

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited*

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

(Stock Code: 01798)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2015, revenue amounted to RMB2,914 million, representing an increase of 13.16% as compared with the same period last year.
- For the six months ended 30 June 2015, profit before taxation amounted to RMB344 million, representing an increase of 2,705.94% as compared with the same period last year.
- For the six months ended 30 June 2015, profit attributable to the owners of the Company amounted to RMB212 million, representing an increase of RMB226 million as compared with the profit in the same period last year.
- For the six months ended 30 June 2015, basic and diluted earnings per share attributable to owners of the Company amounted to RMB0.0291, representing an increase of RMB0.0311 as compared with that of 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 (collectively, the “**Group**”) for the six months ended 30 June 2015 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2014.

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

For the six months ended 30 June 2015

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

		Unaudited	
		For the six months ended 30 June	
	<i>Notes</i>	2015	2014
Revenue	7	2,913,559	2,574,698
Other income and other gains, net	8	21,998	64,796
Depreciation and amortisation charges		(1,182,613)	(1,166,177)
Employee benefit expenses		(216,227)	(162,972)
Repairs and maintenance expenses		(41,578)	(17,396)
Material costs		(30,907)	(18,160)
Service concession construction costs		(1,273)	(3,627)
Other operating expenses		(150,076)	(160,383)
		(1,622,674)	(1,528,715)
Operating profit		1,312,883	1,110,779
Finance income	15	15,784	13,705
Finance costs	15	(1,015,197)	(1,135,745)
Share of profits of joint ventures and associates		30,230	23,510
Profit before tax for the period		343,700	12,249
Income tax expense	16	(65,854)	(19,008)
Profit/(loss) for the period		277,846	(6,759)

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

For the six months ended 30 June 2015

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

		Unaudited	
		For the six months ended 30 June	
	<i>Notes</i>	2015	2014
Other comprehensive income/(loss):			
<i>Items that will not be reclassified to profit or loss:</i>			
Gain/(loss) arising on revaluation of financial assets at fair value through other comprehensive income		53,696	(127,938)
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign currencies		(1,525)	2,039
Sub-total of other comprehensive income/(loss) for the period		52,171	(125,899)
Sub-total of comprehensive income/(loss) for the period		330,017	(132,658)
Profit/(loss) attributable to:			
Owners of the Company		211,540	(14,402)
Non-controlling interests		66,306	7,643
		277,846	(6,759)
Comprehensive income/(loss) for the period attributable to:			
Owners of the Company		263,711	(140,535)
Non-controlling interests		66,306	7,877
		330,017	(132,658)
Basic and diluted earnings/(loss) per share attributable to owners of the Company			
<i>(expressed in RMB per share)</i>	17	0.0291	(0.0020)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

		Unaudited 30 June 2015	Audited 31 December 2014
	<u>Notes</u>		
ASSETS			
Non-current assets			
Property, plant and equipment	9	50,048,484	48,783,400
Intangible assets	9	573,747	582,387
Land use rights		472,444	433,410
Investments in associates and joint ventures		697,084	666,854
Financial assets at fair value through other comprehensive income		458,938	405,242
Financial assets at fair value through profit or loss		10,900	8,900
Deferred income tax assets		37,250	37,712
Value-added tax recoverable		1,877,498	2,033,101
Prepayments and other receivables	10	255,059	476,076
Total non-current assets		54,431,404	53,427,082
Current assets			
Inventories		39,841	35,253
Trade and bills receivables	11	2,736,906	3,279,040
Prepayments and other receivables	10	821,815	828,373
Time deposits		–	350,000
Cash and cash equivalents		1,694,950	2,190,212
Total current assets		5,293,512	6,682,878
Total assets		59,724,916	60,109,960

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

As at 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

	<i>Notes</i>	Unaudited 30 June 2015	Audited 31 December 2014
EQUITY			
Share capital		9,354,670	9,354,670
Perpetual notes payable		1,979,325	1,979,325
Other reserves		(1,379,193)	(1,431,364)
Retained earnings		1,227,272	1,015,732
Equity attributable to owners of the Company		11,182,074	10,918,363
Non-controlling interests		2,843,784	2,729,918
Total equity		14,025,858	13,648,281
LIABILITIES			
Non-current liabilities			
Borrowings	12(a)	35,279,702	35,019,802
Deferred income tax liabilities		28,342	29,405
Accruals and other payables	14	448,378	461,185
Total non-current liabilities		35,756,422	35,510,392
Current liabilities			
Borrowings	12(b)	4,699,580	6,223,399
Trade and bills payables	13	1,174,754	433,846
Tax payable		34,708	43,220
Accruals and other payables	14	4,033,594	4,250,822
Total current liabilities		9,942,636	10,951,287
Total liabilities		45,699,058	46,461,679
Total equity and liabilities		59,724,916	60,109,960
Net current liabilities		(4,649,124)	(4,268,409)
Total assets less current liabilities		49,782,280	49,158,673

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

	Unaudited						
	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Perpetual notes payable (Note 20)	Other reserves	Retained earnings	Total		
At 1 January 2014	9,354,670	–	(1,251,472)	1,188,787	9,291,985	2,570,961	11,862,946
(Loss)/profit for the period	–	–	–	(14,402)	(14,402)	7,643	(6,759)
Other comprehensive (loss)/income							
Loss arising on revaluation of financial assets at fair value through other comprehensive income	–	–	(127,938)	–	(127,938)	–	(127,938)
Exchange differences on translation of foreign currencies	–	–	1,805	–	1,805	234	2,039
Total comprehensive (loss)/income for the period	–	–	(126,133)	(14,402)	(140,535)	7,877	(132,658)
Disposal of a subsidiary	–	–	–	–	–	(100)	(100)
Capital contributions	–	–	–	–	–	204,357	204,357
Capital withdrawal	–	–	–	–	–	(18,462)	(18,462)
Other appropriations	–	–	–	(1,118)	(1,118)	(624)	(1,742)
Dividends	–	–	–	(21,821)	(21,821)	(61,207)	(83,028)
	–	–	–	(22,939)	(22,939)	123,964	101,025
At 30 June 2014	9,354,670	–	(1,377,605)	1,151,446	9,128,511	2,702,802	11,831,313

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

	Unaudited						
	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Perpetual notes payable (Note 20)	Other reserves	Retained earnings	Total		
At 1 January 2015	9,354,670	1,979,325	(1,431,364)	1,015,732	10,918,363	2,729,918	13,648,281
Profit for the period	-	-	-	211,540	211,540	66,306	277,846
Other comprehensive income							
Gain arising on revaluation of financial assets at fair value through other comprehensive income	-	-	53,696	-	53,696	-	53,696
Exchange differences on translation of foreign currencies	-	-	(1,525)	-	(1,525)	-	(1,525)
Total comprehensive income for the period	-	-	52,171	211,540	263,711	66,306	330,017
Contributions from non-controlling interests	-	-	-	-	-	117,529	117,529
Dividends paid to non-controlling interests	-	-	-	-	-	(69,969)	(69,969)
	-	-	-	-	-	47,560	47,560
At 30 June 2015	9,354,670	1,979,325	(1,379,193)	1,227,272	11,182,074	2,843,784	14,025,858

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

	Unaudited	
	For the six months ended 30 June	
	2015	2014
Net cash generated from operating activities	3,431,786	2,253,406
Cash flows from investing activities		
Purchases of property, plant and equipment, land use rights and intangible assets	(1,749,249)	(1,785,685)
Proceeds from repayments of loans and interest received from related parties	41,000	214,536
Acquisitions of investments accounted for using the equity method	–	(200,200)
Proceeds from disposal of property, plant and equipment	19	17,130
Disposal of subsidiaries, net of cash received	–	11,489
Asset-related government grants received	727	2,900
Loans to related parties	(200,000)	–
Others, net	248	69
Net cash used in investing activities	(1,907,255)	(1,739,761)
Cash flows from financing activities		
Capital contributions from non-controlling interests	117,529	204,357
Proceeds from borrowings	5,012,939	3,829,293
Repayments of borrowings	(6,261,894)	(3,106,079)
Dividends paid to non-controlling shareholders	(71,095)	(62,387)
Interest paid	(1,165,919)	(1,074,168)
Repayments of working capital provided by related parties	–	(8,000)
Others, net	–	3,123
Net cash used in financing activities	(2,368,440)	(213,861)
Net (decrease)/increase in cash and cash equivalents	(843,909)	299,784
Cash and cash equivalents at the beginning of the period	2,540,212	1,001,388
Effect of loss from foreign exchange	(1,353)	(827)
Cash and cash equivalents at the end of the period	1,694,950	1,300,345

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

(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 PRC on 9 July 2010, as part of the reorganisation of the wind power generation business of China Datang Group Corporation (中國大唐集團公司) (“Datang Corporation”), a limited liability company established in the PRC and controlled by the PRC government. On 30 June 2015, in the opinion of the directors of the Company (the “Directors”), Datang Corporation is the ultimate holding company of the Company.

