolia, eastern Inner Mongolia, northern Hebei, Jilin, Heilongjiang, Shangdong, Kumul and Jiangsu and others. The grid curtailment issue in northeast, north China, northwest regions is expected to be addressed effectively.

In December 2014, the Provisional Administrative Measures for Trading Carbon Emission Rights (《碳排放權交易管理暫行辦法》) issued by National Development and Reform Commission ("**NDRC**") has been officially implemented, according to which trading system in the PRC for carbon emission rights market will be fully initiated and improved from 2016 to 2020. A mechanism under which emission of carbon dioxide shall be charged will be gradually established in the future, thus further promoting the development of new energy industry.

While increasing policy support, NDRC issued the Notice on Proper Adjustment of Standard On-grid Tariff for Onshore Wind Power (《關於適當調整陸上風電標杆上網電價的通知》) in December 2014, according to which the standard on-grid tariff policy by resource zones will be continued to implement for onshore wind power. Standard wind power on-grid tariff for Class I, II and III resource zones will be decreased by RMB0.02 per kWh to RMB0.49 per kWh, RMB0.52 per kWh and RMB0.56 per kWh respectively while the standard wind power on-grid tariff for Class IV resource zone remained unchanged at RMB0.61 per kWh. The newly-added wind power installed capacity hit a record-high in 2014.

II. BUSINESS OVERVIEW

As at December 31, 2014, the Group's consolidated installed capacity amounted to 6,038 MW, representing an increase of 3.37% over last year. Electricity generation for the year amounted to 10,335 GWh, representing a year-on-year decrease of 4.99%. The Group's average on-grid tariff (tax inclusive) was RMB595.96 per MWh. Loss attributable to the owners of the Company amounted to RMB150.12 million.

1. Reinforce the production management and stabilize production safety

The Group prioritized the production safety, continued to standardize and improve various management systems on wind farms, and carried out special work such as appraisal of management and technology standards for enterprises at the basic level, evaluation of major sources of hazard and risk assessment, further tamping the foundation of production safety.

In 2014, the Group expedited the construction of the dispatching centre. 8 major modules and 32 sub-modules including real-time monitor of wind farms and equipment status as well as analysis of electricity generation were put into operation, which enabled the Group to timely monitor and control the production performance indicators and equipment failures, and cemented a solid foundation for the planned maintenance as well as operation and maintenance management. Accordingly, the control measures for production safety were optimized.

In 2014, the Group's average utilization hours of wind power was 1,803 hours, representing a year-on-year decrease of 198 hours or 9.90% due to the lower average wind speed in the PRC. As a result, the Group generated total electricity of 10,335 GWh, representing a year-on-year decrease of 4.99%. In particular, the Group generated wind power of 10,114 GWh, representing a year-on-year decrease of 5.51%. The grid curtailment ratio decreased from 14.88% in 2013 to 12.90% for 2014.

As at December 31, 2014, the consolidated wind power generation of the Group by geographical area was as follows:

Region	Consolidated wind power generation as at the end of 2014 *(MWh)*	Consolidated wind power generation as at the end of 2013 *(MWh)*	Rate of change in consolidated wind power generation *(%)*
Inner Mongolia	**4,635,558**	4,923,164	-5.84%
Heilongjiang	**677,553**	685,612	-1.18%
Jilin	**972,074**	1,017,511	-4.47%
Liaoning	**563,419**	686,697	-17.95%
Hebei	**78,826**	66,229	19.02%
Gansu	**583,724**	639,361	-8.70%
Henan	**221,483**	231,231	-4.22%
Shanxi	**389,385**	464,004	-16.08%
Ningxia	**469,684**	434,409	8.12%
Shaanxi	**158,215**	64,354	145.85%
Yunnan	**234,150**	223,327	4.85%
Shandong	**798,250**	904,500	-11.75%
Guangdong	**88,406**	88,756	-0.39%
Shanghai	**223,779**	275,109	-18.66%
Anhui	**19,984**	—	—
Total	**10,114,490**	10,704,264	-5.51%

