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

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

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2017, revenue amounted to RMB7,104.09 million, representing an increase of 22.78% as compared with last year.
- For the year ended 31 December 2017, the profit before tax amounted to RMB1,059.01 million, representing an increase of 164.03% as compared with last year.
- For the year ended 31 December 2017, the net profit attributable to owners of the parent amounted to RMB727.68 million, representing an increase of 267.15% as compared with last year.
- For the year ended 31 December 2017, the basic earnings per share attributable to the equity holders of the parent amounted to RMB0.0841, representing an increase of 209.19% as compared with last year.

The board of directors (the "**Board**") of China Datang Corporation Renewable Power Co., Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**", "**we**" or "**us**") for the year ended 31 December 2017, together with the comparable figures of 2016. The financial data of the Group for the year ended 31 December 2017 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 2017
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2017**	2016
Revenue	3	**7,104,089**	5,786,126
Other income and other gains, net	4	**204,383**	189,246
Depreciation and amortisation charges		**(3,159,002)**	(2,829,597)
Employee benefit expenses		**(465,377)**	(448,851)
Material costs		**(56,410)**	(40,075)
Repairs and maintenance expenses		**(185,556)**	(204,494)
Service concession construction costs		**(7,177)**	(5,688)
Other operating expenses		**(567,034)**	(331,837)
		(4,440,556)	(3,860,542)
Operating profit		**2,867,916**	2,114,830
Finance income	5	**19,358**	17,792
Finance expenses	5	**(1,889,336)**	(1,753,044)
Finance expenses, net	5	**(1,869,978)**	(1,735,252)
Share of profits and losses of associates and joint ventures		**61,074**	21,511
Profit before tax		**1,059,012**	401,089
Income tax expense	6	**(156,342)**	(108,315)
Profit for the year		**902,670**	292,774
Profit attributable to:			
Owners of the parent		**727,678**	198,199
Non-controlling interests		**174,992**	94,575
		902,670	292,774
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB per share)*	7	**0.0841**	0.0272

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	2017	2016
Profit for the year	**902,670**	292,774
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in the subsequent periods:		
Exchange differences on translation of foreign operations	**326**	1,705
Share of other comprehensive income of joint ventures	**(235)**	–
Other comprehensive income not to be reclassified to profit or loss in the subsequent periods:		
(Loss)/profit arising on revaluation of financial assets at fair value through other comprehensive income	**(9,159)**	28,236
Total other comprehensive income for the year	**(9,068)**	29,941
Total comprehensive income for the year	**893,602**	322,715
Total comprehensive income for the year attributable to:		
Owners of the parent	**718,568**	227,984
Non-controlling interests	**175,034**	94,731
	893,602	322,715

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	Note	**2017**	2016
ASSETS			
Non-current assets			
Property, plant and equipment		**58,087,880**	57,914,108
Investment properties		**21,468**	20,766
Intangible assets		**634,941**	806,932
Land use rights		**543,625**	476,800
Investments in associates and joint ventures		**738,985**	686,129
Financial assets at fair value through other comprehensive income		**375,717**	384,876
Financial assets at fair value through profit or loss		**8,900**	8,900
Deferred tax assets		**24,137**	34,330
Prepayments and other receivables		**2,390,585**	2,828,640
Total non-current assets		**62,826,238**	63,161,481
Current assets			
Inventories		**137,924**	114,480
Trade and bills receivables	9	**5,042,390**	2,800,515
Prepayments and other receivables		**1,262,365**	1,536,919
Restricted cash		**15,411**	12,385
Time deposits		**40,000**	–
Cash and cash equivalents		**1,223,920**	1,166,209
Total current assets		**7,722,010**	5,630,508
Total assets		**70,548,248**	68,791,989

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2017**	2016
LIABILITIES			
Current liabilities			
Trade and bills payables	10	**1,428,971**	2,362,155
Accruals and other payables		**6,428,766**	7,928,370
Interest-bearing bank and other borrowings	11(b)	**13,314,502**	10,166,305
Current income tax liabilities		**89,616**	53,774
Total current liabilities		**21,261,855**	20,510,604
Net current liabilities		**(13,539,845)**	(14,880,096)
Non-current liabilities			
Interest-bearing bank and other borrowings	11(a)	**34,507,216**	34,159,937
Deferred tax liabilities		**22,033**	24,159
Accruals and other payables		**388,250**	391,493
Total non-current liabilities		**34,917,499**	34,575,589
Total liabilities		**56,179,354**	55,086,193
Net assets		**14,368,894**	13,705,796
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		**1,426,340**	964,067
Other reserves		**(1,366,186)**	(1,418,747)
		11,394,149	10,879,315
Non-controlling interests		**2,974,745**	2,826,481
Total equity		**14,368,894**	13,705,796

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

(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 2017	7,273,701	2,080,969	1,979,325	964,067	(1,418,747)	10,879,315	2,826,481	13,705,796
Comprehensive income for the year								
Profit for the year	–	–	–	727,678	–	727,678	174,992	902,670
Other comprehensive income								
Share of other comprehensive income of joint ventures	–	–	–	–	(235)	(235)	–	(235)
Loss arising on revaluation of financial assets at fair value through other comprehensive income	–	–	–	–	(9,159)	(9,159)	–	(9,159)
Exchange differences related to foreign operations	–	–	–	–	284	284	42	326
Total comprehensive income for the year	–	–	–	727,678	(9,110)	718,568	175,034	893,602
Capital contributions	–	–	–	–	–	–	16,098	16,098
Appropriation to perpetual notes holders	–	–	–	(116,000)	–	(116,000)	–	(116,000)
Dividends paid to owners of the parent *(Note 8)*	–	–	–	(87,284)	–	(87,284)	–	(87,284)
Transfer from retained profits	–	–	–	(61,671)	61,671	–	–	–
Others	–	–	–	(450)	–	(450)	(300)	(750)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(42,568)	(42,568)
	–	–	–	(265,405)	61,671	(203,734)	(26,770)	(230,504)
At 31 December 2017	7,273,701	2,080,969	1,979,325	1,426,340	(1,366,186)	11,394,149	2,974,745	14,368,894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2017

(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								
Profit 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 profits	–	–	–	(31,575)	31,575	–	–	–
Dividends paid 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 CASH FLOWS

Year ended 31 December 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2017**	2016
Cash flows generated from operating activities			
Profit before tax		**1,059,012**	401,089
Adjustments for:			
Depreciation of property, plant and equipment		**3,099,197**	2,795,251
Amortisation of deferred income and deferred losses		**(12,028)**	(11,309)
Amortisation of intangible assets, land use rights and long-term prepaid expenses		**71,833**	45,655
Loss on disposal of property, plant and equipment	4	**7,872**	1,704
Provision for impairment of receivables		**7,394**	12,285
Provision for impairment of intangible assets		**158,603**	–
Foreign exchange (gain)/loss, net		**(3,765)**	10,456
Interest income	5	**(16,621)**	(14,808)
Interest expenses	5	**1,894,629**	1,741,878
Share of profits or losses of associates and joint ventures		**(61,074)**	(21,511)
Others, net		**(4,389)**	(14,285)
Changes in working capital:			
Increase in inventories		**(23,444)**	(66,272)
Increase in trade and bills receivables		**(2,242,763)**	(1,541,414)
Decrease/(increase) in prepayments and other receivables		**118,984**	(2,846,390)
Increase in restricted cash		**(3,026)**	(7,660)
(Decrease)/increase in trade and bills payables		**(933,184)**	1,043,852
Increase in accruals and other payables		**185,147**	2,468,555
Cash generated from operations		**3,302,377**	3,997,076
Interest received		**12,630**	13,640
Income tax paid		**(110,471)**	(127,785)
Net cash flows from operating activities		**3,204,536**	3,882,931