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

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

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

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

The interim condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION *(Continued)*

2.1 Continuous operation

As at 30 June 2015, the Group's current liabilities exceeded its current assets by approximately RMB4,649.1 million (31 December 2014: RMB4,268.4 million). The Group meets its day-to-day working capital and investment requirements through cash flow from operations and banking facilities. As at 30 June 2015, the Group has committed unutilised banking facilities amounted to approximately RMB54,929.8 million of which approximately RMB38,063.8 million are subject to renewal during the next 12 months from the end of the Reporting Period. Certain banking facilities require the Group to comply with certain covenants, mainly including continual compliance with certain credit rating and debt ratio requirements.

The Board of the Company is confident that these financing facilities will continue to be available to the Group for the foreseeable period of not less than 12 months from the end of the Reporting Period. Further information on the Group's borrowings is set out in Note 12.

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

3. BASIS OF PREPARATION AND CHANGES TO THE ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014, except for the adoption of the revised IFRs and their interpretation effective from 1 January 2015. Except for IFRS 9 (issued in 2009), the Group has not adopted any other IFRs, their interpretation or amendment that have been issued but have not been executed for the current period.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

3. BASIS OF PREPARATION AND CHANGES TO THE ACCOUNTING POLICIES *(Continued)*

Although the following revised standards or amendments applied for the first time in 2015, they did not have material impacts on the interim condensed consolidated financial statements and the annual consolidated financial statements of the Group:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
- Annual Improvements 2010–2012 Cycle
- Annual Improvements 2011–2013 Cycle

4. SEASONALITY OF OPERATIONS

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

5. ACCOUNTING ESTIMATES

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

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation of uncertainties were consistent with those adopted in the consolidated financial statements for the year ended 31 December 2014.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

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

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements. The statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014. There have been no changes in the risk management department or risk management policies since the end of 2014.

(b) Liquidity risk

Compared to 31 December 2014, there were no material changes in the contractual undiscounted cash outflows for financial liabilities, except for the additions and repayments of long-term borrowings amounting to RMB1,388.6 million and RMB1,857.0 million, respectively.

(c) Fair value estimation

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(c) Fair value estimation (Continued)

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

	30 June 2015				31 December 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	405,771	-	53,167	458,938	352,075	-	53,167	405,242
Financial assets at fair value through profit or loss	-	-	10,900	10,900	-	-	8,900	8,900
	<u>405,771</u>	<u>-</u>	<u>64,067</u>	<u>469,838</u>	<u>352,075</u>	<u>-</u>	<u>62,067</u>	<u>414,142</u>

There were no significant changes in the business or economic circumstances affecting the fair value of the Group's financial assets and financial liabilities during the six months ended 30 June 2015.

There was no reclassification of financial assets during the six months ended 30 June 2015.

(d) The Group's valuation processes

The Group's finance department establishes a specialised team that performs the valuations of financial assets required for preparation of the financial statements, including fair values of Level 3. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are carried out between the CFO and the valuation team at least once every six months in line with the Group's disclosure dates.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(d) The Group's valuation processes (Continued)

With respect to the Level 3 fair value measurement for the Group's financial assets at fair value through other comprehensive income that are unlisted equity securities without an active market, the Group's finance department benchmark to the market price of certain comparable listed companies within the same or similar operation/industry and apply certain adjustments/discount for non-marketability. As at 30 June 2015, the Directors of the Company are of their opinion that there is a wide range of possible fair value measurements while cost represents the best estimate of fair value within that range.

Changes of fair value in Level 3 are analysed at each reporting date during the valuation discussions/assessment.

7. REVENUE AND SEGMENT INFORMATION

(a) Analysis of revenue by category

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

	For the six months ended 30 June	
	2015	2014
Sales of electricity	2,878,688	2,546,051
Service rendered under energy performance contracts	16,216	21,860
Service concession construction revenue	1,273	3,627
Other revenues	17,382	3,160
	<u>2,913,559</u>	<u>2,574,698</u>

For the six months ended 30 June 2015 and 2014, other revenue comprise primarily of rental income on power plant facilities, income from leasing of electric transmission line, and repair and maintenance service income.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

7. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information

Management has determined the operating segments based on the information reviewed by executive directors and designated senior management (including the chief accountant) (“the Executive Management”) for the purposes of allocating resources and assessing performance.

The Executive Management considers the performance of all businesses on a consolidated basis as scale of other renewable power sources except wind power of the Group is relatively insignificant for 2015 and for the six months ended 30 June 2014. Therefore, the Group has one single reportable segment which is the wind power segment.

The Company is domiciled in the PRC. For the six months ended 30 June 2015, substantially all (2014: Substantially all) the Group’s revenue was derived from external customers in the PRC.

As at 30 June 2015, substantially all (31 December 2014: Substantially all) the non-current assets are located in the PRC (including Hong Kong).

For the six months ended 30 June 2015, all (2014: Substantially all) revenue from the sales of electricity is charged to the provincial power grid companies in which the Company under the Group operates. These power grid companies are directly or indirectly owned or controlled by the PRC government.

There are no material change on the basis of segment as compared with the last annual financial statements.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

8. OTHER INCOME AND OTHER GAINS, NET

	For the six months ended 30 June	
	2015	2014
(Loss)/income from Clean Development Mechanism ("CDM") projects:		
– Income during the period	–	18,405
– Foreign exchange losses	(14,501)	(365)
– Provision for impairment	–	(21,047)
	(14,501)	(3,007)
Government grants	35,646	64,414
Dividend from financial assets at fair value through other comprehensive income	2,480	4,317
Gain/(loss) on disposal of property, plant and equipment	7	(3,036)
Others	(1,634)	2,108
	21,998	64,796

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment	Intangible assets
Net book value at 1 January 2015	48,783,400	582,387
Additions	2,468,592	2,338
Deemed disposal of subsidiaries	(6,579)	–
Other disposals	(12)	(1)
Depreciation and amortisation charges	(1,196,917)	(10,977)
Net book value at 30 June 2015	<u>50,048,484</u>	<u>573,747</u>
Net book value at 1 January 2014	45,160,107	589,271
Additions	1,183,718	4,605
Deemed disposal of subsidiaries	(6,600)	–
Other disposals	(20,381)	–
Depreciation and amortisation charges	<u>(1,156,569)</u>	<u>(10,787)</u>
Net book value at 30 June 2014	<u>45,160,275</u>	<u>583,089</u>

As at 30 June 2015, included in intangible assets are concessive assets amounted to RMB494.8 million (31 December 2014: RMB501.1 million).