As at December 31, 2014, the average utilization hours of the Group's wind farms by region were as follows:

Region	Average wind farm power utilization hours in 2014	Average wind farm power utilization hours in 2013	Rate of change in average utilization hours of wind farms
	(hours)	*(hours)*	*(%)*
Inner Mongolia	**1,955.98**	2,165.12	-9.66%
Heilongjiang	**1,689.66**	1,923.39	-12.15%
Jilin	**1,499.88**	1,605.41	-6.57%
Liaoning	**1,729.34**	2,107.73	-17.95%
Hebei	**1,592.43**	1,337.96	19.02%
Gansu	**1,412.72**	1,623.57	-12.99%
Henan	**2,198.35**	2,295.10	-4.22%
Shanxi	**1,966.59**	2,343.45	-16.08%
Ningxia	**1,897.71**	1,919.36	-1.13%
Shaanxi	**1,598.13**	1,369.23	16.72%
Yunnan	**2,383.21**	2,273.05	4.85%
Shandong	**1,612.63**	1,828.83	-11.82%
Guangdong	**1,785.98**	1,850.63	-3.49%
Shanghai	**2,193.91**	2,697.15	-18.66%
Anhui	**1,665.30**	—	—
Average	**1,803.09**	2,001.52	-9.91%

As at December 31, 2014, the consolidated solar power generation of the Group by region was as follows:

Region	**Consolidated solar power generation as at the end of 2014** *(MWh)*	Consolidated solar power generation as at the end of 2013 *(MWh)*	Rate of change in consolidated solar power generation *(%)*
Jiangsu	**17,972**	21,150	-15.03%
Ningxia	**80,336**	76,760	4.66%
Qinghai	**95,920**	53,320	79.89%
Total	**194,228**	151,230	28.43%

As at December 31, 2014, the average utilization hours of the Group's solar power stations by region were as follows:

Region	**Average utilization hours of solar power stations in 2014** *(hours)*	Average utilization hours of solar power stations in 2013 *(hours)*	Rate of change in average utilization hours of solar power stations *(%)*
Jiangsu	**973.05**	1,144.99	-15.02%
Ningxia	**1,639.51**	1,566.51	4.66%
Qinghai	**1,918.39**	1,789.16	7.22%
Average	**1,653.43**	1,554.68	6.35%

2. *Optimize resource reserves and promote structural adjustment*

In 2014, based on the organic development and in response to the grid curtailment, the Group facilitated the optimization of regional structure with various means by continuously promoting the structural adjustment, making more efforts to the development of projects in regions which have no grid curtailment ("non-restricted regions"), and increasing resource reserves, so as to continuously improve the quality of the Group's project development.

In 2014, the newly approved capacity of wind power projects of the Group was 796.90 MW. As at December 31, 2014, the Group had aggregate approved capacity of wind power in aggregate 11,068.55 MW, among which, the capacity listed in national approval plan for wind power projects in the "Twelfth Five-Year Plan" was 4,962.50 MW (including 3,194.00 MW from the non-restricted regions, accounting for 64%).

Region	**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	100.00
Liaoning	**243.00**	509.30	97.50
Hebei	**97.50**	147.00	—
Gansu	**349.50**	1,145.80	—
Henan	**—**	100.75	—
Shanxi	**548.50**	796.00	—
Shaanxi	**148.50**	198.00	—
Yunnan	**495.50**	345.75	200.00
Shandong	**343.50**	813.00	48.00
Guangdong	**89.00**	49.50	50.00
Shanghai	**—**	102.00	—
Jiangsu	**147.00**	300.00	147.00
Zhejiang	**115.00**	46.00	69.00