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	2017	2016
Cash flows from investing activities		
Purchase of property, plant and equipment, land use rights and intangible assets	**(4,502,828)**	(6,081,540)
Proceeds from disposal of property, plant and equipment	**4,972**	21,139
Proceeds from repayments of loans from third parties	**25,000**	65,000
Proceeds from repayments of loans and interest earned from related parties	**3,991**	375,096
Investments in associates and joint ventures	**(10,017)**	(20,335)
Dividends received from financial assets at fair value through other comprehensive income	**4,380**	3,348
Receipt of government grants for property, plant and equipment	**886**	–
Proceeds from disposal of subsidiaries	**500**	2,895
Increase in time deposits	**(40,000)**	–
Dividends received from associates	**–**	18,000
Net cash flows used in investing activities	**(4,513,116)**	(5,616,397)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2017

(Amounts expressed in thousands of RMB unless otherwise stated)

	2017	2016
Cash flows from financing activities		
Proceeds from issuance of green corporate bonds, net of issuance costs	**–**	1,996,620
Proceeds from issuance of short-term bonds, net of issuance costs	**10,997,461**	5,990,333
Capital contributions from non-controlling interests	**16,098**	21,152
Proceeds from borrowings	**23,799,811**	18,169,407
Repayments of borrowings	**(20,670,586)**	(14,289,395)
Repayments of short-term bonds	**(10,500,000)**	(8,200,000)
Loans from related parties	**8,919,000**	8,453,040
Repayments of loans from related parties	**(9,099,265)**	(8,147,237)
Dividends paid to perpetual notes holders	**(116,000)**	(116,000)
Dividends paid to shareholders	**(126,175)**	(136,759)
Interest paid	**(1,838,197)**	(1,901,645)
Repayments of working capital provided by related parties	**(16,000)**	(16,000)
Net cash flows from financing activities	**1,366,147**	1,823,516
Net increase in cash and cash equivalents	**57,567**	90,050
Cash and cash equivalents at beginning of year	**1,166,209**	1,077,788
Effect of foreign exchange rate changes, net	**144**	(1,629)
Cash and cash equivalents at end of year	**1,223,920**	1,166,209
Analysis of balance of cash and cash equivalents:		
Cash and bank balances	**1,223,920**	1,166,209
Cash and cash equivalents as stated in the consolidated statement of cash flows	**1,223,920**	1,166,209

1. CORPORATE INFORMATION

China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (the "**Company**") was established as a joint stock company with limited liability in the People's Republic of China (the "**PRC**") on 9 July 2010, as part of the reorganisation of the wind power generation business of China Datang Group Corporation Limited (中國大唐集團有限公司) ("**Datang Corporation**"), a limited liability company established in the PRC and controlled by the PRC government. At 31 December 2017, in the opinion of the directors, the ultimate holding company of the Company was 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 Company's H shares were listed on The Stock Exchange of Hong Kong Limited 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.

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.

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

2.1 Basis of preparation (continued)

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 2017, the Group's current liabilities exceeded its current assets by approximately RMB13,539.8 million (31 December 2016: RMB14,880.1 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 2018;

- Unutilised banking facilities of approximately RMB43,927.7 million as at 31 December 2017, of which amounts in aggregate of RMB20,845.0 million are not subject to renewal during the next 12 months from the end of the reporting period. At the date 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.

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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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 2017. 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.

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.

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

2.1 Basis of preparation (continued)

2.1.2 Basis of consolidation (continued)

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.

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

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements:

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 included in *Annual Improvements to IFRSs 2014–2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12*

Except the disclosure requirements upon adoption of amendments to IAS 7, none of the above amendments to IFRSs has had a significant financial effect on these financial statements.

The nature and the impact of the amendments are described below:

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. Disclosure of the changes in liabilities arising from financing activities is provided to the financial statements.

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

2.2 Changes in accounting policies and disclosures (continued)

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

Amendments to IAS 12 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 amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12

Amendments to IFRS 12 clarify that the disclosure requirements in IFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of IFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as the Group did not have any disposal group held for sale at the end of 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*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
IFRS 9	*Financial Instruments*[1]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[1]
IFRS 16	*Leases*[2]
IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*[2]
Amendments to IAS 40	*Transfers of Investment Property*[1]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[1]
IFRIC 23	*Uncertainty over Income Tax Treatments*[2]
Annual Improvements 2014–2016 Cycle	Amendments to IFRS 1 and IAS 28[1]
Annual Improvements 2015–2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23[2]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after 1 January 2021
[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 described below:

IFRS 9 Financial Instruments

In July 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 will adopt IFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group performed a detailed assessment of the impact of the adoption of IFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

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

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

IFRS 9 Financial Instruments (continued)

(b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The effect of adoption on the Group's financial statements is not expected to be material.

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

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 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 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 adoption 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 and Clarifications to IFRS 15 Revenue from Contracts with Customers

IFRS 15, issued in May 2014, 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. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In April 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 plans to adopt the transitional provisions in IFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of IFRS 15 will not be material. After processing five-step model to contracts, the expected changes in accounting policies, as further explained below, will have no material impact on the Group's financial statements from 2018 onwards.

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 and Clarifications to IFRS 15 Revenue from Contracts with Customers (continued)

The Group's principal activities consist of the generation and sale of wind power and other renewable power. The expected impacts arising from the adoption of IFRS 15 on the Group are summarized as follows:

(a) Sale of electricity

The Group develops, manages and operates wind power and other renewable power for sales to external power grid companies. Revenue from sale of electricity is recognised upon the transmission of electric power to the power grid companies, as determined based on the volume of electric power transmitted and the applicable fixed tariff rates agreed with the respective electric power grid companies periodically. The group has determined that when IFRS 15 adopted, revenue from the sale of electricity for 2017 will have no material impact on the Group's financial statements.