As at 30 June 2015, certain property, plant and equipment with cost and accumulated depreciation amounted to RMB1,333.6 million and RMB140.0 million, respectively, were secured for the borrowing from Datang Financial Leasing as set out in Note 12(a).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2015	31 December 2014
CDM assets/receivables	165,075	225,649
Less: provision for impairment	(79,797)	(85,193)
	85,278	140,456
Prepayments or advances for plant constructions	15,000	15,000
Receivables from provision of services	108,423	149,423
Consideration receivables from disposal of subsidiaries	–	131,200
Receivable from disposal of a wind farm project	21,537	22,976
Amounts due from related parties*	473,092	360,992
Deposit for project investments	20,040	23,140
Deposit for borrowings	50,272	50,005
Receivables under lease arrangement	73,715	73,333
Other receivables	129,243	125,264
	976,600	1,091,789
Current income tax prepayments	1,148	15,036
Deferred loss on long-term borrowings	5,629	6,283
Other prepayments	93,497	191,341
	1,076,874	1,304,449

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

	30 June 2015	31 December 2014
Less: Non-current portion of		
– Receivables from provision of services	(50,501)	(91,502)
– Net investments under finance lease	(70,398)	(67,127)
– CDM asset/receivables	(15,236)	(18,639)
– Amounts due from related parties	(17,860)	(170,000)
– Deposit for borrowings	(50,005)	(50,005)
– Deferred loss on long-term borrowings	(5,629)	(5,956)
– Other prepayments	(45,430)	(72,847)
	(255,059)	(476,076)
Total current portion of prepayments and other receivables	821,815	828,373

- * Included in “Amounts due from related parties” as at 30 June 2015, there were mainly RMB98.4 million (31 December 2014: RMB171.8 million) settlement of CDM assets/receivable, collected by a fellow subsidiary of the Company on the Group’s behalf and loans of RMB370.0 million (31 December 2014: RMB170.0 million) to Datang Financial Leasing Company Limited (“Datang Financial Leasing”), an associate jointly that was established and made contributions to by the Group and China Datang Corporation Finance Company Limited (中國大唐集團財務有限公司) (“Datang Finance”). The loan receivable from Datang Financial Leasing bears interest at a rate of 5% per annum and is due in February 2016.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES

	30 June 2015	31 December 2014
Trade receivables	2,518,909	3,149,589
Bills receivable	220,325	131,779
	2,739,234	3,281,368
Less: provision for doubtful debts	(2,328)	(2,328)
	<u>2,736,906</u>	<u>3,279,040</u>

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

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

Settlement of certain trade receivables due from the local power grid companies is subject to the allocation of government designated funds by the relevant government authorities to the local grid companies and tariff surcharge payable by the end users, which consequently takes a relatively long time for the grid companies to make settlement. Effective from March 2012, the application, approval and settlement of the tariff premium is subject to certain procedures as promulgated by Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (“可再生能源電價附加補助資金管理暫行辦法”). Caijian [2013] No. 390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff premium. As at 30 June 2015, most of the operating projects of the Group have been approved for the tariff premium and certain projects are in the process of applying for the approval. The Directors are of the opinion that these trade and bills receivables from tariff premium are fully recoverable considering there were no experiences of default in the past and the tariff premium is funded by the PRC government.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES *(Continued)*

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

	30 June 2015	31 December 2014
Within 1 year	2,038,707	1,578,810
Between 1 and 2 years	147,696	265,881
Between 2 and 3 years	80,640	53,581
Over 3 years*	472,191	1,383,096
	<u>2,739,234</u>	<u>3,281,368</u>

* Until 30 June 2015, the trade receivables over three years have been reduced by RMB910.9 million. The main reason is that the PRC government allocated money to pay for the charge of electricity which occurred in prior years.

As at 30 June 2015, a trade receivable of RMB2.3 million (2014: RMB2.3 million) was fully provided for impairment, which represents a past due tariff receivable from a power grid company in dispute. It was assessed that this receivables are not recoverable.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

12. BORROWINGS

(a) Long-term borrowings

	30 June 2015	31 December 2014
Bank loans		
– Unsecured loans	16,521,939	16,993,331
– Secured loans	3,355,378	3,242,463
– Guaranteed loans	5,933,993	5,586,735
	25,811,310	25,822,529
Other loans		
– Unsecured loans	392,500	822,905
– Secured loans*	3,276,813	3,171,100
– Guaranteed loans **	3,826,923	4,009,409
	7,496,236	8,003,414
Corporate bonds-unsecured	4,193,454	4,191,305
Total long-term borrowings	37,501,000	38,017,248
Less: Current portion of long-term borrowings <i>(Note 12(b))</i>		
– Bank loans	(1,782,170)	(2,134,300)
– Other loans	(439,128)	(863,146)
	(2,221,298)	(2,997,446)
	35,279,702	35,019,802

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

12. BORROWINGS *(Continued)*

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

- * As at 30 June 2015, included in secured other loans there were borrowings of RMB1,887.4 million (31 December 2014: RMB1,815.7 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. As at 30 June 2015, cash amounted to RMB50.0 million (31 December 2014: RMB50.0 million) was held in a deposit accounts with ICBC Financial Leasing Company Limited.

As at 30 June 2015, included in secured other loans there were borrowings amounted to RMB1,149.1 million (31 December 2014: RMB1,189.9 million) due to 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.

As at 30 June 2015 and 31 December 2014, deferred loss and deferred income representing the adjustments for the present value of these borrowings, and are included in “Prepayments and other receivables” and “Accruals and other payables” in the interim condensed consolidated statement of financial position, respectively.

- ** As at 30 June 2015, included in guaranteed other loans there were borrowings of RMB826.9 million (31 December 2014: RMB1,009.4 million) from ICBC Financial Leasing Company Limited (工銀金融租賃有限公司) for the constructions of designated wind farms. Prior to the period before the pre-determined criteria were met, these borrowings were guaranteed by the Company.

In addition, as at 30 June 2015, the borrowings from Ping An Asset Management Co., Ltd. amounted to RMB3,000.0 million (31 December 2014: RMB3,000.0 million), were guaranteed by Datang Corporation.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

12. BORROWINGS (Continued)

(b) Short-term borrowings

	30 June 2015	31 December 2014
Bank loans		
– Unsecured loans	175,166	20,014
– Secured loans	1,912	–
	177,078	20,014
Short-term bonds**	2,001,204	2,052,089
Other unsecured loans	300,000	1,153,850
Current portion of long-term borrowings (Note 12(a))	2,221,298	2,997,446
	4,699,580	6,223,399

** On 15 June 2015, the Company issued short-term bonds with par value of RMB100 each for cash of RMB2,000.0 million, net of issuance cost of RMB1.5 million. These bonds have an annual coupon rate at 3.25%, and will mature on 14 September 2015.

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

As at 30 June 2015, the repayment period of long-term borrowings were as follows:

	30 June 2015	31 December 2014
Within 1 year	2,221,298	2,997,446
After 1 year but within 2 years	2,698,623	7,225,417
After 2 years but within 5 years	9,604,542	10,274,434
After 5 years	22,976,537	17,519,951
	37,501,000	38,017,248

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

12. BORROWINGS (Continued)

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

As at 30 June 2015, details of the guaranteed bank loans are as follows:

	30 June 2015	31 December 2014
Guarantor		
– the Company*	5,118,447	3,454,137
– non-controlling interests of subsidiaries and an ultimate holding company of non-controlling interests	815,546	2,132,598
	<u>5,933,993</u>	<u>5,586,735</u>

* As at 30 June 2015, bank loans guaranteed by the Company amounted to RMB54.0 million (31 December 2014: RMB58.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

As at 30 June 2015, the Group has pledged certain assets as collateral to certain long-term borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Property, plant and equipment	926,706	1,068,263	3,263,301	3,277,151
Concession assets	275,688	275,777	–	–
Tariff collection rights	414,020	485,873	306,257	531,874
	<u>1,616,414</u>	<u>1,829,913</u>	<u>3,569,558</u>	<u>3,809,025</u>

13. TRADE AND BILLS PAYABLES

As at 30 June 2015 and 31 December 2014, substantially all the trade and bills payables were due within one year since the invoice date.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

14. ACCRUALS AND OTHER PAYABLES

	30 June 2015	31 December 2014
Payables for property, plant and equipment	2,705,499	3,521,391
Amounts due to related parties*	724,734	132,915
Dividends payable	190,816	191,941
Interest payable	191,612	145,621
Accrued staff related costs	69,266	69,724
Payables for CDM projects	10,035	32,226
Payables for taxes other than income taxes	14,156	32,475
Asset retirement obligations	68,897	66,759
Amounts due to a non-controlling interest	–	3,122
Other payables	181,529	185,260
	4,156,544	4,381,434
Deferred government grants	37,717	38,999
Deferred income on long-term borrowings	193,339	202,291
Other accruals and deferrals	94,372	89,283
	4,481,972	4,712,007
Less: non-current portion of		
– Amounts due to related parties	(68,550)	(76,550)
– Asset retirement obligations	(68,897)	(66,758)
– Deferred government grants	(36,737)	(38,999)
– Deferred income on long-term borrowings	(184,832)	(190,646)
– Other accruals and deferrals	(89,362)	(88,232)
	(448,378)	(461,185)
Current portion of accruals and other payables	4,033,594	4,250,822

