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

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

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2016, the revenue amounted to RMB5,786.13 million, representing an increase of 3.54% as compared with last year.
- For the year ended 31 December 2016, the profit before taxation (PBT) amounted to RMB401.09 million.
- For the year ended 31 December 2016, the net profit attributable to owners of the parent amounted to RMB198.20 million.
- For the year ended 31 December 2016, the basic earnings per share (EPS) attributable to owners of the parent amounted to RMB0.0272.

The board of directors (the "**Board**") of China Datang Corporation Renewable Power Co., Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**" or "**we**" or "**us**") for the year ended 31 December 2016, together with the comparable figures of 2015. The financial data of the Group for the year ended 31 December 2016 set out by the Company in the results announcement is based on the consolidated financial statements prepared according to the International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements under Hong Kong Companies Ordinance.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
Revenue	3	**5,786,126**	5,588,265
Other income and other gains, net	4	**189,246**	116,846
Depreciation and amortisation charges		**(2,829,597)**	(2,520,664)
Employee benefit expenses		**(448,851)**	(416,334)
Material costs		**(40,075)**	(39,059)
Repairs and maintenance expenses		**(204,494)**	(137,670)
Service concession construction costs		**(5,688)**	(247,244)
Other operating expenses		**(331,837)**	(259,654)
		(3,860,542)	(3,620,625)
Operating profit		**2,114,830**	2,084,486
Finance income	5	**17,792**	45,716
Finance expenses	5	**(1,753,044)**	(1,984,476)
Finance expenses, net	5	**(1,735,252)**	(1,938,760)
Share of profits and losses of associates and joint ventures		**21,511**	9,564
Profit from continuing operations and profit before taxation		**401,089**	155,290
Income tax expense	6	**(108,315)**	(92,276)
Profit for the year		**292,774**	63,014
Profit attributable to:			
Owners of the parent		**198,199**	13,711
Non-controlling interests		**94,575**	49,303
		292,774	63,014
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB per share)*	7	**0.0272**	0.0019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
Profit for the year		**292,774**	63,014
Other comprehensive income/(loss):			
Other comprehensive income/(loss) to be reclassified to profit or loss in the subsequent periods:			
Exchange differences on translation of foreign operations		**1,705**	(1,547)
Other comprehensive income/(loss) not to be reclassified to profit or loss in the subsequent periods:			
Profit/(loss) arising on revaluation of financial assets at fair value through other comprehensive income		**28,236**	(48,602)
Total other comprehensive income/(loss) for the year		**29,941**	(50,149)
Total comprehensive income for the year		**322,715**	12,865
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		**227,984**	(36,265)
Non-controlling interests		**94,731**	49,130
		322,715	12,865

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
ASSETS			
Non-current assets			
Property, plant and equipment		**57,914,108**	52,523,459
Investment properties		**20,766**	–
Intangible assets		**806,932**	812,249
Land use rights		**476,800**	456,285
Investments in associates and joint ventures		**686,129**	660,418
Financial assets at fair value through other comprehensive income		**384,876**	356,640
Financial assets at fair value through profit or loss		**8,900**	8,900
Deferred tax assets		**34,330**	34,542
Prepayments and other receivables		**2,828,640**	2,352,971
Total non-current assets		**63,161,481**	57,205,464
Current assets			
Inventories		**114,480**	48,208
Trade and bills receivables	9	**2,800,515**	1,336,866
Prepayments and other receivables		**1,536,919**	1,141,460
Restricted cash		**12,385**	4,725
Cash and cash equivalents		**1,166,209**	1,077,788
Total current assets		**5,630,508**	3,609,047
Total assets		**68,791,989**	60,814,511

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 December 2016
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
LIABILITIES			
Current liabilities			
Trade and bills payables	10	**2,362,155**	1,318,303
Accruals and other payables		**7,928,370**	5,142,376
Interest-bearing bank and other borrowings	11(b)	**10,166,305**	10,573,986
Current income tax liabilities		**53,774**	27,632
Total current liabilities		**20,510,604**	17,062,297
Net current liabilities		**(14,880,096)**	(13,453,250)
Non-current liabilities			
Interest-bearing bank and other borrowings	11(a)	**34,159,937**	29,724,025
Deferred income tax liabilities		**24,159**	26,285
Accruals and other payables		**391,493**	422,840
Total non-current liabilities		**34,575,589**	30,173,150
Total liabilities		**55,086,193**	47,235,447
Net assets		**13,705,796**	13,579,064
EQUITY			
Equity attributable to owners of the parent			
Share capital		**7,273,701**	7,273,701
Share premium		**2,080,969**	2,080,969
Perpetual notes payable		**1,979,325**	1,979,325
Retained earnings		**964,067**	913,443
Other reserves		**(1,418,747)**	(1,481,976)
		10,879,315	10,765,462
Non-controlling interests		**2,826,481**	2,813,602
Total equity		**13,705,796**	13,579,064

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital	Share premium	Perpetual notes payable	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
At 1 January 2016	7,273,701	2,080,969	1,979,325	913,443	(1,481,976)	10,765,462	2,813,602	13,579,064
Comprehensive income for the year								
Profit for the year	–	–	–	198,199	–	198,199	94,575	292,774
Other comprehensive income								
Gains arising on revaluation of financial assets at fair value through other comprehensive income	–	–	–	–	28,236	28,236	–	28,236
Exchange differences related to foreign operations	–	–	–	–	1,553	1,553	152	1,705
Total comprehensive income for the year	–	–	–	198,199	29,789	227,988	94,727	322,715
Capital contributions	–	–	–	–	–	–	21,152	21,152
Disposal of subsidiaries	–	–	–	–	–	–	(150)	(150)
Share of reserves of investments in associates and joint ventures	–	–	–	–	1,865	1,865	–	1,865
Appropriation to perpetual notes holders	–	–	–	(116,000)	–	(116,000)	–	(116,000)
Transfer from retained earnings	–	–	–	(31,575)	31,575	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	–	(102,850)	(102,850)
	–	–	–	(147,575)	33,440	(114,135)	(81,848)	(195,983)
At 31 December 2016	7,273,701	2,080,969	1,979,325	964,067	(1,418,747)	10,879,315	2,826,481	13,705,796

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital	Share premium	Perpetual notes payable	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
At 1 January 2015	7,273,701	2,080,969	1,979,325	1,015,732	(1,431,364)	10,918,363	2,729,918	13,648,281
Comprehensive income for the year								
Profit for the year	–	–	–	13,711	–	13,711	49,303	63,014
Other comprehensive loss								
Losses arising on revaluation of financial assets at fair value through other comprehensive income	–	–	–	–	(48,602)	(48,602)	–	(48,602)
Exchange differences related to foreign operations	–	–	–	–	(1,374)	(1,374)	(173)	(1,547)
Total comprehensive income/(loss) for the year	–	–	–	13,711	(49,976)	(36,265)	49,130	12,865
Capital contributions	–	–	–	–	–	–	117,807	117,807
Disposal of subsidiaries	–	–	–	–	–	–	(250)	(250)
Acquisition of non-controlling interests	–	–	–	–	(636)	(636)	(9,800)	(10,436)
Appropriation to perpetual notes holders	–	–	–	(116,000)	–	(116,000)	–	(116,000)
Dividends to non-controlling interests	–	–	–	–	–	–	(73,203)	(73,203)
	–	–	–	(116,000)	(636)	(116,636)	34,554	(82,082)
At 31 December 2015	7,273,701	2,080,969	1,979,325	913,443	(1,481,976)	10,765,462	2,813,602	13,579,064