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 and Clarifications to IFRS 15 Revenue from Contracts with Customers (continued)

(b) Presentation and disclosure

The presentation and disclosure requirements in IFRS 15 are more detailed than those under the current IAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made on determining the transaction prices of those contracts that include variable consideration, how the transaction prices have been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling price of each performance obligation. In addition, as required by IFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

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, issued in January 2016, 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 elective 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, or relates to a class of property, plant and equipment to which the revaluation model is applied. 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. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. At 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB37.2 million. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of 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 28 Long-term Interests in Associates and Joint Ventures

Amendments to IAS 28 issued in October 2017 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

Amendments to IAS 40 Transfers of Investment Property

Amendments to IAS 40, issued in December 2016, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

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

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

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22, issued in December 2016, provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

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

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

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "**uncertain tax positions**"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRSs 2014–2016 Cycle

Annual Improvements to IFRSs 2014–2016 Cycle, issued in December 2016, sets out amendments to IFRS 1, IFRS 12 and IAS 28. Except for the amendments to IFRS 12 which have been adopted by the Group for the current year's financial statements, the Group expects to adopt the amendments from 1 January 2018. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendments that are expected to be applicable to the Group are as follows:

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

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

Annual Improvements to IFRSs 2014–2016 Cycle (continued)

IAS 28 Investments in Associates and Joint Ventures

IAS 28 Investments in Associates and Joint Ventures clarifies that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries when applying the equity method. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (i) the investment entity associate or joint venture is initially recognised; (ii) the associate or joint venture becomes an investment entity; and (iii) the investment entity associate or joint venture first becomes a parent. These amendments should be applied retrospectively.

Amendments under Annual Improvements to IFRSs 2015-2017 Cycle

Annual Improvements to IFRSs 2015-2017 Cycle, issued in December 2017, sets out amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23. The Group expects to adopt the amendments from 1 January 2019. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendments that are expected to be applicable to the Group are as follows:

IFRS 3 Business Combinations

IFRS 3 Business Combinations clarifies that, when an entity obtains control of a business that is a joint operation, it must apply the requirements for a business combination achieved in stages and remeasure its entire previously held interest in the joint operation at fair value.

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

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

Amendments under Annual Improvements to IFRSs 2015–2017 Cycle (continued)

IFRS 11 Joint Arrangements

IFRS 11 Joint Arrangements clarifies that when an entity that participates in, but does not have joint control of a joint operation, obtains joint control over that joint operation that is a business, it does not remeasure the interest it previously held in that joint operation.

IAS 12 Income Taxes

IAS 12 Income Taxes clarifies that an entity recognises all income tax consequences of dividends in profit or loss, other comprehensive income or equity, depending on where the entity recognised the originating transaction or event that generated the distributable profits giving rise to the dividend.

IAS 23 Borrowing Costs

IAS 23 Borrowing Costs clarifies that an entity treats as part of general borrowings any specific borrowing originally made to develop a qualifying asset, and that is still outstanding, when substantially all of the activities necessary to prepare that asset for its intended use or sales are complete.

(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:

	2017	2016
Sales of electricity	**7,044,695**	5,717,847
Provision of services under energy performance contracts	**40,876**	40,846
Provision of services under concession arrangements	**7,177**	5,688
Other revenues *(Note)*	**11,341**	21,745
	7,104,089	5,786,126

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 was relatively insignificant for the years ended 31 December 2017 and 2016. 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 2017, substantially all (2016: 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 2017, substantially all (2016: substantially all) of the non-current assets were located in the PRC.

For the year ended 31 December 2017, all (2016: 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

	2017	2016
Income/(loss) from clean development mechanism ("**CDM**") projects:		
– Income during the year	**1,269**	–
– Foreign exchange gains, net	**1,878**	710
– Provision for impairment of receivables	**(6,506)**	(10,765)
	(3,359)	(10,055)
Government grants	**230,099**	175,986
Dividend from financial assets at fair value through other comprehensive income	**4,380**	3,348
Gain on disposal of subsidiaries	**–**	45
Compensation from a wind turbine supplier *(Note)*	**22,556**	11,359
Loss on disposal of property, plant and equipment	**(7,872)**	(1,704)
Compensation, liquidated damages and fines	**(37,172)**	(1,276)
Others	**(4,249)**	11,543
	204,383	189,246

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 EXPENSES

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

	2017	2016
Finance income		
Interest income on deposits with banks and other financial institutions	**12,630**	13,640
Interest income on loans	**3,991**	1,168
Interest income from finance lease receivables	**2,737**	2,984
	19,358	17,792
Finance expenses		
Interest expenses	**(2,126,755)**	(1,907,936)
Less: Interest expenses capitalised in property, plant and equipment and intangible assets	**232,126**	166,058
	(1,894,629)	(1,741,878)
Foreign exchange gains/(losses), net	**5,293**	(11,166)
	(1,889,336)	(1,753,044)
Finance expenses, net	**(1,869,978)**	(1,735,252)
Interest capitalisation rate	**4.17% to 5.76%**	4.41% to 6.00%

(Amounts expressed in thousands of RMB unless otherwise stated)

6. INCOME TAX EXPENSE

	2017	2016
Current tax		
PRC income tax	**136,638**	99,590
Underprovision in prior years	**11,637**	10,639
	148,275	110,229
Deferred tax		
(Reversal)/recognition of temporary differences	**8,067**	(1,914)
Income tax expense	**156,342**	108,315

For the year ended 31 December 2017, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 15% (2016: 7.5% to 15%), all other subsidiaries established in the PRC were subject to an income tax rate of 25% (2016: 25%). Tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The preferential tax policies applicable to the Group are described as follows:

(a) Pursuant to CaiShui [2008] No. 116 issued by the Ministry of Finance and the State Administration of Taxation, and Guoshuifa [2009] No. 80 issued by the State Administration of Taxation, the public infrastructure projects authorised after 1 January 2008 are each entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating year for their investment operating income.

6. INCOME TAX EXPENSE (CONTINUED)

The preferential tax policies applicable to the Group are described as follows (continued):

(b) Pursuant to CaiShui [2012] No. 10 issued by the Ministry of Finance and the State Administration of Taxation on 12 January 2012, the public infrastructure projects authorised before 31 December 2007 that were originally not eligible for "the tax holiday of a 3-year full exemption followed by a 3-year 50% exemption" could apply this preferential tax policy from 1 January 2008 to their respective expiration dates.

The policy are applicable to all subsidiaries of the Group engaged in wind power and solar power generation under the relevant conditions, except for certain subsidiaries that adapt the preferential policies described at note 6(a).

(c) Pursuant to Cai Shui [2010] No. 110 issued by the Ministry of Finance and the State Administration of Taxation, the eligible energy-conservation service companies implement the contract energy management projects in line with the relevant provisions of the enterprise income tax law are entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating years statutory tax rate of 25%.

For the year ended 31 December 2017, the joint ventures and associates were subject to an income tax rate of 25% (2016: 25%), and the share of income tax expense of joint ventures and associates of nil (2016: Nil) and RMB15.5 million (2016: RMB5.4 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 tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profits of the consolidated entities as follows:

	2017	2016
Profit before tax	**1,059,012**	401,089
Taxation calculated at the statutory tax rate	**264,753**	100,272
Income tax effects of:		
– Preferential income tax treatments	**(223,615)**	(105,167)
– Income not subject to tax	**(16,363)**	(2,480)
– Expenses not deductible for tax purposes	**8,064**	3,948
– Tax losses and temporary differences for which no deferred income tax asset was recognised	**140,818**	140,437
– Utilisation of previously unrecognised tax losses and temporary differences	**(28,952)**	(39,334)
– Underprovision for prior years	**11,637**	10,639
	156,342	108,315
Weighted average effective income tax rate	**15%**	27%

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

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. Profit attributable to equity holders of the parent was exclusive of the interests of perpetual notes accrued in the current period.