* The amounts due to related parties except the amount of RMB68.5 million which will be paid on 15 April 2025 with the range of the effective interests rate from 5.09% to 5.54% are unsecured non-interest-bearing and have no fixed terms of repayment.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

15. FINANCE INCOME AND COSTS

	For the six months ended 30 June	
	2015	2014
Finance income		
Interest income on deposits with banks and other financial institutions	13,865	5,246
Interest income on loans	1,919	8,459
	<u>15,784</u>	<u>13,705</u>
Finance costs		
Interest expenses	(1,170,732)	(1,192,359)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	158,441	59,465
	<u>(1,012,291)</u>	<u>(1,132,894)</u>
Foreign exchange losses	(2,906)	(2,851)
	<u>(1,015,197)</u>	<u>(1,135,745)</u>
Net finance expenses	<u>(999,413)</u>	<u>(1,122,040)</u>
Interest capitalisation rate	5.24% to 6.69%	5.60% to 7.34%

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2015	2014
Current tax expense		
PRC enterprise income tax	66,455	27,117
Under-provision for prior years	–	2,137
	66,455	29,254
Deferred tax benefit		
Origination and reversal of temporary differences and tax deduction	(601)	(10,246)
Income tax expenses	65,854	19,008

Income tax expense for the period is provided based on management's estimated assessable profit for the year at the applicable weighted average tax rate. The statutory tax rate for the year ending 31 December 2015 is 25% (2014: 25%), except for certain subsidiaries established in the PRC which were exempted for tax or entitled to preferential tax rates and subsidiaries incorporated outside of the PRC for which taxation is calculated at the rates of taxation prevailing in the countries the Group operates.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

17. EARNINGS PER SHARE

(a) Basic earnings per share

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

	For the six months ended 30 June	
	2015	2014
Profit/(loss) attributable to equity holders of the Company	211,540	(14,402)
Weighted average number of ordinary shares in issue <i>(thousands of shares)</i>	7,273,701	7,273,701

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2015 and 2014 are the same as the basic earnings per share as there are no potential dilutive shares.

18. DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party transactions disclosed elsewhere in these interim condensed consolidated financial statements, the following is a summary of significant related party transactions entered into, in the ordinary course of business, between the Group and its related parties during the period:

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

	For the six months ended 30 June	
	2015	2014
Transactions with subsidiaries of Datang Corporation:		
– Provision of installation, construction, general contracting services	3,131	383
– Purchase of installation, construction, general contracting services*	(910,596)	(18,534)
– Purchase of equipment	(33,918)	(79,093)
– Provide working capital	–	46
– Receive entrusted loans or other borrowings	(3,239)	–
– Provide loans (<i>Note 10</i>)	200,000	–
– Interest income earned	5,533	8,416
– Interest expense charged	(13,539)	(51,094)
Interest income earned from a joint venture	–	43
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (Contracted but not provided for)	1,027,730	1,369,190
Transactions with Datang Corporation		
– Guarantee on borrowings provided by Datang Corporation	–	550,000

* Provision of general contracting services by certain fellow subsidiaries of the Group included the “Purchase of equipment and construction services”.

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

19. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

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

The provision of installation, construction, general contracting services, purchase of installation, construction, general contracting services and purchase of equipment listed above also constitute connected transactions of the Company under Chapter 14A of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

In addition to the above transactions, in August 2011, the Company and Datang Finance, a fellow subsidiary of the Company which is a financial institution established in the PRC, entered into an agreement for which Datang Finance agreed to provide certain loan, depository and other financial services to the Company for a period of three years (“Financial Service Agreement”). After the expiration of the agreement, on 27 March 2015, a new financial service agreement was entered into by both parties for a term from 1 March 2015 to 1 December 2017. The agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As at 30 June 2015, the Group has a cash deposit held at Datang Finance amounted to RMB60.0 million (31 December 2014: RMB40.0 million) under the Financial Service Agreement, and the interest income on the deposit was RMB0.6 million for the six months ended 30 June 2015 (2014: RMB0.7 million).

All the transactions above with related parties are conducted on prices and terms mutually agreed by the parties involved, and all amounts disclosed are inclusive of value-added tax applicable to the relevant transactions.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

19. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Significant transactions with other related parties

For the six months ended 30 June 2015, all revenue from the sales of electricity is made to the provincial power grid companies in which the group companies operate (2014: All). These power grid companies are directly or indirectly owned or controlled by the PRC government. As at 30 June 2015, substantially all the trade and bills receivables (See Note 11) are due from these power grid companies (31 December 2014: Substantially all).

Apart from the above, for the six months ended 30 June 2015 and 2014, the Group's other significant transactions with other state-owned enterprises are mainly purchases of raw materials, property, plant and equipment and services. Substantially all the cash and cash equivalents and borrowings as at 30 June 2015 and 31 December 2014, and the relevant interest income earned and expenses incurred are transacted with banks and other financial institutions owned/controlled by the PRC government.

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

(c) Key management personnel compensation

	For the six months ended 30 June	
	2015	2014
Basic salaries, housing allowances, other allowances and benefits in kind	1,393	1,350
Discretionary bonus	2,038	1,162
Pension costs – defined contribution schemes	188	169
	3,619	2,681

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

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

20. PERPETUAL NOTES

On 10 December 2014, the Company issued RMB2,000.0 million medium-term notes at initial interest rate of 5.80% (“Medium-term Notes”). The proceeds from the issuance of the Medium-term Notes after deducted the issuance cost was RMB1,979.3 million. Coupon interest payments of 5.80% are paid annually in arrears on 12 December of each year starting from 2015 (each, a “Coupon Payment Date”), and may be deferred at the discretion of the Company.

The Medium-term Notes have no fixed maturity and are callable at the Company’s option, on 12 December 2019 or on any Coupon Payment Date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. After 12 December 2019, the coupon rate will be reset every 5 years to a percentage per annum equal to the sum (a) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (b) current benchmark interest rate, and (c) a margin of 300 basis points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce registered capital. Pursuant to the terms of these Medium-term Notes, the Company has no contractual obligation to repay its principal or to pay any coupon interest. Accordingly, the Medium-term Notes do not meet the definition of financial liabilities in accordance with IAS 32 *Financial Instruments: Presentation*, and are classified as equity and subsequent coupon payment will be treated as equity distribution to the owners of the Company.

As of 30 June 2015, the dividend of perpetual notes was RMB64.2 million. The dividend shall be recognised upon payment in the future.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2015

(Amounts expressed in thousands of RMB unless otherwise stated)

21. COMMITMENTS

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

	30 June 2015	31 December 2014
Contracted but not provided for	3,410,956	4,779,861
Authorised but not contracted for	3,200,290	5,036,817
	6,611,246	9,816,678

(b) Commitments under operating leases

As at 30 June 2015, the total future minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2015	31 December 2014
Within 1 year	8,711	1,471
Between 2 to 5 years	148,682	770
	157,393	2,241

22. EVENTS AFTER THE REPORTING PERIOD

Until the approval date of these financial statements, there is no significant event after the Reporting Period that need to be disclosed.

23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2015 were approved for issue by the Board of the Company on 21 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

From January to June 2015, according to the data published by the National Energy Administration, the national electricity consumption of China was 2,662.4 billion kWh, representing an increase of 1.3% as compared with that of the corresponding period of last year. The national average accumulated utilization hours of power generation equipment were 1,936 hours, representing a decrease of 151 hours as compared with that of the corresponding period of last year, among which the average utilization hours of wind power generation equipment were 1,002 hours, representing an increase of 16 hours as compared with that of the corresponding period of last year; the average utilization hours of hydropower generation equipment were 1,512 hours, representing an increase of 82 hours as compared with that of the corresponding period of last year; the average utilization hours of thermal power generation equipment were 2,185 hours, representing a decrease of 217 hours as compared with that of the corresponding period of last year.