Region	Capacity included in the national approval plan (MW)	Cumulative approved capacity (MW)	Unapproved capacity included in the national wind power approval plan (MW)
Anhui	**193.50**	143.50	—
Fujian	**126.00**	72.00	—
Jiangxi	**46.00**	46.00	—
Hubei	**147.50**	97.50	48.00
Hunan	**149.00**	99.40	49.90
Guangxi	**297.50**	297.50	—
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**	11,068.55	908.40

In 2014, the Group initiated solar power and other businesses while focusing on development of wind power business. As at December 31, 2014, the Group's solar power resources reserve, biomass resources reserve, coal bed methane ("**CBM**") resources and energy performance contract ("**EPC**") projects resources amounted to 9,185 MW, 680 MW, 60MW and 674 MW respectively, building foundation for suitable development.

3. Promote construction of key projects and improve quality of projects

In 2014, the Group promoted the construction of high-quality projects by various means and commenced construction of projects with capacity of 1,159.2 MW for the year. As at the end of the year, projects with capacity of 198 MW had been completed and put into operation.

As at December 31, 2014, the Group's total consolidated installed capacity increased by 3.37% over the last year to 6,038.02 MW, in which the consolidated wind power installed capacity was 5,915.55 MW, representing an increase of 3.44%, and the consolidated installed capacity of solar power and other renewable energy were 117.47 MW and 5 MW respectively.

As at December 31, 2014, the consolidated installed capacity of wind power of the Group by region was as follows:

Region	**Consolidated installed capacity as at the end of 2014** *(MW)*	**Consolidated installed capacity as at the end of 2013** *(MW)*	**Rate of change in consolidated installed capacity** *(%)*
Inner Mongolia	**2,507.35**	2,507.35	—
Heilongjiang	**401.00**	401.00	—
Jilin	**648.10**	648.10	—
Liaoning	**325.80**	325.80	—
Hebei	**49.50**	49.50	—
Gansu	**542.80**	393.80	37.84%
Henan	**100.75**	100.75	—
Shanxi	**198.00**	198.00	—
Ningxia	**247.50**	247.50	—
Shaanxi	**99.00**	99.00	—
Yunnan	**98.25**	98.25	—
Shandong	**495.00**	495.00	—
Guangdong	**49.50**	49.50	—
Shanghai	**102.00**	102.00	—
Anhui	**48.00**	—	—
Guangxi	**3.00**	3.00	—
Total	**5,915.55**	5,718.55	3.44%

As at December 31, 2014, the consolidated installed capacity of solar power of the Group by region was as follows:

Region	As at December 31, 2014 *(MW)*	As at December 31, 2013 *(MW)*	Year-on-year change *(%)*
Jiangsu	**18.47**	18.47	—
Ningxia	**49.00**	49.00	—
Qinghai	**50.00**	50.00	—
Total	**117.47**	117.47	—

4. Strengthen capacity of management and control to continuously improve operation and management level

In 2014, the Group enhanced strict implementation of comprehensive budget, which enabled better control over various costs and expenses while other expenses and material costs were within the range of adjusted range of budget. Meanwhile, the Group exerted stringent control over the investment scale and construction scale. Through the management and control mode of "plan annually, review quarterly, execute monthly", over-investment was strictly prohibited.

In 2014, the Group strengthened finance management and guaranteed the security of funds, thus lowering the finance cost. During the year, the Company issued short-term debentures of RMB2,000 million, which adjusted the debt structure and reduced finance cost. In addition, the Company issued mid-term notes (with long-term option) of RMB2,000 million and reduced the gearing ratio. The Group put more efforts in recovery of electricity subsidies from the state, actively strived for refund of value-added tax ("**VAT**"), and strengthened collection of settlement proceeds from CDM projects and insurance claim on equipment failure.