	2017	2016
Profit attributable to owners of the parent	**611,678**	198,199
Weighted average number of ordinary shares in issue *(thousands of shares)*	**7,273,701**	7,273,701
Basic earnings per share *(RMB)*	**0.0841**	0.0272

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2017 and 2016 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

8. DIVIDENDS

	2017	2016
Proposed final – RMB0.018 (before tax) (2016: RMB0.012 (before tax)) per ordinary share	**130,927**	87,284

The dividend paid by the Company in 2017 was RMB87.3 million (2016: Nil).

A final dividend in respect of the year ended 31 December 2017 of RMB0.018 (before tax) per ordinary share, amounted to a total final dividend of RMB130.9 million, is subject to approval of the Company's shareholders at the forthcoming annual general meeting, These consolidated financial statements do not reflect this dividend payable.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. TRADE AND BILLS RECEIVABLES

	2017	2016
Trade receivables	**4,723,629**	2,655,311
Bills receivable	**321,977**	147,532
	5,045,606	2,802,843
Less: Provision for doubtful debts	**(3,216)**	(2,328)
	5,042,390	2,800,515

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 2017, 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 is as follows:

	2017	2016
Within 1 year	**4,029,966**	2,391,619
Between 1 and 2 years	**803,931**	328,412
Between 2 and 3 years	**129,042**	60,300
Over 3 years	**82,667**	22,512
	5,045,606	2,802,843

At 31 December 2017, trade and bills receivables of RMB1,012.4 million (2016: RMB408.9 million) were past due but not impaired. The ageing analysis of these trade and bills receivables is as follows:

	2017	2016
Past due within 1 year	**803,931**	328,412
Past due over 1 year	**208,493**	80,484
	1,012,424	408,896

At 31 December 2017, trade receivables of RMB3.2 million (2016: RMB2.3 million) were fully impaired, including RMB2.3 million represented a past due tariff receivable from a power grid company in dispute which was assessed not recoverable. At 31 December 2017, the management assessed the collectability of these long-aged receivables, and considered there is no significant uncertainty in the recovery of the receivables except the provision disclosed below.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. TRADE AND BILLS RECEIVABLES (CONTINUED)

Movements in the provision for impairment of trade and bills receivables are as follows:

	2017	2016
At 1 January	**2,328**	2,328
Provision for impairment	**888**	–
At 31 December	**3,216**	2,328

At 31 December 2017 and 2016, the Group has pledged a portion of their tariff collection rights and bills 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 category of receivables. The Group does not hold any collateral as security.

As at 31 December 2017, bills receivable which have not been matured but discounted with recourse right were not derecognized in the financial statements amounted to RMB1.4 million (31 December 2016: Nil)

10. TRADE AND BILLS PAYABLES

	2017	2016
Trade payables	**197,438**	147,793
Bills payable	**1,231,533**	2,214,362
	1,428,971	2,362,155

(Amounts expressed in thousands of RMB unless otherwise stated)

10. TRADE AND BILLS PAYABLES (CONTINUED)

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

	2017	2016
Within 1 year	**147,046**	124,568
After 1 year but within 3 years	**46,984**	19,189
After 3 years	**3,408**	4,036
	197,438	147,793

Bills payable are bills with maturity of less than one year. The trade and bills payables are non-interest-bearing and are normally settled within one year.

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

(Amounts expressed in thousands of RMB unless otherwise stated)

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	2017	2016
Bank loans		
– Unsecured	**22,371,151**	18,602,201
– Guaranteed *(Note 11 (c))*	**2,068,016**	2,360,339
– Secured	**4,928,175**	5,665,831
	29,367,342	26,628,371
Other loans		
– Unsecured	**2,152,240**	3,039,969
– Guaranteed *(Note (i))*	**3,000,000**	3,000,000
– Secured *(Note (ii))*	**2,743,219**	2,640,099
	7,895,459	8,680,068
Corporate bonds – unsecured *(Note (iii))*	**1,997,521**	1,996,982
Total long-term borrowings	**39,260,322**	37,305,421
Less: Current portion of long-term borrowings *(Note 11 (b))*		
– Bank loans	**(3,117,990)**	(2,987,044)
– Other loans	**(1,635,116)**	(158,440)
	(4,753,106)	(3,145,484)
Total non-current portion of long-term borrowings	**34,507,216**	34,159,937

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

(a) Long-term borrowings (continued)

Notes:

(i) At 31 December 2017, the borrowings from Pingan Assets Management Co., Ltd. amounting to RMB3.0 billion (2016: RMB3.0 billion) were guaranteed by Datang Corporation.

(ii) At 31 December 2017, included in secured other loans were borrowings amounting to RMB1,303.0 million (31 December 2016: RMB987.0 million) due to Datang Financial Leasing and RMB1,330.1 million (31 December 2016: RMB1,477.8 million) from ICBC Financial Leasing Company Limited, which allow 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 15 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 2017, cash amounting to RMB48.7 million (2016: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

At 31 December 2017 and 2016, 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 RMB1,000.0 million, RMB500.0 million and RMB500.0 million with a unit par value of RMB100 each on 14 September 2016, 28 September 2016 and 21 October 2016, respectively. The annual interest rates for these green corporate bonds are 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

	2017	2016
Bank loans		
– Unsecured	**3,190,016**	2,100,000
Short-term bonds – unsecured *(Note)*	**4,569,980**	4,020,821
Other loans		
– Unsecured	**800,000**	900,000
– Secured	**1,400**	–
	801,400	900,000
Current portion of long-term borrowings *(Note11(a))*	**4,753,106**	3,145,484
	13,314,502	10,166,305

Note:

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 effective interest rates ranging from 2.60% to 2.94%, and mature in September 2016, May 2017 and April 2017.

On 10 May 2017, 26 May 2017, 27 June 2017, 13 July 2017 and 23 October 2017, the Company issued short-term bonds with a par value of RMB100. The first, second and fifth issued coupon bonds amounted to RMB2,000.0 million for each, and the third and fourth issued coupon bonds amounted to RMB2,500.0 million for each. The net of issuance cost is RMB6.0 million. These bonds have annual effective interest rates ranging from 4.20% to 4.78%. The first, second, third and fourth issued coupon bonds have already matured in October 2017, June 2017, July 2017 and January 2018, and the fifth issued coupon bond will mature in April 2018, respectively.