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
Cash flows generated from operating activities			
Profit before income tax		**401,089**	155,290
Adjustments for:			
Depreciation of property, plant and equipment		**2,795,251**	2,500,643
Amortisation of deferred income and deferred losses		**(11,309)**	(11,317)
Amortisation of intangible assets, land use rights and long-term prepaid expenses		**45,655**	31,338
Loss on disposal of property, plant and equipment	4	**1,704**	232
Provision for impairment of receivables		**12,285**	6,503
Foreign exchange loss, net		**10,456**	14,406
Interest income		**(14,808)**	(42,488)
Interest expense		**1,741,878**	1,970,070
Share of profits and losses of associates and joint ventures		**(21,511)**	(9,564)
Others, net		**(14,285)**	595
Changes in working capital:			
Increase in inventories		**(66,272)**	(12,955)
(Increase)/decrease in trade and bills receivables		**(1,541,414)**	1,880,899
(Increase)/decrease in prepayments and other receivables		**(2,846,390)**	102,409
Increase in restricted cash		**(7,660)**	(4,725)
Increase in trade and bills payables		**1,043,852**	884,457
Increase/(decrease) in accruals and other payables		**2,468,555**	(56,313)
Cash generated from operations		**3,997,076**	7,409,480
Interest received		**13,640**	21,797
Income taxes paid		**(127,785)**	(71,751)
Net cash generated from operating activities		**3,882,931**	7,359,526

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		**(6,081,540)**	(5,218,167)
Proceeds from disposal of property, plant and equipment		**21,139**	13,019
Loans to related parties		**–**	(200,000)
Loan to a third party		**–**	(90,000)
Proceeds from repayments of loans from third parties		**65,000**	–
Proceeds from repayments of loans and interest earned from related parties		**375,096**	26,897
Investments in associates		**(20,335)**	–
Dividends received from financial assets at fair value through other comprehensive income		**3,348**	2,480
Asset-related government grants received		**–**	7,566
Proceeds from disposal of a subsidiary		**2,895**	4,750
Collection of receivables from disposal of a subsidiary		**–**	19,000
Decrease in time deposits		**–**	350,000
Dividends received from associates		**18,000**	20,000
Others, net		**–**	5
Net cash used in investing activities		**(5,616,397)**	(5,064,450)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2016**	2015
Cash flows from financing activities			
Cash proceeds from issuance of green corporate bonds, net of issuance costs		**1,996,620**	–
Cash proceeds from issuance of short-term bonds, net of issuance costs		**5,990,333**	4,080,406
Capital contributions from non-controlling interests		**21,152**	117,807
Proceeds from borrowings		**18,169,407**	7,626,799
Repayments of borrowings		**(14,289,395)**	(10,747,753)
Repayments of medium-term notes and short-term bonds		**(8,200,000)**	(4,115,078)
Loans from related parties		**8,453,040**	5,514,800
Repayments of loans from related parties		**(8,147,237)**	(3,313,341)
Dividends paid to perpetual notes holders		**(116,000)**	(116,000)
Dividends paid to non-controlling interests		**(136,759)**	(196,157)
Interest paid		**(1,901,645)**	(2,234,639)
Repayments of working capital provided by related parties		**(16,000)**	(16,000)
Acquisition of non-controlling interests		**–**	(7,426)
Net cash generated from/(used in) financing activities		**1,823,516**	(3,406,582)
Net increase/(decrease) in cash and cash equivalents		**90,050**	(1,111,506)
Cash and cash equivalents at beginning of year		**1,077,788**	2,190,212
Exchange loss on cash and cash equivalents		**(1,629)**	(918)
Cash and cash equivalents at end of year		**1,166,209**	1,077,788
Analysis of balance of cash and cash equivalents:			
Cash and bank balances		**1,166,209**	1,077,788
Cash and cash equivalents as stated in the consolidated statement of cash flows		**1,166,209**	1,077,788

NOTES TO FINANCIAL STATEMENTS

31 December 2016

(Amounts expressed in thousands of RMB unless otherwise stated)

1. CORPORATE INFORMATION

China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (the "**Company**") was established as a joint stock company with limited liability in the People's Republic of China (the "**PRC**") on 9 July 2010, as part of the reorganisation of the wind power generation business of China Datang Group Corporation (中國大唐集團公司) ("**Datang Corporation**"), a limited liability company established in the PRC and controlled by the PRC government. At 31 December 2016, in the opinion of the directors, the ultimate holding company of the Company is Datang Corporation.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in 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 (the "**Hong Kong Stock Exchange**") in December 2010.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

2.1 Basis of preparation (continued)

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

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

2.1.1 Going concern

As at 31 December 2016, the Group's current liabilities exceeded its current assets by approximately RMB14,880.1 million (31 December 2015: RMB13,453.3 million). The Group meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks. The following are the Group's available sources of funds considered by the directors of the Company:

- The Group's expected net cash inflows from operating activities in 2017;

- Unutilised banking facilities of approximately RMB64,004.4 million as at 31 December 2016, of which amounts in aggregate of RMB36,248.0 million are not subject to renewal during the next 12 months from the end of the reporting period. At the date of approval of these financial statements, the directors of the Company were of the opinion that such covenants of unutilised banking facilities have been complied with and are confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing; and

- Other available sources of financing from banks and other financial institutions given the Group's credit history.

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

2.1 Basis of preparation (continued)

2.1.1 Going concern (continued)

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

2.1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

- The contractual arrangement with the other vote holders of the investee;

- Rights arising from other contractual arrangements; and

- The Group's voting rights and potential voting rights.

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

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

2.1 Basis of preparation (continued)

2.1.2 Basis of consolidation (continued)

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

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;

- Derecognises the carrying amount of any non-controlling interests;

- Derecognises the cumulative translation differences recorded in equity;

- Recognises the fair value of the consideration received;

- Recognises the fair value of any investment retained;

- Recognises any resulting surplus or deficit in profit or loss; and

- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised IFRSs (which include International Financial Reporting Standards, International Accounting Standards, and Interpretations and amendments) for the first time for the current year's financial statements:

Amendments to IFRS 10, IFRS 12 and IAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
IFRS 14	*Regulatory Deferral Accounts*
Amendments to IAS 1	*Disclosure Initiative*
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*
Amendments to IAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of IFRSs

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

2.2 Changes in accounting policies and disclosures (continued)

Except for the amendments to IFRS 10, IFRS 12 and IAS 28 (2011), amendments to IFRS 11, IFRS 14, amendments to IAS 16 and IAS 41, amendments to IAS 27 (2011), and certain amendments included in the *Annual Improvements 2012–2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

Amendments to IAS 1

Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in IAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

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

2.2 Changes in accounting policies and disclosures (continued)

Amendments to IAS 16 and IAS 38

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

Annual Improvements to IFRSs 2012–2014 Cycle

Annual Improvements to IFRSs 2012–2014 Cycle issued in October 2014 sets out amendments to a number of IFRSs. Details of the amendments are as follows:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in IFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively.