In March 2015, the Report on the Work of Government proposed to deepen the reform of state-owned enterprises (SOEs) and state-owned assets, accelerate the structure reform of the electricity industry and other industries, and substantially improve the operating effectiveness of SOEs. In the same month, following the release of Several Opinions on Further Deepening the Reform of Electricity System (《關於進一步深化電力體制改革的若干意見》), NDRC and National Energy Administration jointly issued the Guiding Opinions on Improving Electricity Operation and Regulation and Promoting the Utilization of Clean Energy in Full Capacity (《關於改善電力運行調節促進清潔能源多發滿發的指導意見》) in which all regions are required to guarantee the full purchase of electricity generated by renewable energy.

In April 2015, the National Energy Administration issued the Notice on Proper Implementation of the Grid Connection and Absorption of Wind Power in 2015 (《關於做好2015年度風電並網消納有關工作的通知》), which requested all the provincial energy authorities and grid enterprises to pay high attention to the utilization effectiveness of wind power, optimize the dispatching operation of the local grid and exploit the peak load regulating ability of the electricity system to guarantee the dispatch priority access and full purchase of electricity generated by wind power and other clean energies.

In April 2015, the Ministry of Finance of the PRC issued the notice in relation to the Interim Measures on Administration of Designated Fund for the Development of Renewable Energy (《可再生能源發展專項資金管理暫行辦法》) to establish the designated fund for the development of renewable energy, such designated fund which was only available for special purposes and under special management, shall be used for supporting the exploitation and utilization of renewable energy and new energy through the central financial budget arrangement.

As at 30 June 2015, the aggregate generation projects under construction nationwide amounted to 170 million kW, among which the wind power amounted to 19.05 million kW, representing 11.03% of the total scale, increasing by 5 percentage points as compared with that of the corresponding period of previous year.

In terms of the scale of grid under construction, the scale of 750kV and above alternating current (“AC”) power transformation projects under construction reached 64,800MVA, representing 19.95% of the total scale; the scale of 750 kV and above AC transmission line projects under construction reached 6,559.1 km, representing 10.07% of the total scale. As compared with the corresponding period of previous year, both the power transformation capacity and the transmission line recorded significant increase in the scale and the percentage to the total.

As greater effort has been made to change the pattern of economic development and adjust the structure in China this year, the development of new energy is accelerated continuously. The domestic wind power installed capacity will amount to 200 million kW at the end of the “Thirteenth Five-Year Plan” period, and is expected to gradually improve its status from an “alternative energy” to the main component of the national energy structural adjustment.

II. BUSINESS OVERVIEW

As of 30 June 2015, the Group’s consolidated installed capacity amounted to 6,339.52 MW, representing an increase of 8.53% as compared with that of the same period of last year; electricity generation for the first half of 2015 amounted to 5,926,577 MWh, representing an increase of 14.83% as compared with that of the same period of last year; the average on-grid tariff of the Group (tax inclusive) was RMB590.48/MWh, representing a decrease of RMB5.82/MWh as compared with that of the same period of 2014; the sales revenue amounted to RMB2,913.56 million, representing an increase of 13.16% as compared with that of the same period of last year; profits attributable to owners of the Company amounted to RMB211.54 million, representing an increase of RMB225.94 million as compared with that of the same period of last year.

1. Reinforce the production management and achieve significant growth in power generation.

In the first half of 2015, with its focus on electricity generation, the key indicator to the economic benefits, the Group identified the main problems and the key contradictions and implemented effective measures at all aspects including production, infrastructure and operation, to guarantee “every kilowatt-hour counts” (度電必爭) and consolidate the foundation for our effectiveness. In this regard, five major tasks were carried out: firstly, to lay down a solid foundation for safety production by improving the safety management standards and reducing the risks of on-site operation; secondly, to tap into the potential of power generation by deepening benchmarking management and strengthening operation control; thirdly, to improve power generation capacity by enhancing equipment governance and accelerating the renovation of efficiency improvement; fourthly, to expand the power generating space by enhancing coordination and leveraging the policies; fifthly, speeding up the power generation schedule of the new projects. As such, the electricity generation recorded significant growth.

As of 30 June 2015, the Group generated total electricity of 5,926,577 MWh, representing an increase of 14.83% as compared with that of the same period of last year. In particular, the electricity generated by wind power amounted to 5,813,928 MWh, representing an increase of 15.08% as compared with that of the same period of last year; the average utilization hours of wind power was 984.09 hours, representing an increase of 8.40% as compared with that of the same period of last year; and the ratio of gird curtailment for wind energy (風電限電比) was 21.26%, representing 6.96 percentage points higher than that of 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 period ended 30 June 2015 (MWh)	For the six months period ended 30 June 2014 (MWh)	Year-on-year rate of change
Inner Mongolia	2,619,797	2,248,367	16.52%
Heilongjiang	375,048	312,352	20.07%
Jilin	509,920	486,800	4.75%
Liaoning	282,749	280,765	0.71%
Hebei	42,544	39,470	7.79%
Gansu	381,912	319,777	19.43%
Henan	130,632	106,728	22.40%
Shanxi	253,212	200,282	26.43%
Ningxia	233,778	215,685	8.39%
Shaanxi	87,155	78,248	11.38%
Guangxi	1,773	—	—
Yunnan	163,812	146,661	11.69%
Shandong	501,058	449,998	11.35%
Guangdong	37,735	43,948	-14.14%
Shanghai	156,677	123,023	27.36%
Anhui	36,125	—	—
Total	5,813,928	5,052,104	15.08%

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 30 June 2015 (hours)	For the six months ended 30 June 2014 (hours)	Year-on-year rate of change
Inner Mongolia	1,087.93	954.00	14.04%
Heilongjiang	935.28	778.93	20.07%
Jilin	786.79	751.12	4.75%
Liaoning	867.86	861.77	0.71%
Hebei	859.48	797.37	7.79%
Gansu	683.45	812.03	-15.83%
Henan	1,296.59	1,059.34	22.40%
Shanxi	1,125.38	1,011.53	11.26%
Ningxia	944.56	871.46	8.39%
Shaanxi	880.35	790.38	11.38%
Guangxi	886.55	—	—
Yunnan	1,368.29	1,492.73	-8.34%
Shandong	957.72	909.09	5.35%
Guangdong	762.32	887.84	-14.14%
Shanghai	1,536.05	1,206.11	27.36%
Anhui	752.60	—	—
Average	984.09	907.84	8.40%

During the Reporting Period, the consolidated solar energy generation of the Group by geographical area was as follows:

Region	For the six months ended 30 June 2015 (MWh)	For the six months ended 30 June 2014 (MWh)	Year-on-year rate of change
Jiangsu	8,367	9,707	-13.80%
Ningxia	42,828	41,283	3.74%
Qinghai	48,170	46,820	2.88%
Total	99,364	97,810	1.59%

During the Reporting Period, the average utilization hours of the Group's solar energy plants by geographical area were as follows:

Region	For the six months ended 30 June 2015 (hours)	For the six months ended 30 June 2014 (hours)	Year-on-year rate of change
Jiangsu	453	526	-13.80%
Ningxia	874	843	3.74%
Qinghai	963	958	0.58%
Average	846	841	0.62%

2. Accelerate the approval for quality projects to continuously optimize the regional layout.

In the first half of 2015, in a bid to accelerate the promotion of sustainable development, the Group unswervingly carried forward the approval of preliminary projects and resources retaining through grasping the historical opportunities, which guarantee the provision of quality project reserves for the development during the “Thirteenth Five-Year Plan” period.

In the first half of 2015, the additional approved capacity of wind power projects of the Group totaled 342.2 MW, among which, approximately 300 MW was distributed in the regions not subject to grid curtailment such as Yunnan, Anhui, Jiangsu, Guizhou, Beijing. In particular, the wind power projects with a capacity of 1,211.5 MW have been included in the projects of national proposed approval plans, which were implemented in good order. As at 30 June 2015, the approved planned capacity of wind power projects of the Group listed in the “Twelfth Five-Year Plan” was 5,771.1 MW, covering 26 provinces, cities and autonomous regions, and the approved pre-production projects was 4,430 MW.