5. *Leverage on technological improvement and give play to the leading and support role of technology*

In 2014, the Group improved its capacity on research and development of technology on wind turbines, and initiated special governance activities of wind turbines, which resulted steadily increase of availability rate of wind turbines. Meanwhile, the Group strengthened research on improvement of efficiency of wind turbines and completed the optimization of certain wind turbine control system, thus further boosting the generation efficiency. The Group obtained 63 new authorized patents and software copyrights. Meanwhile, the Company undertook compilation work for the Technical Supervision Procedures for Wind Rotor System of Wind Power Generating Units (《風電機組風輪系統技術監督規程》) , the first standard for energy industry in the PRC, as the chief compilation unit. In addition, it participated in the compilation work of 5 industry standards and 7 new industry standards. The solar-coal complementary power generation demonstration project, a project under the National 863 Program, was put into operation. The Group made new progress in building of "Standardized Good Behavior Enterprise" (標準化良好行為企業), Heilongjing Development Company became the first 4A "Standardized Good Behavior Enterprise" in the wind power industry in the PRC.

III. MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND OPERATING RESULTS

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

1. *Overview*

The Group's loss for the year amounted to RMB127.56 million, representing a decrease of 141.5% as compared with the profit of RMB307.37 million in 2013. Loss attributable to the owners of the Company amounted to RMB150.12 million.

2. Revenue

The Group's revenue decreased by 7.89% to RMB5,185.96 million in 2014 compared to RMB5,630.29 million in 2013, primarily due to the decrease in electricity sales revenue.

The Group's electricity sales revenue decreased by 4.34% to RMB5,131.50 million in 2014 compared to RMB5,364.48 million in 2013, primarily due to year-on-year decrease in on-grid electricity as a result of the decline in wind speed which led to the decrease in average utilization hours of wind turbines.

3. Other income and other gains-net

The Group's other income and other gains-net increased by 83.00% to RMB230.95 million in 2014 compared to RMB126.20 million in 2013, primarily due to increases in government's grants obtained and certain compensation received from a wind turbine supplier.

The Group's income generated from CDM projects decreased by 90.96% to RMB6.62 million in 2014 compared to RMB73.19 million in 2013, primarily due to the expiration of the previous emission reductions purchase agreement ("**ERPA**") at the end of 2012 and no new ERPA was signed in 2014; and the income from CDM projects this year represented the differences between the actual settlement proceeds and the amounts originally recognised. The Group did not recognise any new CDM income during 2014.

Due to fluctuation in Euro to RMB exchange rate, the exchange loss from CDM assets in 2014 was RMB28.43 million, representing an increase by RMB23.01 million compared to RMB5.42 million in 2013.

In 2014, the Group made additional provision of RMB36.27 million against its CDM assets, representing an increase by RMB21.41 million compared to RMB14.86 million in 2013.

The Group's government grants increased by 151.95% to RMB153.69 million in 2014 compared to RMB61.00 million in 2013, primarily due to the increase in VAT refund during the year.

4. Operating expenses

The Group's operating expenses (excluding service concession construction costs) increased by 5.54% to RMB3,285.61 million in 2014 compared to RMB3,113.16 million in 2013, mainly due to the increase in depreciation and amortization charges as a result of higher installed capacity.

The Group's depreciation and amortization charges increased by 7.32% to RMB2,361.51 million in 2014 compared to RMB2,200.52 million in 2013, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 2.87% to RMB405.15 million in 2014 compared to RMB393.83 million in 2013, primarily due to the increase in labour cost as a result of increase in capacity put into operation.

The Group's other operating expenses increased by 5.57% to RMB351.81 million in 2014 compared to RMB333.24 million in 2013, primarily due to the increase in management costs as a result of increase in capacity put into operation.

5. Operating profit

The Group's operating profit decreased by 13.60% to RMB2,123.68 million in 2014 compared to RMB2,457.99 million in 2013.

6. Finance expenses

The Group's net finance expenses increased by 6.02% to RMB2,234.42 million in 2014 compared to RMB2,107.56 million in 2013, primarily due to less construction in progress expenditure as well as the replacement of higher interest rate borrowings with the issuance of short-term bonds.