The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.3 Issued but not yet effective International Financial Reporting Standards

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

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
IFRS 9	*Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[2]
IFRS 16	*Leases*[3]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]

[1] *Effective for annual periods beginning on or after 1 January 2017*
[2] *Effective for annual periods beginning on or after 1 January 2018*
[3] *Effective for annual periods beginning on or after 1 January 2019*
[4] *No mandatory effective date yet determined but available for adoption*

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

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

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 9 Financial Instruments

In September 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

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

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

Amendments to IFRS 10 and IAS 28 (2011) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 and IAS 28 (2011) address an inconsistency between the requirements in IFRS 10 and in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 (2011) was removed by the IASB in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

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

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

Amendments to IFRS 15 Clarifications to IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In June 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018. During the year ended 31 December 2016, the Group performed a preliminary assessment on the impact of the adoption of IFRS 15.

The Group's principal activities consist of the generation and sale of wind power and other renewable power. The effect of adopting the new standard on the Group's total revenue and gross profit is not expected to be material. The Group also does not expect a material impact on the consolidated statement of the financial position.

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

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

IFRS 16 Leases

IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Agreement contains a Lease*, SIC-Int 15 *Operating Leases – Incentive* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

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

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

Amendments to IAS 7 Disclosure Initiative

Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to IAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

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

	Year ended 31 December	
	2016	2015
Sales of electricity	**5,717,847**	5,263,987
Provision of services under energy performance contracts	**40,846**	36,629
Provision of services under concession arrangements	**5,688**	247,244
Other revenues *(Note)*	**21,745**	40,405
	5,786,126	5,588,265

Note:

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

(b) Segment information

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

The Executive Management considers the performance of all businesses on a consolidated basis as all other renewable power businesses except the wind power business were relatively insignificant for the years ended 31 December 2016 and 2015. Therefore, the Group has one single reportable segment which is the wind power segment.

The Company is domiciled in the PRC. During the year ended 31 December 2016, substantially all (2015: substantially all) of the Group's revenue was derived from external customers in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

At 31 December 2016, substantially all (2015: substantially all) of the non-current assets were located in the PRC.

For the year ended 31 December 2016, all (2015: all) revenue from the sales of electricity was charged to the provincial power grid companies in which the group companies operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

4. OTHER INCOME AND OTHER GAINS, NET

	Year ended 31 December	
	2016	2015
Income/(loss) from Clean Development Mechanism ("**CDM**") Projects:		
– Income during the year	**–**	3,784
– Foreign exchange losses, net	**710**	(1,483)
– Provision for impairment of receivables	**(10,765)**	(6,503)
	(10,055)	(4,202)
Government grants	**175,986**	104,558
Dividend from financial assets at fair value through other comprehensive income	**3,348**	2,480
Gain on disposal of subsidiaries	**45**	–
Compensation from a wind turbine supplier *(Note)*	**11,359**	20,545
Loss on disposal of property, plant and equipment	**(1,704)**	(232)
Others	**10,267**	(6,303)
	189,246	116,846

Note:

Compensation from a wind turbine supplier represents compensation for revenue losses incurred due to the delays of the provision of maintenance services and poor conditions of spare parts, within the relevant manufacturer warranty period.

(Amounts expressed in thousands of RMB unless otherwise stated)

5. FINANCE INCOME/FINANCE COSTS

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

	Year ended 31 December	
	2016	2015
Finance income		
Interest income on deposits with banks and other financial institutions	**13,640**	21,797
Interest income on loans	**1,168**	20,691
Interest income from finance lease receivables	**2,984**	3,228
	17,792	45,716
Finance expenses		
Interest expenses	**(1,907,936)**	(2,224,535)
Less: Interest expenses capitalised in property, plant and equipment and intangible assets	**166,058**	254,465
	(1,741,878)	(1,970,070)
Foreign exchange losses, net	**(11,166)**	(14,406)
	(1,753,044)	(1,984,476)
Finance expenses, net	**(1,735,252)**	(1,938,760)
Interest capitalisation rate	**4.41% to 6.00%**	4.17% to 5.55%

(Amounts expressed in thousands of RMB unless otherwise stated)

6. INCOME TAX EXPENSE

	Year ended 31 December	
	2016	2015
Current tax		
PRC enterprise income tax	**99,590**	87,999
Underprovision for prior years	**10,639**	4,227
	110,229	92,226
Deferred tax		
(Reversal)/recognition of temporary differences	**(1,914)**	50
Income tax expense	**108,315**	92,276

For the year ended 31 December 2016, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 15% (2015: 7.5% to 15%), all other subsidiaries established in the PRC were subject to an income tax rate of 25% (2015: 25%). Tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the counties in which the Group operates.

For the year ended 31 December 2016, the associates and joint ventures were subject to an income tax rate of 25% (2015: 25%), and the share of income tax expense of associates and joint ventures of nil (2015: Nil) and RMB5.4 million (2015: RMB2.4 million) respectively, was included in “Share of profits and losses of associates and joint ventures”.

(Amounts expressed in thousands of RMB unless otherwise stated)

6. INCOME TAX EXPENSE (CONTINUED)

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

	Year ended 31 December	
	2016	2015
Profit before taxation	**401,089**	155,290
Taxation calculated at the statutory tax rate	**100,272**	38,822
Income tax effects of:		
– Preferential income tax treatments	**(105,167)**	(84,067)
– Income not subject to tax	**(2,480)**	(2,054)
– Expenses not deductible for tax purpose	**3,948**	3,657
– Tax losses and temporary differences for which no deferred income tax asset was recognised	**140,437**	134,544
– Utilisation of previously unrecognised tax losses and temporary differences	**(39,334)**	(2,853)
– Underprovision for prior years	**10,639**	4,227
	108,315	92,276
Weighted average effective income tax rate	**27%**	59%

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in this year and were entitled to income tax exemption pursuant to the preferential regulation in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(a) Basic

The basic earnings per share amount is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of shares in issue during the year.

	Year ended 31 December	
	2016	2015
Profit attributable to owners of the parent	**198,199**	13,711
Weighted average number of ordinary shares in issue *(thousands of shares)*	**7,273,701**	7,273,701
Basic earnings per share *(RMB)*	**0.0272**	0.0019

(b) Diluted

The diluted earnings per share amounts for the years ended 31 December 2016 and 2015 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

8. DIVIDENDS

	Year ended 31 December	
	2016	2015
Proposed final – RMB0.012 (2015: Nil) per ordinary share	**87,284**	–

The dividend paid by the Company in 2016 was nil (2015: Nil).

A dividend in respect of the year ended 31 December 2016 of RMB0.012 per ordinary share, amounted to a total dividend of RMB87.3 million, is subject to approval of the Company's shareholders at the forthcoming annual general meeting (the "**AGM**"). These consolidated financial statements do not reflect this dividend payable.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2016	2015
Trade receivables	**2,655,311**	1,241,664
Bills receivable	**147,532**	97,530
	2,802,843	1,339,194
Less: Provision for doubtful debts	**(2,328)**	(2,328)
	2,800,515	1,336,866

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 trade and bills receivables of the Group are all denominated in RMB. The fair values of the trade and bills receivables approximate to their carrying amounts.