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 2017, the effective interest rates per annum on borrowings are as follows:

	2017	2016
Long-term		
Bank loans	**2.82%–5.50%**	2.82%–6.00%
Other loans	**3.85%–5.76%**	4.41%–5.76%
Corporate bonds	**3.10%–3.50%**	3.10%–3.50%
Short-term		
Bank loans	**4.35%**	3.92%–4.41%
Other loans	**4.13%–4.50%**	4.41%–4.90%
Short-term bonds	**4.35%–4.78%**	2.60%–2.94%

At 31 December 2017, details of the Group's guaranteed bank loans are as follows:

	2017	2016
Guarantor		
– The Company*	**1,774,651**	1,982,685
– Non-controlling interests of subsidiaries and ultimate holding companies of non-controlling interests	**293,365**	377,654
	2,068,016	2,360,339

* At 31 December 2017, guaranteed loans by the Company amounting to RMB34.0 million (2016: RMB42.0 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 2017, the Group has pledged certain assets as collateral to certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	2017	2016	**2017**	2016
Property, plant and equipment	**2,252,344**	2,427,917	**3,566,539**	3,390,397
Concession assets	**229,933**	245,214	**–**	–
Tariff collection rights	**584,627**	414,716	**65,783**	131,858
Bills receivables	**–**	–	**1,400**	–
	3,066,904	3,087,847	**3,633,722**	3,522,255

At 31 December 2017, long-term borrowings were repayable as follows:

	2017	2016
Within 1 year	**4,753,106**	3,145,484
After 1 year but within 2 years	**5,104,917**	4,791,937
After 2 years but within 5 years	**16,172,462**	15,979,172
After 5 years	**13,229,837**	13,388,828
	39,260,322	37,305,421

(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 2017, the carrying amounts of borrowings were denominated in the following currencies:

	2017	2016
RMB	**47,777,338**	44,232,427
USD	**44,380**	93,815
	47,821,718	44,326,242

12. EVENTS AFTER THE REPORTING PERIOD

On 26 March 2018, the Board of Directors proposed to distribute the final dividend for year ended 31 December 2017 of RMB0.018 per share (before tax) of the Company in cash to the shareholders. The proposal is subjected to the approval by the shareholders at the 2017 annual general meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

In 2017, the State intensified ecological civilization construction. The report of the 19th National Congress of the Communist Party of China ("**the 19th CPC National Congress**") proposed to build an ecological society and expand the energy conservation and environmental protection industry, clean production industry and clean energy industry. The State has set up the overall strategic framework for promoting energy reform, which elevated the development of new energy and new green industries to an unprecedented height, and clarified that the proportion of non-fossil energy in the total consumption of primary energy will reach approximately 15% in 2020 and approximately 20% in 2030.

In 2017, the State went all out to promote the reform of energy system and mechanism and improve the support policies for clean energy, proposed the proportion of clean energy and published the Notice on Trial Implementation of the Renewable Energy Green Power Certificate Issuance and Voluntary Subscription Trading System (《關於試行可再生能源綠色電力證書核發及自願認購交易制度的通知》). In 2017, the State vigorously solved the problem of wind power curtailment. The National Energy Administration issued the Notice on Monitoring and Early Warning Results of Investment in Wind Power in 2017 (《關於2017年度風電投資監測預警結果的通知》) to clearly specify that it is not allowed to construct new wind power projects in the red alert areas of wind power development and construction; the State Grid Corporation proposed 20 measures to promote consumption of new energy and control of wind and PV power curtailment ratio within 5% in 2020 to ensure healthy and orderly development of new energy industry.

In 2017, according to the data published by China Electricity Council, the national electricity consumption continued stable and rapid growth and reached 6,300 billion kWh, representing a year-on-year increase of 6.6%. The national installed power generation structure was further optimised, the problem of wind and PV power curtailment was obviously relieved and the installed power generation structure became apparently cleaner. The data published by the National Energy Administration indicated that, as at the end of 2017, the newly added on-grid wind power installed capacity was 15,030MW, representing 9.2% of the total installed power generation capacity; the annual wind power generation was 305.7 billion kWh, representing 4.8% of the total power generation, up by 0.7 percentage point year-on-year. In 2017, the nationwide average utilization hours of wind power was 1,948 hours, representing a year-on-year increase of 203 hours. The wind power curtailment throughout the year amounted to 41.9 billion kWh, representing a year-on-year decrease of 7.8 billion kWh. The situation of wind power curtailment significantly improved.

II. BUSINESS REVIEW

As at 31 December 2017, the Group's consolidated installed capacity amounted to 8,826.42 MW, representing an increase of 3.87% over the same period in last year. Electricity generation throughout the year amounted to 15,299 GWh, representing a year-on-year increase of 24.41%. The average on-grid tariff (tax inclusive) of the Group was RMB566.61/MWh. Profit attributable to owners of the parent amounted to RMB728 million.

(I) Substantial increase in profitability with the growth ranking the top in the industry

1. Continuous improvement of production management led to further enhancement of power generation capacity of units.

The Company comprehensively strengthened production and operation management, continued to pay much attention to equipment management and carried out operation optimisation in a deep-going way, resulting in the further consolidation of safety production foundation and further enhancement of equipment reliability. In particular, in light of increasing old units and units out of warranty, the Company's equipment availability reached 98.64% in 2017, maintaining a relatively high level in the industry and representing a further increase over last year. In the meantime, the Company continually performed quality and efficiency enhancement for wind turbines and adopted measures including optimisation of control system, transformation of cascade blades, installation of efficiency improvement components, etc. to comprehensively enhance the power generation capacity of units in service.

As at 31 December 2017, the average utilisation hours of wind power of the Group were 1,905 hours, representing a year-on-year increase of 150 hours or 8.55%. The average utilisation hours of the Group by region were as follows:

Region	**Average utilisation hours in 2017** ***(hours)***	Average utilisation hours in 2016 *(hours)*	Year-on-year change in average utilisation hours *(hours)*
Total	**1,899**	1,753	146
Wind power	**1,905**	1,755	150
Inner Mongolia	**2,159**	1,869	290
Heilongjiang	**2,013**	1,742	271
Jilin	**1,750**	1,429	321
Liaoning	**1,872**	1,915	-43
Gansu	**1,365**	1,161	204
Ningxia	**1,572**	1,643	-71
Shaanxi	**1,560**	1,901	-341
Shanxi	**2,025**	1,981	44
Hebei	**2,187**	2,263	-76
Henan	**2,336**	2,228	108
Hubei	**1,795**	2,121	-326
Anhui	**1,351**	1,614	-263
Guangxi	**1,658**	1,920	-262
Guizhou	**1,630**	2,206	-576
Yunnan	**1,941**	2,123	-182
Chongqing	**1,564**	2,325	-761
Guangdong	**1,863**	1,854	9
Shandong	**1,744**	1,702	42
Shanghai	**2,420**	2,304	116
Fujian	**2,760**		
Photovoltaic	**1,474**	1,476	-2
Jiangsu	**958**	990	-32
Ningxia	**1,314**	1,445	-131
Qinghai	**1,655**	1,607	48
Shanxi	**1,714**	1,665	49
Liaoning	**997**		
Gas	**5,704**	5,822	-118
Shanxi	**5,704**	5,822	-118

2. ***Continuous enhancement of electric power management greatly relieved wind power curtailment.***

In 2017, given the favourable situation of obvious relief of wind power curtailment in Northeast China, North China and Northwest China, the Group vigorously carried out benchmarking in respect of critical indicators of power generation. Targeted supervision was performed for "external benchmarking for lines" and "internal benchmarking for wind turbines" following the "three same" principles, i.e. same region, same lines and same type, to comprehensively enhance the benchmarking for utilization hours in the areas subject to power curtailment.

As at the end of 2017, due to the joint effects of all staff of the Group, the wind power curtailment ratio decreased from the 21.19% in 2016 to 15.28%, representing a year-on-year decrease of 5.91 percentage points, higher than national average decrease, and the wind power curtailment amount decreased by 535 million kWh year-on-year. In the areas subject to power curtailment where the Company has presence, the power curtailment ratios were on a downward trend.