7. Share of profit of investments accounted for using equity method

The Group recorded a profit of RMB50.66 million in share of profit of associates in 2014 as compared with RMB23.28 million in 2013.

The Group recorded a loss of RMB1.57 million in share of loss of joint ventures in 2014 as compared with RMB13.27 million in 2013.

8. Income tax expense

The Group's income tax expense was RMB65.90 million in 2014, representing an increase by 24.17% from RMB53.07 million in 2013. This was mainly due to the fluctuation in profits of, and the mixed commencement and expiration of tax reliefs for certain subsidiaries of the Company located in regions with preferential income tax rate.

9. (Loss)/profit for the year

The Group's loss for the year decreased by 141.50% to RMB127.56 million in 2014 compared to the profit of RMB307.37 million in 2013. For the year ended December 31, 2014, the Group's loss for the year as a percentage of its total revenue (excluding revenue from provision of services under concession arrangements) amounted to 2.64% as compared with a profit margin of 5.64% in 2013.

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

The loss attributable to the owners of the Company decreased by 163.47% to RMB150.12 million in 2014 compared to the profit of RMB236.50 million in 2013.

11. Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 68.17% to RMB22.55 million in 2014 compared to RMB70.87 million in 2013.

12. Liquidity and capital sources

As at December 31, 2014, the Group's cash and cash equivalents increased by 118.72% to RMB2,190.21 million compared to RMB1,001.39 million as at December 31, 2013. The main sources of the Group's operating capital are revenue from the sales of electricity.

As at December 31, 2014, the Group's borrowings increased by 5.27% to RMB41,243.20 million compared to RMB39,177.85 million as at December 31, 2013. In particular, RMB6,223.40 million (including RMB2,997.45 million of long-term borrowings due within one year) was short-term borrowings, and RMB35,019.80 million was long-term borrowings. The above borrowings include borrowings of RMB41,077.70 million denominated in RMB, and borrowings of RMB165.50 million denominated in USD.

At December 31, 2014, the Group has committed unutilized financing facilities amounting to approximately RMB20,057.87 million, of which approximately RMB14,605.42 million are subject to renewal in the next 12 months from the balance sheet date of these consolidated financial statements. The directors of the Company are confident that these financing facilities will be renewed and continue to be available to the Group.

13. Capital expenditure

The Group's capital expenditure increased by 47.36% to RMB5,614.26 million in 2014 compared to RMB3,809.86 million in 2013. Capital expenditure mainly comprises construction costs including acquisition or construction of property, plant and equipment, land use rights and intangible assets.

14. Net gearing ratio

As at December 31, 2014, the Group's net gearing ratio (net debt (total borrowings less cash and cash equivalents) divided by the sum of net debt and total equity) was 74.10%, 2.19 percentage points lower than 76.29% as at December 31, 2013.

15. Significant investment

In 2014, the Group made no significant investment.

16. Material acquisition and disposal

In 2014, the Group had no material acquisition or disposal.

17. Pledge of assets

Some of our bank loans and other loans are secured by property, plant and equipment, intangible assets and electricity tariff collection rights. As at December 31, 2014, net carrying value of the pledged assets amounted to RMB5,638.94 million.

18. Contingent liabilities

As at December 31, 2014, the Group had no material contingent liabilities.

IV. RISK FACTORS AND RISK MANAGEMENT

1. Policy risk

Since 2005, the Chinese government has increasingly strengthened the policy support to the renewable energy industry and implemented a series of preferential measures to bolster the development of domestic wind power projects, including compulsory grid connections, on-grid tariff subsidies and preferential tax policies. Although the Chinese government has repeatedly reiterated that it would continue to intensify its support for the development of the wind power industry, it is possible that the current preferential measures and favorable policies will be altered or repealed without any prior notice.

2. Grid curtailment risk

As some of the Group's wind farm construction progress did not match with progress of grid construction, it is difficult to transmit all the potential electricity that could be generated when wind farms run at full load, thus hindering the power transmission upon completion of relevant projects of the Group. In addition, if all electricity generated by our wind farms upon operation at full load fails to be consumed locally, the amount of power generation produced by the Company may be impaired.