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

Settlements of certain trade receivables due from the local power grid companies are subject to the allocation of government designated funds by the relevant government authorities to the local gird companies and tariff surcharge payable by the end users, which consequently takes a relatively long time for the grid companies to make settlement. Effective from March 2012, the application, approval and settlement of the tariff premium are subject to certain procedures as promulgated by Caijian [2012] No. 102 *Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy* ("可再生能源電價附加補助資金管理暫行辦法"). Caijian [2013] No. 390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff premium. At 31 December 2016, most of the operating projects of the Group have been approved for the tariff premium and certain projects were 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 bad debt experiences in the past and the tariff premium is funded by the PRC government.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

	As at 31 December	
	2016	2015
Within 1 year	**2,391,619**	1,173,898
Between 1 and 2 years	**328,412**	126,833
Between 2 and 3 years	**60,300**	28,869
Over 3 years	**22,512**	9,594
	2,802,843	1,339,194

At 31 December 2016, trade and bills receivables of RMB408.9 million (2015: RMB163.0 million) were past due but not impaired. The ageing analysis of these trade and bills receivables is as follows:

	As at 31 December	
	2016	2015
Past due within 1 year	**328,412**	126,833
Past due over 1 year	**80,484**	36,135
	408,896	162,968

At 31 December 2016, a trade receivable of RMB2.3 million (2015: RMB2.3 million) was fully impaired, which represented a past due tariff receivable from a power grid company in dispute. It was assessed that the receivable was not recoverable.

At 31 December 2016 and 2015, the Group has pledged a portion of their tariff collection rights as security for certain bank and other loans (Note 11(c)).

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

(Amounts expressed in thousands of RMB unless otherwise stated)

10. TRADE AND BILLS PAYABLES

	As at 31 December	
	2016	2015
Trade payables	**147,793**	93,417
Bills payable	**2,214,362**	1,224,886
	2,362,155	1,318,303

At 31 December 2016 and 2015, substantially all of the trade and bills payables were aged within one year based on their invoice dates, and were denominated in RMB.

The fair values of the trade and bills payables approximate to their carrying amounts.

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	As at 31 December	
	2016	2015
Bank loans		
– Unsecured	**18,602,201**	15,326,767
– Guaranteed *(Note 11(c))*	**2,360,339**	2,593,597
– Secured	**5,665,831**	5,400,121
	26,628,371	23,320,485
Other loans		
– Unsecured	**3,039,969**	2,117,070
– Guaranteed *(Note (i))*	**3,000,000**	3,932,486
– Secured *(Note (ii))*	**2,640,099**	2,941,915
	8,680,068	8,991,471
Corporate bonds – unsecured *(Note (iii))*	**1,996,982**	4,195,638
Total long-term borrowings	**37,305,421**	36,507,594

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(a) Long-term borrowings (continued)

	As at 31 December	
	2016	2015
Less: Current portion of long-term borrowings *(Note 11(b))*		
– Bank loans	**(2,987,044)**	(2,371,509)
– Other loans	**(158,440)**	(216,422)
– Corporate bonds	**–**	(4,195,638)
	(3,145,484)	(6,783,569)
Total non-current portion of long-term borrowings	**34,159,937**	29,724,025

Notes:

(i) At 31 December 2016, included in other loans, there was no borrowing from ICBC Financial Leasing Company Limited (工銀金融租賃有限公司) for the constructions of designated wind farms guaranteed by the Company (2015: RMB932.5 million). Pursuant to the related loan agreements, certain property, plant and equipment of relevant wind farms were pledged as security. Prior to the period before the pre-determined criteria were met, these borrowings were all guaranteed by the Company. At 31 December 2016, these borrowings were transferred into secured loans due to the pre-determined criteria were met; and cash amounting to RMB48.7 million (2015: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

In addition, at 31 December 2016, the borrowings from Pingan Assets Management Co., Ltd. amounting to RMB3 billion (2015: RMB3 billion) were guaranteed by Datang Corporation.

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

(a) Long-term borrowings (continued)

Notes: (continued)

(ii) At 31 December 2016, included in secured other loans were borrowings amounting to RMB987.0 million (31 December 2015: RMB1,093.6 million) due to Datang Financial Leasing and RMB1,477.8 million (31 December 2015: RMB1,620.2 million) from ICBC Financial Leasing Company Limited, which allows certain subsidiaries of the Company sell and lease back certain property, plant and equipment to and from the lenders for periods ranging from 10 to 13 years. The underlying property, plant and equipment will be transferred to the relevant group companies at a notional consideration of RMB1.00 at the end of the lease term. In accordance with *SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease*", proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement.

At 31 December 2016 and 2015, deferred loss and revenue recognised represented the adjustments for the present values of these borrowings, and were included in "Prepayments and other receivables" and "Accruals and other payables" in the consolidated statement of financial position, respectively.

(iii) The Company issued green corporate bonds amounting to RMB1,000 million, RMB500 million and RMB500 million with a unit par value of RMB100 each for cash on 14 September 2016, 28 September 2016 and 21 October 2016, respectively. The annual interest rates for these green corporate bonds were 3.50%, 3.15% and 3.10%, respectively.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(b) Short-term borrowings

	As at 31 December	
	2016	2015
Bank loans		
– unsecured	**2,100,000**	473,000
	2,100,000	473,000
Short-term bonds – unsecured *(Note)*	**4,020,821**	2,017,417
Other loans – unsecured	**900,000**	1,300,000
Current portion of long-term borrowings *(Note 11(a))*	**3,145,484**	6,783,569
	10,166,305	10,573,986

Note:

On 18 June 2015, the Company issued short-term bonds with a unit par value of RMB100 each for cash of RMB2,000.0 million, net of issuance cost of RMB3.0 million. These bonds had annual coupon rates of 4.90% and 5.25%, and are matured in September 2016.

On 15 March 2016, 13 September 2016 and 7 November 2016, the Company issued short-term bonds with a par value of RMB100 each for RMB2,000.0 million, net of issuance cost of RMB9.7 million. These bonds have annual coupon rates ranging from 2.60% to 2.94%. The first issued coupon RMB2,000.0 million has already matured in September 2016, and the remaining of RMB4,000.0 million will mature in 2017.