3. ***Sustained enhancement of marketing management contributed to maintenance of a good growth momentum in respect of revenue from sales of electricity.***

In 2017, the Group proactively coped with the reform of power system and mechanism and changes in the electricity market, and thoroughly promoted the construction of marketing system and mechanism. In addition to building a marketing platform, the Group vigorously constructed a differentiated marketing work system to speed up the formation of marketing mechanism tallying with market changes. Moreover, the Group proactively participated in the electricity transactions in the markets of many places and achieved further increase in power generation and revenue per kW on the basis of ensuring an electricity transaction price not lower than local average transaction price.

4. ***Continual advancement of regional structural adjustment resulted in gradual reveal of the pulling effects of new units.***

In 2017, the effects of regional structural adjustment strengthened by the Company gradually revealed. In the recent two years, the average utilization hours of the Company's projects newly put into production were more than 2,000 hours, over 100 hours higher than that of existing projects. In 2017, the power generation of the Company successively recorded a historical record of monthly power generation in April, May and November, and the monthly utilization hours in November recorded a new high.

As at 31 December 2017, the consolidated power generation of the Group by geographical area was as follows:

Region	**Consolidated power generation as at the end of 2017** *(MWh)*	Consolidated power generation as at the end of 2016 *(MWh)*	Rate of change in consolidated power generation *(%)*
Total	**15,298,687**	12,297,121	24.41%
Wind power	**15,038,357**	12,076,542	24.53%
Inner Mongolia	**5,959,475**	4,782,902	24.60%
Heilongjiang	**908,025**	754,108	20.41%
Jilin	**1,134,236**	926,331	22.44%
Liaoning	**704,783**	623,750	12.99%
Gansu	**1,154,762**	863,335	33.76%
Ningxia	**781,955**	672,934	16.20%
Shaanxi	**232,482**	188,223	23.51%
Shanxi	**918,351**	588,478	56.06%
Hebei	**216,521**	224,020	-3.35%
Henan	**235,343**	224,507	4.83%
Hubei	**64,627**	40,295	60.38%
Anhui	**64,826**	77,488	-16.34%
Guangxi	**164,177**	137,273	19.60%
Guizhou	**78,238**	11,032	609.19%
Yunnan	**495,033**	423,659	16.85%
Chongqing	**78,222**	20,922	273.87%
Guangdong	**92,225**	91,765	0.50%
Fujian	**74,052**	0	–
Shandong	**1,186,819**	955,034	24.27%
Shanghai	**494,207**	470,486	5.04%
Photovoltaic	**231,811**	191,469	21.07%
Jiangsu	**17,701**	18,293	-3.24%
Liaoning	**38**	0	–
Ningxia	**64,364**	70,783	-9.07%
Qinghai	**115,422**	85,400	35.15%
Shanxi	**34,286**	16,993	101.77%
Gas	**28,518**	29,110	-2.03%
Shanxi	**28,518**	29,110	-2.03%

5. ***Continued promotion of cost reduction and efficiency enhancement gave rise to significant improvement of overall profitability.***

In 2017, following the principle of "one policy for one plant", the Company reinforced special governance for loss-making enterprises and strengthened control over cost budgeting with the focus placed on comprehensive budget management to strictly control the expenses of various sections of the entire cost chain to ensure effective cost reduction and efficiency enhancement. In 2017, 10 grassroots wind power enterprises of the Company turned losses into gains and their profits increased by RMB175 million year-on-year. In particular, Tongliao Company and Gansu Company, being key loss-making enterprises of the last year, recorded a year-on-year profit increase of RMB115 million and RMB121 million, respectively.

The Company responded to the changes in the financial situation in a scientific way, strengthened cooperation with banks to expand the financing channel, and continued to optimize the debt structure, striving to control the financing costs, to provide sufficient financial support for the sustainable development of the Company.

(II) Effective improvement of sustainable development capacity as a result of comprehensive optimization of assets layout

1. ***Continuous optimisation of regional layout brought about stable increase in approved capacity.***

In 2017, the Group continued to exert more efforts for regional structural adjustment, intensified development of projects in the areas not subject to power curtailment in mid-eastern China and southern China and vigorously expanded the scope of resources survey while simultaneously optimizing the wind resources, landform features and other elements, to continuously prepare the wind farm site selection plan meeting requirements on economical efficiency, safety and environment. Relying on transmission through large channels, and given the relief of power curtailment, the Group carried out resources conservation in the areas subject to power curtailment in steps and in a planned way.

In 2017, the Group obtained approval for projects with a total capacity of 1,024,500kW and achieved the total resource reserves of nearly 40 million KW, including the total resources for which measurement of wind and PV power has been conducted of 22 million kW and the onshore wind power resource reserves in the areas not subject to power curtailment of 6.8 million kW, accounting for 34.2% of total onshore wind power resource reserves. The regional structural optimisation results have greatly improved.

2. ***Continual adjustment to industrial structure engendered achievement of coordinated development of multiple segments.***

In 2017, the Group intensified development efforts for PV power generation, distributed energy, multi-energy complementation and other new energy segments. It successfully won the bid for the PV project in Henan, acquired filing for the distributed PV project in Tianjin, and proactively carried out demonstration for the multi-energy complementation intelligent energy project in Beijing. Furthermore, the Group also acquired the filing for the distributed roof PV and internal combustion engine segments of relevant projects. The industrial structure is increasingly perfect.

In 2017, leveraging on the commencement of construction of phase I project in Binhai, Jiangsu, the Group did what it could to retain the offshore wind power resources in Jiangsu, Guangdong and other places and made substantial breakthroughs in the development of offshore wind power projects. Meanwhile, the Group continued to strengthen the study on relevant national electric power investment markets in relation to "the Belt and Road Initiative", etc. and focused on the acquisition and development of overseas projects, laying a sound foundation for the Group's adjustment to an industrial structure.

(III) Significant enhancement of core competitiveness due to vigorous intensification of lean management capacity

1. ***In-depth and comprehensive benchmarking management carried out with remarkable positive results.***

In 2017, the Group comprehensively established an integrated benchmarking system covering all professions and dimensions including planning, production, finance and preliminary work. It strived to deepen the employees' awareness of benchmarking enhancement, perfect its benchmarking guarantee mechanism and give full play to the guiding and enhancing effect of benchmarking, in order to expedite its transition from a production-oriented enterprise to a business-oriented one. The management efforts were rewarded with remarkable results: both the profitability and the power generation capacity of the Group improved substantially.

2. ***In-depth comprehensive quality management implemented with project management quality greatly improved.***

In 2017, more emphasis was put on the quality of early stage project development, and site selection of wind farms became more refined at both macro and micro levels thanks to the advanced wind power resource management cloud platform and the scientific computing model built by the Test and Research Institute of the Company.