3. Technological risk

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

4. Competition risk

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

5. Development risk of clean development mechanism (CDM) projects

In 2014, transaction prices of the CERs in international market remained in a prolonged doldrums. The Company will keep a close eye on the developments in CDM market, and start project verification and sales work on a prudent basis as and when appropriate. Meanwhile, the pilot work on domestic carbon market has been rolled out in an orderly manner. The Interim Administrative Measures for Trading Carbon Emission Rights (《碳排放權交易管理暫行辦法》) issued by NDRC has been officially implemented, according to which China's trading system for carbon emission market will be fully initiated and improved during the "13th Five-Year Plan" period. The establishment of a national carbon market implies long-term stable and sustainable market demand for China Certified Emission Reduction. As such, the Group will closely keep track with the developments in policies and the markets, set out practicable working frames and implementation plans to effectively ensure the Group's income from carbon assets unharmed.

6. Risks related to geographical concentration of wind power projects

The Group's wind power projects are principally located in Inner Mongolia and Northeastern regions. Although these regions offer abundant wind resources for developing wind power projects, the electricity output of Group's wind power projects in these regions are currently adversely affected by the restrictions in electricity consumption and transmission in these regions. Any change that creates adverse effect to the local wind conditions, local grid transmission capacity, on-grid tariffs and changes in government policy in Inner Mongolia and Northeastern regions could reduce the electricity we generate and have an adverse impact on our wind power business. To cope with this, the Group will timely adjust its project portfolio in response to the changes in its business strategy, government policy and other factors.

7. Climate risk

The commercial viability and profitability of the Group's wind farms are highly dependent on suitable wind resources and weather conditions. The electricity and revenue generated from a wind power project are highly dependent on local climatic conditions, particularly the conditions of wind resources which vary substantially in different seasons and geographical regions and are difficult to predict. Turbines will only start to operate when the wind speed reaches a certain threshold, and must stop running when the wind speed exceeds velocity limit of Turbines to avoid damage to the equipment. 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 the wind resource conditions, may not conform to the findings of these feasibility studies. Therefore, the wind power projects may not meet anticipated production levels, and adversely affect our forecasted profitability.

8. Project construction risk

Amid the Group's expansion of wind power projects range in the southern coastal regions, the number of unfavourable further increases, where the number of areas unfavourable for wind farm construction land and labour costs for wind farm construction increase, a circumstance under which the Group may encounter such risks as relatively long construction period of wind power projects, and relatively high total construction costs, etc.

9. Risks related to safety management

The Group has transformed its business from solely focusing on wind power generation to primarily focusing on wind power with a diversified portfolio including solar power, biomass, CBM, and EPC. In light of increasing hazard sources and hidden hazards, it takes certain time to establish a rigorous, sound and orderly production safety management system. In this regard, our Group will put more efforts in scientific research and promote the establishment and improvement of our production safety management system through thorough integrating studies and practical experience.

10. Interest risk

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

11. Exchange rate risk

Fluctuations of RMB exchange rates could adversely affect the Group's financial position and operating results. Although the Group conducts substantially all of its business operations in the PRC and its major revenue is denominated in RMB, the Group also settles CDM assets which is denominated in foreign currencies or obtains overseas financing. Meanwhile, we convert RMB into foreign currencies to purchase equipment and services from abroad, make overseas investments and foreign acquisitions, or pay dividends to our shareholders. We are therefore subject to risks associated with foreign currency exchange rate fluctuations. Fluctuations in the value of RMB against foreign currencies may reduce our RMB revenue from the sales of CERs, increase our RMB costs for foreign acquisitions and foreign currency borrowings, or affect the prices of our imported equipment and materials. Accordingly, the Group will pay active attention to the research of market exchange rates variation, and adopt various means to enhance our control over exchange rate risk.