The estimated fair values of short-term borrowings approximate to their carrying amounts.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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

At 31 December 2016, the effective interest rates per annum on borrowings are as follows:

	As at 31 December	
	2016	2015
Long-term		
Bank loans	**2.82%–6.00%**	4.17%–6.56%
Other loans	**4.41%–5.76%**	4.15%–7.21%
Corporate bonds	**3.10%–3.50%**	5.4%
Short-term		
Bank loans	**3.92%–4.41%**	3.92%–4.90%
Other loans	**4.41%–4.90%**	4.14%–4.59%
Short-term bonds	**2.60%–2.94%**	3.08%

At 31 December 2016, details of the Group's guaranteed borrowings are as follows:

	As at 31 December	
	2016	2015
Guarantor		
– The Company*	**1,982,685**	2,159,425
– Non-controlling interests of subsidiaries and ultimate holding companies of non-controlling interests	**377,654**	434,172
	2,360,339	2,593,597

* At 31 December 2016, guaranteed loans by the Company amounting to RMB42.0 million (2015: RMB50.0 million) were counter guaranteed by non-controlling interests of a subsidiary.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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

At 31 December 2016, the Group has pledged certain assets as collateral to certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans As at 31 December		**Other loans As at 31 December**	
	2016	2015	**2016**	2015
Property, plant and equipment	**2,427,917**	2,601,891	**3,390,397**	2,970,555
Concession assets	**245,214**	260,496	**–**	–
Tariff collection rights	**414,716**	181,384	**131,858**	63,196
	3,087,847	3,043,771	**3,522,255**	3,033,751

At 31 December 2016, long-term borrowings were repayable as follows:

	As at 31 December	
	2016	2015
Within 1 year	**3,145,484**	6,783,569
After 1 year but within 2 years	**4,791,937**	2,763,218
After 2 years but within 5 years	**15,979,172**	10,819,383
After 5 years	**13,388,828**	16,141,424
	37,305,421	36,507,594

At 31 December 2016, the carrying amounts of borrowings were denominated in the following currencies:

	As at 31 December	
	2016	2015
RMB	**44,232,427**	40,166,284
USD	**93,815**	131,727
	44,326,242	40,298,011

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Overview

In 2016, the national electricity consumption was 5,919.8 billion kWh, representing a year-on-year increase of 5.0%. Supply-side structural reform in the PRC is moving ahead. Industrial structure adjustment and transformation and upgrading continued achieving satisfactory results, and continuous adjustments were made to the power consumption structure.

In 2016, the capacity of national power generation equipment on a fully operational basis was 1,645.75 million kW, representing a year-on-year increase of 8.2%, while the growth rate was 2.2 percentage points lower than that of 2015. In 2016, national power new production capacity (officially put into operation) amounted to 120.61 million kW, including newly-added installed capacity of wind power of 23.37 million kW, contributing to the total installed capacity of wind power of 169 million kW; and thermal power of 48.36 million kW, 15.64 million kW lower than that of the last year. The relevant national policies on control of coal power construction have obtained achievements.

In 2016, the wind power generation capacity in the PRC was 241.0 billion kWh, representing a year-on-year increase of 30.1%; and solar power generation capacity was 66.2 billion kWh, representing a year-on-year increase of 72.0%. The clean energy power generation capacity in the PRC kept rapid growth. In 2016, the consumption proportion of clean energy including hydropower, wind power, nuclear power and natural gas was 1.6 percentage points higher than that of the last year.

In 2016, the State issued the "Thirteenth Five-year" Plan for Power Development (《電力發展「十三五」規劃》), which sets out that, by 2020, the national wind power installed capacity will be above 210 million kW, the offshore wind power will reach approximately 5 million kW, and the installed solar power capacity will be over 110 million kW. It is expected that the annual increase in new energy will be over 20 million kW and the new energy industry including wind power and solar power will continue to grow. The national "Thirteenth Five-year" Plan for Wind Power Development (《風電發展「十三五」規劃》) states that the large scale development of onshore wind power will be accelerated in Central Eastern and Southern China. By 2020, the accumulated grid connection capacity in the provinces and cities in Central Eastern and Southern China will be over 70 million kW. Meanwhile, the problem of wind curtailment will be effectively solved, and further efforts will be exerted to scale up trans-provincial and trans-regional power transmission. The "Three Northern" regions will completely meet the requirement on minimum guaranteed purchase of utilization hours. In the meantime, the "Thirteenth Five-year" Plan for Solar Power Development 《太陽能發展「十三五」規劃》 proposes to promote diversified application of photovoltaic power generation, and thus the solar power market will see explosive growth.

Subsequent to the issuance of the Several Opinions of the Central Committee of the Communist Party of China and State Council on Further Deepening the Reform of the Electric Power System (《中共中央國務院關於進一步深化電力體制改革的若干意見》), the Notice of the National Development and Reform Commission and National Energy Administration on Printing and Distributing Supporting Documents for Power System Reform (《國家發展改革委國家能源局關於印發電力體制改革配套文件的通知》) and other policy documents in 2015, the power system reform was further accelerated and substantive breakthrough was achieved in the power market. On 1 March 2016, Beijing Electricity Trading Center and Guangzhou Electricity Trading Center were established. Later, provincial electricity trading centers were successively set up. On 8 October 2016, the National Development and Reform Commission and National Energy Administration issued the notice on printing and distributing the Measures for Administration of Access and Exit of Electricity Sales Company (《售電公司准入與退出管理辦法》) and the Measures for Administration of Orderly Release of Power Distribution Network Business (《有序放開配電網業務管理辦法》), marking a new level of power system reform in the PRC. The electricity sales side market will be comprehensively launched.

II. Business Review

As at 31 December 2016, the Group's consolidated installed capacity amounted to 8,497.92 MW, representing an increase of 18.83% over the same period in last year. Electricity generation throughout the year amounted to 12,297 GWh, representing a year-on-year increase of 14.27%. The average on-grid tariff (tax inclusive) of the Group was RMB576.27/MWh. Profit attributable to equity holders of the Company amounted to RMB198.20 million.

1. Stable pattern in safe production maintained

In 2016, the Group deepened risk control assessment and carried out special activities including inspection of production safety to continuously consolidate its management foundation. It continued to pay much attention to equipment management, resulting in a substantial drop in the equipment failure rate, and the availability of wind turbine maintained at a relatively high level. Due to the proactive technological transformation for improving the efficiency of wind turbines, the power generation capacity of projects improved obviously.

For the year of 2016, the power generation capacity totaled 12,297 GWh, recording a year-on-year rise of 14.27%. The wind power generation capacity reached 12,077 GWh, recording a year-on-year rise of 14.46%. The wind power curtailment ratio increased from 19.73% in 2015 to 21.19%. The utilisation hours of wind power throughout the year reached 1,755 hours, increasing by 10 hours compared with that of last year.

As at 31 December 2016, the consolidated power generation of the Group by geographical area was as follows:

Region	**Consolidated power generation as at the end of 2016** ***(GWh)***	Consolidated power generation as at the end of 2015 *(GWh)*	Rate of change in consolidated power generation *(%)*
Total	**12,297**	10,761	14.27%
Wind power	**12,077**	10,551	14.46%
Inner Mongolia	**4,783**	4,646	2.95%
Heilongjiang	**754**	612	23.20%
Jilin	**926**	967	-4.24%
Liaoning	**624**	534	16.85%
Gansu	**863**	685	25.99%
Ningxia	**673**	413	62.95%
Shaanxi	**188**	170	10.59%
Shanxi	**588**	458	28.38%
Hebei	**224**	96	133.33%
Henan	**225**	240	-6.25%
Hubei	**40**	–	–
Anhui	**77**	67	14.93%
Guangxi	**137**	44	211.36%
Guizhou	**11**	–	–
Yunnan	**424**	324	30.86%
Chongqing	**21**	–	–
Guangdong	**92**	76	21.05%
Shandong	**955**	878	8.77%
Shanghai	**470**	341	37.83%
Photovoltaic	**191**	181	5.52%
Jiangsu	**18**	17	5.88%
Ningxia	**71**	72	-1.39%
Qinghai	**85**	92	-7.61%
Shanxi	**17**	–	–
Gas	**29**	28	3.57%
Shanxi	**29**	28	3.57%