During the Reporting Period, the approval status of the Group by geographical area was as follows:

Region	Capacity included in the national wind power approval plan (MW)	Unapproved capacity included in the national wind power approval plan (MW)	Projects that were approved but yet to be put into production (MW)
Inner Mongolia	678	—	792.6
Heilongjiang	250	—	337
Jilin	200	100	48.5
Liaoning	243	48	233
Hebei	397.5	300	97.5
Gansu	349.5	—	201
Henan	42	42	—
Shanxi	578.5	30	515.5
Shaanxi	198.5	50	49.5
Yunnan	495.5	—	244.5
Shandong	643	299.5	156
Guangdong	89	89	—
Shanghai	10	10	102.2
Jiangsu	147	97.5	348
Zhejiang	46	—	—
Anhui	241.5	48	145
Fujian	126	48	72
Jiangxi	46	—	—
Hubei	147.5	—	97.5
Hunan	149.4	—	—
Guangxi	297.5	—	244.5
Guizhou	97.5	—	96
Qinghai	50	—	49.5
Ningxia	99.5	—	495
Beijing	49.7	—	49.7
Chongqing	99	49.5	49.5
Hainan	—	—	6
Total	5,771.1	1,211.5	4,430

3. Strictly control the production quality to significantly improve the efficiency of production commissioning and benefits.

In the first half of 2015, adhering to the principle of the economic benefit, the Group strengthened the consciousness of good quality, improved the production standard, and further enhanced the engineering control ability to guarantee the projects put into operation for standards on schedule and achieve improvement in both the quality and effectiveness. Through planning in advance, taking the initiative, analyzing the difficulties of engineering, the Group organized the internal experts to step into the site, actively coordinate with grid companies, construction teams and local governments so as to solve the difficulties in the engineering and provide guarantees for the smooth construction of projects. Through convening regular liaison meetings with wind turbine manufacturers, actively coordinating and solving the problems in relation to the equipment supply and commissioning progress so as to minimize the impacts of equipment supply on the engineering construction.

As at 30 June 2015, the Group had additional installed capacity of 301.5 MW in the first half of the year and has projects under construction with a capacity of 1,256.2 MW while the cumulative consolidated installed capacity was 6,339.52 MW, representing an increase of 8.53% over the same period of last year. Among which, the consolidated installed capacity of wind power was 6,217.05 MW, representing an increase of 8.72% over the same period of last year; the consolidated installed capacity of solar energy was 117.47 MW and consolidated installed capacity of other clean energy was 5 MW.

As at 30 June 2015, the consolidated installed capacity of wind power of the Group by region was as follows:

Region	For the period ended 30 June 2015 (MW)	For the period ended 30 June 2014 (MW)	Year-on-year rate of change
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	644.80	393.80	63.74%
Henan	100.75	100.75	—
Shanxi	280.50	198.00	41.67%
Ningxia	247.50	247.50	—
Shaanxi	99.00	99.00	—
Yunnan	149.25	98.25	51.91%
Shandong	561.00	495.00	13.33%
Guangdong	49.50	49.50	—
Shanghai	102.00	102.00	—
Anhui	48.00	—	—
Guangxi	3.00	3.00	—
Total	<u>6,217.05</u>	<u>5,718.55</u>	<u>8.72%</u>

As at 30 June 2015, the consolidated installed capacity of solar energy of the Group by region was as follow:

Region	As of 30 June 2015 (MW)	As of 30 June 2014 (MW)	Year-on-year rate of change
Jiangsu	18.47	18.47	—
Ningxia	49.00	49.00	—
Qinghai	50.00	50.00	—
Total	117.47	117.47	—

4. Actively develop the channels of expenditures saving to achieve remarkable results in cost reduction and efficiency improvement.

In the first half of 2015, the Group diversified income streams and reduced expenditures so as to achieve a remarkable result in cost reduction and efficiency improvement. Firstly, the Group strengthened the overall budget control, tightly breaking down the assigned budget, scheduled and controlled the funds strictly in compliance with the budget to guarantee the controllable expenses within the scope of budget. In the first half of the year, other expenditure of enterprises at the basic level showed a year-on-year decrease of RMB4.67/kW. Secondly, the Group seized the opportunity arising from the monetary policy and the downturn in interest rate during the year, studied and formulated the debt restructuring program. Through the methods including striving for obtaining the preferential interest rate, repaying the loans in advance, changing the interest-adjusted day, developing direct financing and increasing the interest income, the Group tried to lower the interest charges. On 15 June, the Group successfully issued the first tranche of ultra short-term debentures and the comprehensive expenses of issuance was 1.85 percentage points lower than the benchmark interest rate announced by the PBOC in the same period. All subsidiaries saved lots of financial expense through the method of debt restructuring including repaying principal in advance. Thirdly, the Group made greater effort to recover the electricity subsidies and actively dealt with the dividends receivable. In the first half of the year, the national electricity subsidies recovered by all subsidiaries totaled RMB1.975 billion and the income from value-added tax refund amounted to RMB35.65 million, which improved investment and financing ability. Fourthly, the Group actively developed the general scheme to strengthen capital operation, so as to maximize the benefits.

5. Accelerate the technological innovation management to further enhance the management efficiency and professional technical capability

In the first half of 2015, the Group kept enhancing the management efficiency and benefits and strengthening the professional technical capability through technological innovation management while leading the progress of technology. Firstly, the Group deepened the reform of management system and mechanism, established the management model for innovation production, and boosted the relevant work in relation to the management of information system and the standardization of the establishment of good practice enterprises and 4A enterprises. Secondly, the Group built a comprehensive benchmarking management system, found out and improved the shortcomings of production, operation and management, and continuously promoted the level of each indicator. Thirdly, the Group deepened the technical research, endeavored to promote technological upgrade and improved the research level. Fourthly, the Group extended the business chain of the life cycle of such projects as resource assessment, economical evaluation, micro-location selection, electrical field design, EPC, repair and maintenance, carbon assets management, carried out the cooperation pattern with wind turbine manufacturer within warranty period, and trained and improved the ability of technical services. In June 2015, the emission reducing and filing work in relation to Datang Duolun Da Xishan Wind Farm Phase II project was completed. The transactions on Beijing Environment Exchange and CERX were completed, marking a breakthrough of domestically voluntary emission reduction revenue of the Company. Fifthly, the Group accelerated the patent invention and technical standards application, including 42 new patents application and 26 new patent authorizations. The Group applied for 9 national and industrial standards preparation projects with China Electricity Council and National Energy Administration. 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》) has been approved and initiated by Institute of Electrical and Electronics Engineer (IEEE), the Design Regulations of Groove Solar Energy Thermal Generation Plants (《槽式太陽能光熱發電站設計規範》), a national standard with the Group as the chief editor, has completed the exposure draft and was submitted by the National Solar Thermal Power Generation Standardized Technology Committee (全國太陽能光熱發電標準化技術委員會) to the Standardization Administration of the PRC for approval.

III. FINANCIAL POSITION AND OPERATING RESULTS

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

1. Overview

The Group's net profit for the six months ended 30 June 2015 amounted to RMB277.85 million, representing an increase of RMB284.61 million as compared with the loss of RMB6.76 million for the same period of 2014. Profit attributable to the owners of the Company for the period amounted to RMB211.54 million, representing an increase of RMB225.94 million as compared with the loss of RMB14.40 million for the same period of 2014.

2. Revenue

The Group's revenue for the six months ended 30 June 2015 increased by 13.16% to RMB2,913.56 million as compared with RMB2,574.70 million for the same period of 2014, primarily due to the year-on-year increase in wind speed and installed capacity, which led to the increase in on-grid electricity.

The Group's electricity sales revenue for the six months ended 30 June 2015 increased by 13.06% to RMB2,878.69 million as compared with RMB2,546.05 million for the same period of 2014, primarily due to the year-on-year increase in wind speed and installed capacity, which led to the increase in on-grid electricity.

The Group's revenue from the leasing of transmission lines and technical services for the six months ended 30 June 2015 amounted to RMB17.38 million and the revenue from the profit sharing from EPC projects amounted to RMB16.22 million, mainly attributable to the provision of services to external companies by repair and installation companies under the Group and the profits generated by EPC projects upon its completion and operation.

3. Other income and other gains, net

The Group's other income and other gains, net for the six months ended 30 June 2015 decreased by 66.05% to the gains of RMB22.00 million as compared with the gains of RMB64.80 million for the same period of 2014, primarily due to the year-on-year decrease in government grants and the increase in exchange losses from CDM projects.