12. Risks related to high gearing ratio

The Group operates in a capital-intensive industry, and a significant increase in capital costs could have a material adverse effect on the Group's business, financial condition or operating results. The Group has significant construction and capital expenditure requirements, and the recovery of the capital investment in a wind farm or other renewable energy facility takes a long period of time. Meanwhile, the capital investment required to develop and construct a wind power project generally varies based on the cost of the necessary fixed assets. A significant increase in the costs of developing and constructing the Group's wind power projects could have a material adverse effect on the Group's ability to achieve the Group's targets and on the Group's business, financial condition and operating results. The Group will monitor the market dynamics closely and make adjustment to the Group's strategy accordingly. Meanwhile, the Group will explore on various financing channels to adjust the finance structure.

V. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

1. Opportunities faced by the Group

At the 2014 Central Economic Working Conference, the Chinese government indicated that Chinese economy has been in the process of evolving toward a higher stage with more complicated division of labor and more reasonable structure and the economic development has entered a new normal. As the situation of domestic environmental protection became increasingly serious, China has attached more importance to the development of new energy industry, and explicitly stated to aggressively advance the clean and efficient use of coal, concentrate efforts to develop non-coal energies to form the energy resources supply system driven by multiple wheels including coal, oil, natural gas, nuclear, new energies and renewable energies and at the same time strengthen the construction of transmission and distribution network and storage facilities for energies. Meanwhile, China has nailed down its energy strategic policy to be "economical, clean and secure" and the energy development strategy to be "prioritizing energy conservation, green and low-carbon, relying on domestic resources, and innovation-driven".

In 2014, the China's National Plan to Address Climate Change (2014-2020) (《國家應對氣候變化規劃(2014-2020年)》) and China-U.S. Joint Announcement on Climate Change (《中美氣候變化聯合聲明》) were issued, pursuant to which, it is intended to reduce the CO2 emissions per unit GDP by 40%-50% by 2020 from that in 2005 and to increase the share of non-fossil fuels in primary energy consumption to approximately 15% by 2020 and 20% by 2030. Meanwhile, it is intended to speed up the construction of nine major 10,000 MW wind power bases in north-east China, northern China, north-west China and coastal regions and strengthen the efforts in construction of various grid connection supporting facilities, so as to have an on-grid wind power installed capacity of 200 GW by 2020.

In 2015, the State Grid Corporation of China planned to commence the construction of 14 extra-high voltage transmission lines including six AC lines and eight DC lines (六交八直), complete the feasibility study for construction of one extra-high voltage AC lines and four extra-high voltage DC lines (一交四直) and carry out the preliminary work for construction of four cross-border extra-high voltage DC lines (四直).

In August 2014, the National Energy Administration issued the Assessment Measures for Renewable Energies Electricity Quota (Trial) (《可再生能源電力配額考核辦法(試行)》) to solicit public opinions. If the renewable energies electricity quota could materialize as scheduled, the new energy power generation will see a growth peak.

In December 2014, the NDRC issued the Provisional Administrative Measures for Trading Carbon Emission Rights (《碳排放權交易管理暫行辦法》), pursuant to which, it is intended to fully launch the implementation and improvement of the carbon market trading system in China from 2016 to 2020.

All these aforesaid matters provide a favorable platform for the further development of the new energy industry.

2. *Operating policies for 2015*

In 2015, we will take the profitability enhancement as the center of all our work. In connection with this, we will optimize and adjust the layout of our wind farms with an aim to improve the efficiency of them through mechanism and system reforms, while enhancing the construction of legal risk prevention and control system and uplifting the specialized technology level of the Company and comprehensive ability of talents.

First, we will enhance our electricity generation capability and adjust the project portfolio to boost the profit growth.