As at 31 December 2016, the average utilisation hours of the Group by region were as follows:

Region	**Average utilisation hours in 2016** *(hours)*	Average utilisation hours in 2015 *(hours)*	Year-on-year change in average utilisation hours *(hours)*
Total	**1,753**	1,745	8
Wind power	**1,755**	1,745	10
Inner Mongolia	**1,869**	1,931	-62
Heilongjiang	**1,742**	1,527	215
Jilin	**1,429**	1,492	-63
Liaoning	**1,915**	1,640	275
Gansu	**1,161**	1,174	-13
Ningxia	**1,643**	1,550	93
Shaanxi	**1,901**	1,719	182
Shanxi	**1,981**	1,860	121
Hebei	**2,263**	1,726	537
Henan	**2,228**	2,383	-155
Hubei	**2,121**	–	–
Anhui	**1,614**	1,392	222
Guangxi	**1,920**	1,987	-67
Guizhou	**2,206**	–	–
Yunnan	**2,123**	2,364	-241
Chongqing	**2,325**	–	–
Guangdong	**1,854**	1,532	322
Shandong	**1,702**	1,653	49
Shanghai	**2,304**	2,782	-478
Photovoltaic	**1,476**	1,544	-68
Jiangsu	**990**	925	65
Ningxia	**1,445**	1,467	-22
Qinghai	**1,607**	1,849	-242
Shanxi	**1,665**	–	–
Gas	**5,822**	5,617	205
Shanxi	**5,822**	5,617	205

2. *New breakthrough in early stage development*

In 2016, The Group focused on the development requirement of optimisation and adjustment, continuously optimizing regional structure and industrial structure. The capacity of approved new projects was 868.5 MW, among which the proportion of approved project in regions not subject to electricity limitation was 80%. As at 31 December 2016, the Group had accumulated approved reserves of wind power of 3,685.7 MW in aggregate.

Region	**Capacity approved but not put into production** *(MW)*	**Cumulative approved capacity in 2016** *(MW)*
Inner Mongolia	499.0	–
Heilongjiang	287.0	49.5
Jilin	49.5	–
Liaoning	281.5	106.0
Hebei	447.0	99.0
Gansu	200.0	200.0
Ningxia	297.5	–
Henan	42.0	85.0
Chongqing	49.5	–
Shanxi	249.0	–
Shaanxi	150.0	100.0
Yunnan	97.5	–
Shandong	193.5	49.5
Jiangsu	300.0	–
Anhui	193.0	–
Fujian	48.0	–
Guangxi	148.5	49.5
Guizhou	48.0	–
Qinghai	49.5	20.0
Beijing	49.7	20.0
Hainan	6.0	–
Tianjin	–	40.0
Tibet	–	50.0
Total	3,685.7	868.5

In 2016, the Group initiated solar power and other businesses while focusing on development of wind power business. As at 31 December 2016, the approved capacity of the Group's solar power but not put into production was 280 MW.

3. Rapid growth of installed capacity

In 2016, the new grid connection capacity and capacity qualified for grid connection of the Group was 1,346.50 MW and the accumulated installed capacity exceeded 8,497.92 MW, hitting a new historic record.

As at 31 December 2016, the consolidated installed capacity of the Group by region was as follows:

Region	**Consolidated installed capacity as at the end of 2016** *(MW)*	Consolidated installed capacity as at the end of 2015 *(MW)*	Rate of change in consolidated installed capacity *(%)*
Total	**8,497.92**	7,151.42	18.83%
Wind power	**8,345.45**	7,028.95	18.73%
Inner Mongolia	**2,754.05**	2,605.55	5.70%
Eastern Inner Mongolia	**1,949.75**	1,801.25	8.24%
Western Inner Mongolia	**804.30**	804.30	0.00%
Northeast China	**1,522.90**	1,374.90	10.76%
Heilongjiang	**501.00**	401.00	24.94%
Jilin	**648.10**	648.10	0.00%
Liaoning	**373.80**	325.80	14.73%
Central and Western China	**2,906.30**	2,233.80	30.11%
Gansu	**845.80**	845.80	0.00%
Ningxia	**497.50**	497.50	0.00%
Shaanxi	**149.00**	99.00	50.51%
Shanxi	**576.00**	297.00	93.94%
Hebei	**99.00**	99.00	0.00%
Henan	**100.75**	100.75	0.00%
Hubei	**48.00**	–	–
Anhui	**48.00**	48.00	0.00%
Guangxi	**148.00**	49.50	198.99%
Guizhou	**48.00**	–	–
Yunnan	**296.25**	197.25	50.19%
Chongqing	**50.00**	–	–

Region	**Consolidated installed capacity as at the end of 2016** *(MW)*	Consolidated installed capacity as at the end of 2015 *(MW)*	Rate of change in consolidated installed capacity *(%)*
South-East Coastal Areas	**1,162.20**	814.70	42.65%
Guangdong	**49.50**	49.50	0.00%
Shandong	**860.50**	561.00	53.39%
Fujian	**48.00**	–	–
Shanghai	**204.20**	204.20	0.00%
Photovoltaic Power Generation	**147.47**	117.47	25.54%
Jiangsu	**18.47**	18.47	0.00%
Ningxia	**49.00**	49.00	0.00%
Qinghai	**60.00**	50.00	20.00%
Shanxi	**20.00**	–	–
Gas Power Generation	**5.00**	5.00	0.00%
Shanxi	**5.00**	5.00	0.00%

4. ***Significant enhancement of profitability***

The Company continuously strengthened the region structure adjustment, actively promoting the development of project resource in central and eastern regions which are not subject to electricity restriction. The acceleration in respect of putting new project into production significantly improved the Company's profitability. Due to the strict control over equipment management, the availability rate of utilizable wind turbines was continuously enhanced. The Company proactively conducted efficiency improvement and technological transformation for wind turbines, giving rise to obvious improvement of power generation capacity of equipment. In addition, more efforts were exerted for comprehensive budget management, and the controllable cost therefore decreased constantly. The Company proactively broadened its financing channels and fully exerted the national policies on interest rate to make financing arrangements, giving rise to continued reduction in financing costs.

5. ***Management innovation deepened thoroughly***

Management innovation was deepened. A joint innovation center was established through cooperation with Huawei to jointly build an "informationized, intelligent, professional and international" platform for innovation in terms of technology and management, which set an example for giving play to technological support and leading effects for the development of new energy industry in the PRC and promoted upgrade and transformation of the platform for management and control of production safety. The Company proactively conducted innovation in respect of independent maintenance model in the warranty period of wind turbines, contributing to year-on-year increase in equipment availability and power generation.

III. Management Discussion And Analysis On Financial Position And Operating Results

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

1. ***Overview***

The Group's profit for 2016 amounted to RMB292.77 million, representing an increase of RMB229.76 million as compared that of RMB63.01 million in 2015. Profit attributable to the owners of the parent amounted to RMB198.20 million.

2. ***Revenue***

The Group's revenue increased by 3.54% to RMB5,786.13 million in 2016 compared with RMB5,588.27 million in 2015, primarily due to increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 8.62% to RMB5,717.85 million in 2016 compared to RMB5,263.99 million in 2015, primarily due to the increase in capacity put into operation.