The Group's government grants for the six months ended 30 June 2015 decreased by 44.66% to RMB35.65 million as compared with RMB64.41 million for the same period of 2014, primarily due to the decrease in value-added tax ("VAT") refund during the period.

The Group's loss from CDM projects for the six months ended 30 June 2015 increased by 382.24% to RMB14.50 million as compared with RMB3.01 million for the same period of 2014, primarily due to the changes in the exchange rates of the receivables from CDM projects.

4. Operating expenses

The Group's operating expenses for the six months ended 30 June 2015 increased by 6.15% to RMB1,622.67 million as compared with RMB1,528.72 million for the same period of 2014. This increase was mainly attributable to (i) the increase in depreciation and amortisation of wind turbines, (ii) higher labor cost and (iii) the increase in material costs and repairs and maintenance expenses.

The Group's depreciation and amortisation for the six months ended 30 June 2015 increased by 1.41% to RMB1,182.61 million as compared with RMB1,166.18 million for the same period of 2014, primarily due to more wind power projects which were put into operation.

The Group's labor cost for the six months ended 30 June 2015 increased by 32.68% to RMB216.23 million as compared with RMB162.97 million for the same period of 2014, 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 30 June 2015 decreased by 6.43% to RMB150.08 million as compared with RMB160.38 million for the same period of 2014, 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 30 June 2015 increased by 18.19% to RMB1,312.88 million as compared with RMB1,110.78 million for the same period of 2014, primarily due to the increase in on-grid electricity.

6. Finance income

The Group's finance income for the six months ended 30 June 2015 increased by 15.17% to RMB15.78 million as compared with RMB13.71 million for the same period of 2014, primarily due to the changes in the average balance of the Group's bank deposits.

7. Finance costs

The Group's finance costs for the six months ended 30 June 2015 decreased by 10.61% to RMB1,015.20 million as compared with RMB1,135.75 million for the same period of 2014, primarily due to the reduction in the interest rates by the central bank and the early repayment of principal.

8. Share of profit/(loss) of joint ventures and associates

The Group recorded a profit of RMB30.23 million in share of profit from investments to joint ventures and associates accounted for using the equity method for the six months ended 30 June 2015 as compared with RMB23.51 million for the same period of 2014.

9. Income tax expense

The Group's income tax expense for the six months ended 30 June 2015 was RMB65.85 million, representing an increase of 246.45% from RMB19.01 million for the same period of 2014. This was mainly due to (1) the increase in the Group's total profit for the six months ended 30 June 2015 over the same period of 2014, which led to a corresponding increase in income tax expense; (2) the fluctuation in profitability as well as the difference in initiation and expiration of tax benefit of certain subsidiaries of the Company located in regions with preferential income tax rate; and (3) the impact of deferred tax assets recognised according to deductible temporary differences.

10. Profit/(loss) for the period

The Group's profit for the six months ended 30 June 2015 amounted to RMB277.85 million, representing an increase of RMB284.61 million as compared with the loss of RMB6.76 million for the same period of 2014. The Group's net profit margin for the six months ended 30 June 2015 increased to 9.54% as compared with -0.26% for the same period of 2014, primarily due to (1) year-on-year increase in wind speed and increase in installed capacity of the Group, which led to the increase in on-grid electricity; (2) the decrease in finance costs as a result of the reduction of interest rates by the central bank and early repayment of principal.

11. Profit/(loss) attributable to the owners of the Company

The Group's profit attributable to the owners of the Company for the six months ended 30 June 2015 amounted to RMB211.54 million, representing an increase of RMB225.94 as compared with the loss of RMB14.40 million attributable to the owners of the Company for the same period of 2014.

12. Profit attributable to non-controlling interests

The Company's profit attributable to non-controlling interests for the six months ended 30 June 2015 increased by 767.54% to RMB66.31 million as compared with RMB7.64 million for the same period of 2014.

13. Liquidity and capital resources

The Group's cash and cash equivalents as at 30 June 2015 decreased by 22.61% to RMB1,694.95 million as compared with RMB2,190.21 million as at 31 December 2014. The main sources of operating capital of the Group were approximately RMB54,929.76 million as at 30 June 2015 of unutilised financing facilities, primarily including the undrawn credit facilities under the strategic cooperation agreements which the Company entered into with commercial banks in China;

As at 30 June 2015, the Group's borrowings decreased by 3.06% to RMB39,979.28 million as compared with RMB41,243.20 million as at 31 December 2014. In particular, an amount of RMB4,699.58 million (including an amount of RMB2,221.30 million of long-term borrowings due within 1 year) was short-term borrowings, and an amount of RMB35,279.70 million was long-term borrowings.

14. Capital expenditure

The Group's capital expenditure for the six months ended 30 June 2015 increased by 104.33% to RMB2,470.93 million as compared with RMB1,209.26 million for the same period of 2014. Capital expenditure was mainly costs for purchase and construction of property, plant and equipment.

15. Net gearing ratio

As at 30 June 2015, 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 73.19%, representing a decrease of 0.91 percentage point as compared with 74.10% as at 31 December 2014, which was mainly due to the increase in the total equity as a result of the better operational conditions of the Company during the period.

16. Significant investment

The Group had no significant investment during the six months ended 30 June 2015.

17. Material acquisitions and disposals

By a board resolution dated 12 June 2015, the Company had acquired 49% interests of Datang Guazhou Renewable Power Co., Ltd. (大唐瓜州新能源有限公司) (“**Datang Guazhou**”) from Datang Gansu Power Generation Co., Ltd. (大唐甘肅發電有限公司) (“**Datang Gansu**”), a connected person of the Company as it is a wholly-owned subsidiary of the Company, for a consideration of RMB10.44 million. After the acquisition, Datang Guazhou became a wholly-owned subsidiary of the Company.

Datang Guazhou is a limited liability company established in the PRC. Datang Guazhou is principally engaged in the development, construction and operation of wind power and other new energy resources as well as the sale of emission reduction credits according to the framework of CDM.

Save as disclosed above, For the six months ended 30 June 2015, the Company or any other subsidiaries were not involved in any material acquisition or disposal of assets.

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 30 June 2015, net carrying value of the pledged assets amounted to RMB5,185.97 million.

19. Contingent liabilities

As at 30 June 2015, 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 preferences. 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 Company 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 the clean development mechanism (CDM) and other carbon emission reduction projects

In the first half of 2015, the trading price of carbon emission reduction still stayed at a low level in the global market, and is not expected to increase in the short term. The Company will pay close attention to the CDM market and commence the approval for and the sales of with appropriate and reasonable attitude when conditions are ready. At the same time, the pilot project was conducted orderly in the domestic carbon market. Since the formal implementation of the “Interim Measures on Administration of Carbon Emission Trading” (《碳排放權交易管理暫行辦法》) issued by NDRC, the construction of national carbon market has been sped up in full and is expected to launch and improve the trading system for the domestic carbon market during the “Thirteenth Five-Year” period, and the establishment and improvement of the domestic carbon market indicate a stable, long-term demand for Chinese Certified Emission Reductions (CCER) in the market. In the meantime, since the domestic carbon market is still in the construction stage, both the policy and market exist uncertainties in terms of carbon credit allocation, general scale, trading activity and expected price. Therefore, the Group will continue to keep a close track of the changes in policies and the market to formulate and orderly carry forward practicable roadmap and implementation scheme, so as to mitigate risks and guarantee the revenue generated from 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 the 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 expansion of wind power projects range in the southern coastal regions further increases the number of places unfavorable for wind farm construction and land and labour costs for wind farm construction. The Group may encounter such risks as a relatively lengthy completion time of the wind power projects and a relatively high total construction cost.

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 and EPC, etc., with a focus on wind power. As there will be more and more hazard sources and the Group hidden hazards in the course of the Group's business diversification, 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 Company's capital expenditure, eventually 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 and financing obtained overseas. 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 a great increase in capital cost may have a material adverse effect on the Group's business, financial condition or operating results. The Group has a great need for construction and capital expenditures, whereas it takes a long time to recover the capital investment in wind farms or other renewable energy facilities. In addition, the capital investment for the development and construction of a wind power project will vary based on the changes in the cost of the fixed assets required. If the cost for the development and construction of the Group's wind power projects increased substantially, there will be adverse impact on the Group's business, financial position and operating results. Thus, the Group will track closely with the market condition and carry out strategic adjustment while developing various financing channels to adjust financial structure.