The Company attached more importance to the quality of project construction, aiming at creating top-quality projects with "short construction period, low cost, excellent quality and high profitability". For construction projects in areas with low wind speed in particular, the Company has mastered the relevant core technologies in terms of independent capacity analysis, selection of suitable models and optimization of the overall layout. At the same time, the booster station of Jiangsu offshore wind power project, the first of its type independently developed by the Company, was completed and its initial transmission was successful. The booster station is currently Asia's largest in size, shortest in construction period, most optimized in cost and most advanced in technology.

The Company also paid more attention to the operation quality of wind farms and carried out the "5229" project creatively. Leveraging on the newly built dispatching center with big data cloud computing platform, the Company carried out multi-level and multi-perspective evaluations of wind farms comprehensively and established a typical wind farm comprehensive evaluation system. It made progress with refined management of wind farms by promoting and copying advanced management experiences and modes of internal wind farms, and sought to realize the transition to the management mode of "centralized monitoring, less people on duty, integrated operation and maintenance, and professional maintenance" gradually.

As at 31 December 2017, the consolidated installed capacity of the Group by region was as follows:

Region	**Consolidated installed capacity as at the end of 2017** *(MW)*	Consolidated installed capacity as at the end of 2016 *(MW)*	Rate of change in consolidated installed capacity *(%)*
Total	**8,826.42**	8,497.92	3.87%
Wind power	**8,646.95**	8,345.45	3.61%
Inner Mongolia	**2,956.05**	2,754.05	7.33%
Eastern Inner Mongolia	**2,151.75**	1,949.75	10.36%
Western Inner Mongolia	**804.30**	804.30	0.00%
Northeast China	**1,522.90**	1,522.90	0.00%
Heilongjiang	**501.00**	501.00	0.00%
Jilin	**648.10**	648.10	0.00%
Liaoning	**373.80**	373.80	0.00%
Central and Western China	**3,005.80**	2,906.30	3.42%
Gansu	**845.80**	845.80	0.00%
Ningxia	**547.50**	497.50	10.05%
Shaanxi	**149.00**	149.00	0.00%
Shanxi	**625.50**	576.00	8.59%
Hebei	**99.00**	99.00	0.00%
Henan	**100.75**	100.75	0.00%
Hubei	**48.00**	48.00	0.00%
Anhui	**48.00**	48.00	0.00%
Guangxi	**148.00**	148.00	0.00%
Guizhou	**48.00**	48.00	0.00%
Yunnan	**296.25**	296.25	0.00%
Chongqing	**50.00**	50.00	0.00%

Region	**Consolidated installed capacity as at the end of 2017** *(MW)*	Consolidated installed capacity as at the end of 2016 *(MW)*	Rate of change in consolidated installed capacity *(%)*
South-East Coastal Areas	**1,162.20**	1,162.20	0.00%
Guangdong	**49.50**	49.50	0.00%
Fujian	**48.00**	48.00	0.00%
Shandong	**860.50**	860.50	0.00%
Shanghai	**204.20**	204.20	0.00%
Photovoltaic Power Generation	**174.47**	147.47	18.31%
Jiangsu	**18.47**	18.47	0.00%
Ningxia	**49.00**	49.00	0.00%
Qinghai	**80.00**	60.00	33.33%
Shanxi	**20.00**	20.00	0.00%
Liaoning	**7.00**	–	–
Gas Power Generation	**5.00**	5.00	0.00%
Shanxi	**5.00**	5.00	0.00%

3. Technical innovation pursued relentlessly to comprehensively enhance the Company's technological capability.

In 2017, the Company, riding on the trend, continued to realize technological innovations and breakthroughs. Site selection of wind farms became more refined at both macro and micro levels thanks to the management cloud platform and the scientific computing model. For construction projects in areas with low wind speed, the Company has mastered the relevant core technologies in terms of independent capacity analysis, selection of suitable models and optimization of the overall layout.

In 2017, the Company acquired a total of 296 patents, including 28 invention patents, participated in the stipulation and revision of 55 industry, national and international (industry level and above) standards, and had a leading position in the nationwide power industry. Its proposals on two standards in the solar-thermal industry were accepted by the International Electrotechnical Commission, highlighting a major breakthrough in standard internationalization in the power generation industry.

4. *Construction of Saihanba wind farm with "four top features" to further build the positive image of the Company.*

In 2017, the Company, after tapping deeper into the rich connotation of the "four top features", advanced with the setting-up of standards for Saihanba wind farm in 14 aspects of four elements, i.e. largest, strongest, optimal and most beautiful. The "four top features" of Saihanba have continuously manifested the advantage in respect of corporate brand. As at the end of 2017, the Saihanba wind farm had a capacity of more than 1.5 million kW, with its scale efficiency leading the industry. During the 19th CPC National Congress, the model of Saihanba wind farm, as one of three models of the State-owned Assets Supervision and Administration Commission of the State Council, was exhibited in the national achievement exhibition themed "five years of striving" as a gorgeous representative of the Company.

III. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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.

(I) Overview

The Group's profit for 2017 amounted to RMB902.67 million, representing an increase of RMB609.90 million compared to RMB292.77 million in 2016, of which profit attributable to the owners of the parent amounted to RMB727.68 million.

(II) Revenue

The Group's revenue increased by 22.78% to RMB7,104.09 million in 2017 compared to RMB5,786.13 million in 2016, primarily due to increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 23.21% to RMB7,044.70 million in 2017 compared to RMB5,717.85 million in 2016, primarily due to the increase in capacity put into operation and mitigation of curtailment ratio.

(III) Other income and other gains, net

The Group's net other income and other gains, increased by 8.00% to RMB204.38 million in 2017 compared to RMB189.25 million in 2016, primarily due to the increase in government grants recognized for the current period.

The Group's government grants increased by 30.75% to RMB230.10 million in 2017 compared to RMB175.99 million in 2016, primarily due to the increase in value-added tax refund.

(IV) Operating expenses

The Group's operating expenses (excluding service concession construction costs) increased by 15.01% to RMB4,433.38 million in 2017 compared to RMB3,854.85 million in 2016, mainly due to the increase in depreciation and amortisation charges as a result of higher installed capacity and provision for impairment losses for the Long Gan Lake wind power project.

The Group's depreciation and amortisation charges increased by 11.64% to RMB3,159.00 million in 2017 compared to RMB2,829.60 million in 2016, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 3.68% to RMB465.38 million in 2017 compared to RMB448.85 million in 2016, 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 70.88% to RMB567.03 million in 2017 compared to RMB331.84 million in 2016, primarily due to the provision for impairment losses for the Long Gan Lake wind power project.

(V) Operating profit

The Group's operating profit increased by 35.61% to RMB2,867.92 million in 2017 compared to RMB2,114.83 million in 2016, mainly due to the increase in electricity sales revenue as a result of increase in average utilization hours of wind turbines.

(VI) Finance expenses, net

The Group's net finance expenses increased by 7.76% to RMB1,869.98 million in 2017 compared to RMB1,735.25 million in 2016, primarily due to the increase in interest bearing bank loans and other loans.

(VII) Share of profits/(loss) of associates and joint ventures

The Group recorded RMB62.09 million in share of profit of associates in 2017 compared to a profit of RMB21.44 million in 2016.

The Group recorded RMB1.02 million in share of loss of joint ventures in 2017 compared to a profit of RMB0.07 million in 2016.