3. ***Other income and other gains, net***

The Group's other income and other gains, net increased by 61.96% to RMB189.25 million in 2016 compared to RMB116.85 million in 2015, primarily due to the year-on-year increase in government grants obtained for the current period.

The Group's government grants increased by 68.31% to RMB175.99 million in 2016 compared to RMB104.56 million in 2015, primarily due to the increase in value-added tax refund obtained during the year.

4. *Operating expenses*

The Group's operating expenses (excluding service concession construction costs) increased by 14.27% to RMB3,854.85 million in 2016 compared to RMB3,373.38 million in 2015, mainly due to the increase in depreciation and amortisation charges as a result of higher installed capacity.

The Group's depreciation and amortisation charges increased by 12.26% to RMB2,829.60 million in 2016 compared to RMB2,520.66 million in 2015, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 7.81% to RMB448.85 million in 2016 compared to RMB416.33 million in 2015, primarily due to the increase in expensed labour cost as a result of increase in capacity put into operation.

The Group's other operating expenses increased by 27.80% to RMB331.84 million in 2016 compared to RMB259.65 million in 2015, primarily due to the increase in expensed administrative costs as a result of increase in capacity put into operation.

5. *Operating profit*

The Group's operating profit increased by 1.46% to RMB2,114.83 million in 2016 compared to RMB2,084.49 million in 2015, mainly due to the increase in electricity sales revenue as a result of increase in installed capacity.

6. *Finance expenses, net*

The Group's net finance expenses decreased by 10.50% to RMB1,735.25 million compared with RMB1,938.76 million in 2015, primarily due to the combined residual effects of interest rate reduction by the People's Bank of China and debt restructuring by the Group.

7. *Share of profits of associates and joint ventures*

The Group recorded a profit of RMB21.51 million in share of profit of associates and joint ventures in 2016 as compared with RMB9.56 million in 2015, primarily due to the enhanced operating results of associates and joint ventures.

8. *Income tax expense*

The Group's income tax expense was RMB108.32 million in 2016, representing an increase by 17.38% from RMB92.28 million in 2015. This was mainly due to the fluctuation in profits, together with the mixed commencement and expiration of tax reliefs for certain subsidiaries of the Company located in regions with preferential income tax rates.

9. *Profit for the year*

The Group's profit for the year increased by RMB229.76 million to RMB292.77 million in 2016 compared to the profit of RMB63.01 million in 2015. For the year ended 31 December 2016, the Group's profit for the year as a percentage of its total revenue (excluding revenue from provision of services under concession arrangements) increased to 5.06% as compared with that of 1.18% in 2015.

10. *Profit attributable to the owners of the parent*

The profit attributable to the owners of the parent increased by RMB184.49 million to RMB198.20 million in 2016 compared to the profit of RMB13.71 million in 2015.

11. *Profit attributable to non-controlling interests*

The profit attributable to non-controlling interests of the Group increased by 91.82% to RMB94.58 million in 2016 compared to RMB49.30 million in 2015.

12. Liquidity and capital sources

As at 31 December 2016, the Group's cash and cash equivalents increased by 8.20% to RMB1,166.21 million compared to RMB1,077.79 million as at 31 December 2015. The main sources of the Group's operating capital are revenue from the sales of electricity.

As at 31 December 2016, the Group's borrowings increased by 10.00% to RMB44,326.24 million compared to RMB40,298.01 million as at 31 December 2015. In particular, RMB10,166.30 million (including RMB3,145.48 million of long-term borrowings due within one year) was short-term borrowings, and RMB34,159.94 million was long-term borrowings. The above borrowings include borrowings of RMB44,232.43 million denominated in RMB and borrowings of RMB93.81 million denominated in USD.

As at 31 December 2016, the Group has unutilised financing facilities amounting to approximately RMB64,004.45 million, of which approximately RMB36,248.02 million are not subject to renewal in 12 months from the approval of financial statements of the Group.

13. Capital expenditure

The Group's capital expenditure increased by 28.22% to RMB8,525.33 million in 2016 compared to RMB6,649.21 million in 2015. Capital expenditure mainly comprises construction costs including acquisition or construction of property, plant and equipment, land use rights and intangible assets.

14. Net gearing ratio

The Group's net gearing ratio (net debt (total borrowings less cash and cash equivalents) divided by the sum of net debt and total equity) was 75.90% in 2016, 1.62 percentage points higher than 74.28% as in 2015.

15. Significant investment

In 2016, the Group made no significant investment.

16. Material acquisition and disposal

In 2016, the Group had no material acquisition or disposal.

17. Pledge of assets

Some of our bank loans and other loans are secured by property, plant and equipment, intangible assets and electricity tariff collection rights. As at 31 December 2016, net carrying value of the pledged assets amounted to RMB6,610.10 million.

18. Contingent liabilities

As at 31 December 2016, the Group had no material contingent liabilities.

IV. Risk Factors And Risk Management

1. Policy risk

Since 2005, the Chinese government has increasingly strengthened the policy support to the renewable energy industry and implemented a series of preferential measures to bolster the development of domestic wind power projects, including compulsory grid connections, on-grid tariff subsidies and preferential tax policies. Although the Chinese government has repeatedly reiterated that it would continue to intensify its support for the development of the wind power industry, it is possible that the current preferential measures and favourable policies will be altered or repealed without any prior notice. In addition, the Chinese government has recently been continuously deepening the reform of electric power system, and the competition mechanism among power-generation enterprises, including renewable energy, is taking shape at a fast pace. On 22 December 2015, the National Development and Reform Commission issued the Notice on Improving the Benchmark Feed-in Tariff Policy for Grid Connection of Onshore Wind Power and PV Power《關於完善陸上風電、光伏發電上網標杆電價政策的通知》, the electricity price of future new energy projects will be gradually reduced and hence has an indefinite influence on the income of the Company.

2. Grid curtailment risk

As the wind farm construction progress in certain regions did not match with the progress of grid construction and regional consumption capacity, it is difficult to consume and transmit all the potential electricity that could be generated when wind farms run at full load, thus hindering the power transmission upon completion of relevant projects of the Group. In addition, the slow increase in social power consumption and the rapid increase in generation capacity might result in the failure of full consumption of energy output from the Group's power generating projects operating at full load.

3. Technological risk

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

4. Competition risk

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

5. Risks related to geographical concentration of wind power projects

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

6. Climate risk

The commercial viability and profitability of the Group's wind farms are highly dependent on suitable wind resources and weather conditions. The Group's investment decisions for each wind power project are based on the findings of feasibility studies conducted on site before starting construction. The material deviation of actual climatic conditions, particularly the wind resource conditions at the project site, from the findings of these feasibility studies may adversely affect forecasted profitability of projects.

7. ***Project construction risk***

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

8. ***Risks related to safety management***

The Group has transformed its business from solely focusing on wind power generation to primarily focusing on wind power with a diversified portfolio including solar power, biomass, CBM, and EPC. With the increase of hazard sources and dangerous points, the Group will put more efforts in scientific research and promote the establishment and improvement of our production safety management system through thorough integrating studies and practical experience.