V. OUTLOOK FOR BUSINESS IN SECOND HALF OF 2015

Under the background of “new-normality economy”, our country is working hard to promote the transformation of economic development and structural adjustment to constantly accelerate the development of new energy. Relevant documents issued early this year indicate further preferential policies for new energy industry. The three successive overall interest rate cut carried out by PBOC and the “One Belt and One Road” strategy have provided great historical opportunity of the “Going-out” of energy enterprises.

In the second half of 2015, the Group will focus on the following issues:

1. To improve the awareness of safety production and ensure the stability of safety production

To keep strengthening the treatment of equipment and enhance the reliability of equipment; to keep implementing benchmarking jobs and decrease curtailment ratio; to keep promoting the construction of premium wind power farms; to strengthen and speed up the establishment of production team; to keep striving for political support.

2. To focus on the optimisation of development, promote structural adjustment and enhance quality and efficiency

Firstly, to set out the strategic planning for the Company in a forward-looking manner so as to orderly promote, cohere and implement strategies; secondly, to facilitate the storage of resources and project approvals and reinforce the potential for future development of the Company; thirdly is to grasp the opportunity under “One Belt and One Road” and actively expand emerging markets.

3. To accelerate the guarantee operation of projects on schedule and explore new profit growth drivers

Firstly, to accelerate the guarantee operation of projects on schedule; secondly, to plan for the preparation of new projects in advance; thirdly, to build premium quality awareness and achieve a high standard of transfer operation; fourthly, to reduce construction cost by strengthening control over pricing.

4. To enhance its operation management and promote cost reduction and efficiency enhancement in full

Firstly, to enhance the efficiency of power generation by securing more opportunities for power generation; secondly, to take the first-mover advantages by grasping favorable opportunities on the market and formulating relevant policies; thirdly, to realise cost reduction and efficiency enhancement by strengthening the benchmarking of operational indicators; fourthly, to positively urge for national subsidies for tariffs issued by the country to shorten capital payback period.

5. To strengthen capital operation and improve the performance of listed company

Firstly, to broaden financing channels by making good use of the capital operation platform of the listed company; secondly, to intensify the communication with investors.

6. To promote innovative mechanisms and systems and further enhance operational efficiency and benefit

Firstly, to reinforce the regional management and innovation of assets; secondly, to continue carrying out reform measures on production mechanisms and systems; thirdly, to accelerate the establishment of information management platform; fourthly, to further promote the establishment of standardised conduct of the Company.

7. To strengthen team-building and improve the comprehensive abilities of the team

Firstly, to strengthen the establishment of the management team; secondly, to optimise mechanism and speed up the establishment of the technical team; thirdly, to fully exert the function of the training base to satisfy the needs of the production system.

8. To strengthen technology innovation and improve professional ability

Firstly, to emphasise professional advantages by strengthening technical support; secondly, to focus on the fostering of scientific projects by enhancing the quality of achievements in scientific researches; thirdly, to accelerate the improvement of development capability in the scientific industry and increase market competitiveness in other new energy fields.

OTHER INFORMATION

1. SHARE CAPITAL

As of 30 June 2015, the total share capital of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each.

2. INTERIM DIVIDENDS

The Board of the Company does not recommend payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

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

As of 30 June 2015, 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 (Chapter 571 of the Laws of Hong Kong) (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 of the Company, 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 Listing Rules.

4. SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN SHARES AND UNDERLYING SHARES

As of 30 June 2015, to the best of the Directors’ knowledge, having made all reasonable enquiries, the following persons (other than the directors, senior management members or supervisors of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Class of shares	Capacity	No. of shares/ underlying shares held	Percentage of the relevant class of share capital	Percentage of the total share capital
Datang Corporation (Note)	Domestic shares	Beneficial owner and interest of a controlled corporation	4,772,629,900 (Long position)	100%	65.61%
Datang Jilin (Note)	Domestic shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%
National Council for Social Security Fund	H shares	Beneficial owner	214,261,000 (Long position)	8.57%	2.95%

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

5. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For the six months ended 30 June 2015, changes in information of directors, supervisors and senior management are set out as below:

1. With effect from 6 January 2015, Mr. Hu Yongsheng resigned and Mr. Zhang Chunlei was appointed as the General Manager of the Company.
2. With effect from 4 March 2015, Mr. Hu Yongsheng resigned and Mr. Zhang Chunlei was appointed as the Vice Chairman of the Board.
3. On 27 March 2015, Mr. Hu Yongsheng ceased to be the executive Director of the Company and the Chairman of Strategic Committee of the Board due to work re-posting. At the extraordinary general meeting held on the same day by the Company, shareholders approved to appoint Mr. An Hongguang as the non-executive Director of the Company, with a term of office same as the members of the second session of the Board. On the same day, Mr. An Hongguang was also appointed as a member of Strategic Committee; and Mr. Zhang Chunlei was redesignated as the Chairman from a member of the Strategic Committee.
4. With effect from 27 March 2015, Mr. Yu Shunkun was appointed as the independent non-executive Director of the Company, a member of the audit committee and the chairman of the remuneration and assessment committee of the Board.

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

For the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

7. MATERIAL LITIGATION AND ARBITRATION

As of 30 June 2015, 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. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

As of the Latest Practicable Date, there has not been any significant subsequent events that have occurred after the Reporting Period to any business of the company or within the Group.

9. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. For the six months ended 30 June 2015, 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 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 and approval.

As disclosed in the 2014 annual report of the Company, on 5 November 2014, Mr. Ma Zhizhong, an independent non-executive Director of the Company, resigned as an independent non-executive Director of the Company as well as a member of the Audit Committee and the chairman of the Remuneration and Assessment Committee due to other work arrangement. While the Company had used its best efforts to identify a suitable candidate to fill the vacancies, the candidate for independent non-executive Director, the position in the Audit Committee and the Chairman of the Remuneration and Assessment Committee was determined in March 2015. The Company published a circular for the first extraordinary general meeting for 2015 on 12 March 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 of the Company was approved at the extraordinary general meeting on 27 March 2015 and he was also appointed as a member of the Audit Committee and the chairman of the Remuneration and Assessment Committee on even date. Subsequent to these appointments, the Company is in compliance with requirements by the Listing Rules regarding the number of independent non-executive Directors and the number of members of the Audit Committee and the chairman of the Remuneration and Assessment Committee.

For the six months ended 30 June 2015, save as disclosed above, the Company had 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.

10. 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.

11. INDEPENDENT NON-EXECUTIVE DIRECTORS

As at 30 June 2015, pursuant to the relevant requirements of the Listing Rules, the Company had appointed sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or related financial management expertise. As of 30 June 2015, the Company had a total of three independent non-executive Directors, namely Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

12. 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 12 July 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 30 June 2015, the audit committee consisted of three members (including two independent non-executive Directors), namely Mr. Lo Mun Lam, Raymond, Mr. Guo Shuping and Mr. Yu Shunkun.

The audit committee has reviewed the interim financial status for the six months ended 30 June 2015 and 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 consolidated interim financial statements for the six months ended 30 June 2015 and the 2015 interim report of the Company.

13. APPLICABILITY OF LISTING RULES REQUIREMENTS ON RELATED PARTY TRANSACTIONS

Reference is made to the disclosures regarding the related party transactions in the 2014 annual report of the Company published on the website of Hong Kong Stock Exchange on 27 April 2015. The related party transactions in the report in respect of (i) provision of installation, construction, general contracting services, (ii) purchase of installation, construction, general contracting services and (iii) purchase of equipment and those transactions between the Company and Datang Finance pursuant to the Financial Service Agreement in note 31(a) “Significant related party transactions arising with Datang Corporation and its subsidiaries” constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. These disclosed information required by Chapter 14A of the Listing Rules have been provided in “Section XXIII Connected Transactions” of the “Report of Directors” in the 2014 annual 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.cdt-xny.com.

The Company’s 2015 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, 21 August 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 purposes only