We will improve the comprehensive efficiency of wind turbines through strengthening equipment management for wind turbines; exercise control over the pace of project development in a scientific manner to expedite the commencement of operation of projects which are involved in the tariff adjustment and enjoys a better condition for construction and higher return; push forward the development of high quality wind power projects in central and eastern China and in regions not subject to grid curtailment in south China; and put more efforts in the resources reserve work in Inner Mongolia and Gansu to create new profit drivers of the Company.

Second, we will strengthen mechanism and system reform to enhance management and improve profitability.

We will strengthen the benchmarking management to construct the benchmarking system and carry out the benchmarking in city-level regional wind farms; promote standardized management to strengthen process control; strengthen the function of the dispatch center to optimize the management mode for overhaul and maintenance and reduce the operation maintenance cost of the Company.

Third, we will deepen capital operation to improve the ability of sustainable development.

We will make proactive study on new financing mode in China and outside of China to improve financial structure, enhance the comprehensive ability of the Company in finance control and achieve a cost reduction and profit improvement.

Fourth, we will further regulate operation management in strict compliance with requirements of laws.

In strict accordance with the regulatory requirements and laws and regulations for listed companies, we will regulate corporate governance and meanwhile strengthen construction of the legal risks prevention and control system.

Fifth, we will elevate the level of technological innovation and specialized technology for an improvement in profit.

We will expedite technological innovation, strive to push forward technology upgrade, deepen turbine technology research, speed up promotion and commercialization of technological achievements, improve the health condition of wind turbines, extend the service life of wind turbines and increase the power generation efficiency of wind turbines.

Sixth, we will strengthen talent team building in an all-around way to give play to the important underpinning role of talents.

We will strengthen the construction and cultivation of senior management, managerial talents, technical talents and skill talents, optimize human resource structure and set up a stage for excellent employees to bring their talents into full play.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended December 31, 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

The Board did not recommend distribution of any final dividend to shareholders for the year ended December 31, 2014.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE SET OUT IN APPENDIX 14 TO THE LISTING RULES

The Company has always been committed to complying with the principles and requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"). As at December 31, 2014, the Company was not involved in any material litigation liable by any Director of the Company ("**Director**"). Each Director 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 confirms that no liability insurance has been arranged for the Directors.

On November 5, 2014, Mr. Ma Zhizhong, an independent non-executive Director of the Company, resigned as an independent non-executive Director of the Company due to other work arrangement, and the candidate for independent non-executive Director was subsequently determined in March 2015. The Company published a circular for the first extraordinary general meeting for 2015 to propose appointment of Mr. Yu Shunkun as an independent non-executive Director. The appointment of Mr. Yu Shunkun as an independent non-executive Director was approved at the extraordinary general meeting on March 27, 2015.

For the year ended December 31, 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in the securities of the Company by its Directors, supervisors and relevant employees (as defined in the Corporate Governance Code). Having made specific inquiries of all Directors and supervisors of the Company ("**Supervisor**"), each Director and Supervisor confirmed that she/he had strictly complied with the standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers during the year ended December 31, 2014.

AUDITORS

The Company has appointed PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP as international and domestic auditors, respectively, for the year ended December 31, 2014. The Group's consolidated financial statements for 2014 prepared in accordance with the IFRSs have been audited by PricewaterhouseCoopers.

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes thereto for the year ended December 31, 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE

The Group's 2014 annual results and the Group's financial statements for the year ended December 31, 2014 prepared in accordance with the IFRSs have been reviewed by the audit committee of the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be available on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cdt-xny.com).

The Company will despatch in due course to shareholders the annual report for 2014 containing all the information as required by the Listing Rules and publish it on the websites of the Company and the Stock Exchange.

By order of the Board
China Datang Corporation Renewable Power Co., Limited*
Wang Yeping
Chairman

Beijing, the PRC, March 27, 2015

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Chunlei and Mr. Hu Guodong; the non-executive directors are Mr. Wang Yeping, Mr. Kou Bing'en, Mr. An Hongguang and Mr. Guo Shuping; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

* *For identification purpose only*