9. ***Risks related to exchange rate and interest rate***

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

10. ***Risks related to high gearing ratio***

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

V. Outlook On The Group's Future Development

1. Opportunities faced by the Group

In respect of national policy, with the formal effectiveness of Paris Agreement, the goal of achieving the share of non-fossil energy in the total primary energy consumption of 15% and 20% in 2020 and 2030, respectively, will become the statutory obligation and binding indicator that must be accomplished by governments at all levels in the PRC. To achieve this goal, the state will accelerate the implementation of renewable energy quota and assessment mechanism, and policies on guaranteed acquisition and promotion of consumption. The National Carbon Emissions Trading Market will be officially put into operation and the accelerated implementation of "Go Global" strategy for energy will provide powerful policy guarantee for the development of new energy industry.

Regarding national industry policy, as domestic new technologies including large impeller, mixed tower and flexible tower become mature continuously, the wind power generation units will be further enhanced, providing significant technical support for the development of wind power in the regions with a low wind speed. In virtue of technological progress, the conversion efficiency of solar modules will be constantly promoted, and the prices will stay at a low level. In particular, the rapid progress of new energy grid connection technology and energy storage and micro-grid technologies and the innovative application of "Internet Plus" smart energy technology have resulted in reform of the development model of new energy industry and provided strong power for the development of new energy industry.

In terms of financial situation, it was proposed at the Central Economic Work Conference to further implement proactive fiscal policy and prudent monetary policy, to reduce taxes imposed on enterprises, and capital cost is still at a low level. The state vigorously builds green financial systems and all government departments have successively promulgated policies and regulations to support development of green finance. The emergence of green development fund, green bonds, carbon finance and other diversified ways of financing will provide strong financial support for the development of new energy industry.

From the view of internal situation of the Company, due to the accelerated quality and efficiency enhancement in recent years, the regional distribution of the Company has been gradually optimised, operating results have been continuously enhanced and the management foundation has also been consolidated. In addition to the continuous enhancement of the awareness of development, overall situation, responsibility and innovation of the teams at all levels, the self-confidence and cohesiveness of staff team has also been further enhanced. With a down-to-earth attitude and with a view to be first rate, the staff have presented a brand new positive situation of flourishing, and provided powerful spiritual impetus for the Company to become stronger and better.

MAIN TASKS IN 2017

The Company's overall working frames in 2017 are as follows: firmly grasping the opportunities for development in the national new energy industry and fully implementing the spirits of the 2017 Work Conference of the Group, we will take the structural adjustment and efficiency enhancement as the mainstreams, driven by comprehensive reinforcement of innovation and guaranteed by reinforcement of Party building, team building and culture building, and devote more efforts to elevating the development, construction and marketing level in the early stage, with a view to realizing comprehensive upgrading of the scale, efficiency and management level, thus laying solid foundation for accelerating the building into a first-class new energy listed company.

In 2017, we will focus on the following matters:

(I) To take the structural adjustment and efficiency enhancement as the mainstreams, we must unswervingly stick to the development philosophy, put more efforts into accelerating the project approval and construction and enhance the quality and efficiency of development.

We will rigidly implement the approval and commissioning targets through accelerating the acquisition and exploitation of wind power resources in Central Eastern China and Southern China, lift the proportion of photovoltaic projects and quicken the development of offshore and overseas projects. Moreover, we will actively expand the dispersed layout of photovoltaic projects and projects of heat-supplying using idle wind power units, and focus on lifting the qualities in terms of pre-feasibility research, preliminary design, optimal design, installation and commissioning and transfer production, in order to achieve synchronous upgrading of scale, layout, efficiency and management.

(II) To take the comprehensive reinforcement of innovation as the driving force, we must fully implement the innovation-driven strategy and establish the innovation awareness.

According to the innovation and development strategy, we will design various development modes, such as self-construction, cooperative development and project acquisitions. We will intensify financial innovation and proactively expand financing channels, so as to provide funds for the Company's development. To strengthen technological innovation, we will actively carry out the research on power generation technology in low-wind-speed regions, upgrading efficiency of wind turbines, Internet Plus and intelligent and integrated power energy control technology, so as to expedite the improvement on efficiency of the Company's turbines, as well as create a new profit growth point. To speed up innovations in management systems and endeavor to promote the production management upgrade, we will build industry-leading management standards and modes and enhance the influence in the industry.

(III) To elevate the development, construction and marketing level in the early stage.

Seizing on the historic opportunity for development, we will speed up project approval and resource reserves, further deepen the management of project approval process and continuously improve the speed and quality at the early stage of development, so as to comprehensively enhance our capacity for sustainable development. The management of project commissioning progress, quality, safety and pricing will be expedited, in order to lift the procedural, strict and standardized management level of engineering construction, create top-quality projects with short construction period, low cost, excellent quality and high profitability, and increase the economies of scale in all aspects. We will focus on strengthening the marketing awareness and seize on new opportunities in the electricity market, with a view to building the systems and operating modes adapted to the complex market competition, accelerating the transition from a productive enterprise to an operating one and thus increasing the overall probability.

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

For the year ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

The Board has proposed distribution of a final dividend of RMB0.012 per share (tax inclusive) in cash to shareholders for the year ended 31 December 2016. All the dividends are expected to be paid on 17 July 2017 upon approval by shareholders at the Company's AGM. Information regarding the date of the AGM, the record date for the entitlement to the final dividends and attendance of the AGM and date of closure of share register will be announced in due course.

EVENT AFTER THE REPORTING PERIOD

As at the date of the announcement, the Company or the Group had no significant event after the reporting period.

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

The Company has always been committed to compliance with the principles and requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). As of 31 December 2016, the Company was not involved in any material litigation for which the responsibility should be taken by any director ("**Director(s)**") of the Company. Each Director has the necessary qualification and experience required for performing his duty as a Director of the Company. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Director shall take responsibility. Therefore, the Company confirms that no liability insurance has been arranged for the Directors.

Save as disclosed herein, for the year ended 31 December 2016, the Company has been in strict compliance with the principles and provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules, as well as certain recommended best practices.

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

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

AUDITORS

Ernst & Young and Ernst & Young Hua Ming LLP were appointed as international and domestic auditors respectively of the Company for the year ended 31 December 2016. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto as at and for the year ended 31 December 2016 as set out in the announcement have been reviewed by the Company's auditors as consistent with the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on the results announcement.

AUDIT COMMITTEE

The Group's 2016 annual results and the financial statements for the year ended 31 December 2016 prepared in accordance with the IFRSs have been reviewed by the audit committee of the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be available on the websites of The Stock Exchange of Hong Kong Limited ("**SEHK**") (http://www.hkexnews.hk) and the Company (http://www.cdt-re.com).

The Company will dispatch in due course to shareholders the annual report for 2016 containing all the information as required by the Listing Rules, and publish it on the websites of the Company and SEHK.

By order of the Board
China Datang Corporation Renewable Power Co., Limited*
Zhang Chunlei
Executive Director

Beijing China, 17 March 2017

As at the date of this announcement, the Board comprises Mr. Zhang Chunlei and Mr. Hu Guodong as executive Directors; Mr. Wang Yeping, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun as non-executive Directors; and Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun as independent non-executive Directors.

* *For identification purposes only*