(VIII) Income tax expense

The Group's income tax expense increased by 44.34% to RMB156.34 million in 2017 compared to RMB108.32 million in 2016, mainly due to the fluctuation in profits, together with the mixed commencement and expiration of tax reliefs for certain subsidiaries of the Group located in regions with preferential income tax rates.

(IX) Profit for the year

The Group's profit for the year increased by RMB609.90 million to RMB902.67 million in 2017 compared to the profit of RMB292.77 million in 2016. For the year ended 31 December 2017, 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 12.72% as compared with that of 5.06% in 2016.

(X) Profit attributable to owners of the parent

The profit attributable to owners of the parent increased by RMB529.48 million, or 267.15%, to RMB727.68 million in 2017 compared to the profit of RMB198.20 million in 2016.

(XI) Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group increased by 85.03% to RMB174.99 million in 2017 compared to RMB94.58 million in 2016.

(XII) Liquidity and capital sources

As at 31 December 2017, the Group's cash and cash equivalents increased by 4.95% to RMB1,223.92 million compared to RMB1,166.21 million as at 31 December 2016. The main sources of the Group's operating capital are revenue from the sales of electricity.

As at 31 December 2017, the Group's borrowings increased by 7.89% to RMB47,821.72 million compared to RMB44,326.24 million as at 31 December 2016. In particular, RMB13,314.50 million (including RMB4,753.11 million of long-term borrowings due within one year) was short-term borrowings, and RMB34,507.22 million was long-term borrowings. The above borrowings include borrowings of RMB47,777.34 million denominated in RMB and borrowings of RMB44.38 million denominated in USD.

As at 31 December 2017, the Group has unutilised financing facilities amounting to approximately RMB43,927.7 million, of which approximately RMB20,845.0 million are not subject to renewal in upcoming 12 months from the end of the reporting period.

(XIII) Capital expenditure

The Group's capital expenditure decreased by 56.45% to RMB3,716.98 million in 2017 compared to RMB8,525.33 million in 2016. Capital expenditure mainly comprises construction costs including acquisition or construction of property, plant and equipment, land use rights and intangible assets.

(XIV) 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 76.43% in 2017, 0.53 percentage points higher than 75.90% as in 2016.

(XV) Significant investment

In 2017, the Group made no significant investment.

(XVI) Material acquisition and disposal

In 2017, the Group had no material acquisition or disposal.

(XVII) Pledge of assets

Some of our bank loans and other loans are secured by property, plant and equipment, concession assets, electricity tariff collection rights and bills receivable. As at 31 December 2017, net carrying value of the pledged assets amounted to RMB6,700.63 million.

(XVIII) Contingent liabilities

As at 31 December 2017, the Group had no material contingent liabilities.

IV. RISK FACTORS AND RISK MANAGEMENT

(I) 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 preferential tax policies. Although the PRC government has reiterated that it would continue to intensify its support for the development of wind power industry, there is still possibility that it might alter or repeal the current preferential measures and favorable policies 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 26 December 2016, the National Development and Reform Commission issued the Notice Regarding the Adjustment to Benchmark On-grid Tariffs of PV and Onshore Wind Power Generation (《關於調整光伏發電陸上風電標桿上網電價的通知》), the electricity price of future new energy projects will be gradually reduced and hence has an indefinite influence on the income of the Company.

(II) Power curtailment risk

As the wind farm construction progress in certain areas did not match with the progress of grid construction, it is difficult to transmit all the potential electricity that could be generated when wind farms run at full load, thus hindering the power transmission upon completion of projects of the Group. In addition, the increasingly intensified contradiction between 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.

(III) 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 a new area of resources and further expand resource reserves. Meanwhile, the Company will enhance efforts in technology and management innovation and will continuously improve its core competitiveness by making use of its existing strengths.

(IV) Climate risk

The 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. However, the actual climatic conditions, particularly the wind resource conditions at the project site, may deviate from the findings of these feasibility studies. Thus, our wind power project might fail to reach the expected production level, which may adversely affect forecasted profitability of projects.

(V) Risks related to interest rate

Interest risk may result from fluctuations in bank loan rate. Such interest rate changes will have impact on the Group'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.

(VI) Exchange rate risk

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

V. OUTLOOK ON THE FUTURE DEVELOPMENT

(I) Opportunities faced by the Group

At present, the renewable energy represents advanced productivity and one of the most important energies for development in the world. The Chinese government continues to promulgate favorable supporting policies for the domestic new energy industry and has established "two 15-year" general plan, according to which, China's increments in energy demands will be completely fulfilled by clean energy and renewable energy will go through the period of substitution for increments thereof by 2035.

In 2017, wind power and PV power curtailment problems were subsided substantially in China owing to the great importance attached by the Chinese government in this regard and as effected by the specific measures in respect of new energy consumption. In 2018, problems concerning the wind power and PV power curtailment are expected to be further alleviated following the growing effects of power outbound transmission and the successive introduction of policies including the Renewable Portfolio Standard.

In recent years, energy technology enjoyed a rapid development, breakthroughs were made especially in the technologies concerning energy efficiency, energy storage and intelligent grid, technologies in relation to the wind power, solar energy, bulk power grids, intelligence-based energy and energy storage evolved into new trends and cutting-edge technologies such as power generation development under low wind speed conditions and wind resource utilization continued to break new grounds. Consequently, renewable energy will inevitably become the dominant energy in virtue of its lower cost, cleanness, flexibility and stability and bring along enormous development and imagination space for the policy makers and enterprises engaged therein.

(II) Outlook for 2018

In 2018, we will secure development opportunities in the new energy industry and take active countermeasures against changes arising from new energy industry and the power market. While making great efforts to improve the operation capability of existing assets, we will also accelerate the pace of transformation and upgrade so as to relentlessly improve the profitability and core competitiveness of the Company and generate more generous returns for the investors. In 2018, we will focus on the following tasks:

1. Concentrate efforts to level up generation capacity of the generation units and improve the effectiveness of the existing assets.

We will deepen equipment management and reinforce operation and management. Meanwhile, renovation of ageing generation units will be accelerated such that effectiveness of the existing generation units can be further improved.

2. Energetically optimize the development layout and accelerate the industry restructuring.

We will devote more efforts to preempting prime resources in areas not subject to power curtailment in Central Eastern China and Southern China so as to optimize the resource structure in a continuous manner. In addition, we will speed up the industry restructuring through continuous efforts on exploring the emerging field of clean energy and rapid development of the offshore wind power. Meanwhile, we proactively study and capture development opportunities arising from the countries along the "the Belt and Road Initiative" in the hope of achieving new breakthroughs in industry restructuring.

3. ***Strive to accelerate development pace and improve development quality.***

The development and construction speed of the Company will further pick up in the wake of the ongoing release of areas at the red alert level in China and the progressive fulfilment of environmental protection requirements. In 2018, the Company will continue to exert strict control over the construction quality and thoroughly carry out optimized design and fine management of construction cost with the view to constructing every project in compliance with the premium criteria.

4. ***Emphasize on the improvement of asset operation capability and establish a positive corporate image.***

We will make full use of debt financing, capitalization of trade receivables and other approaches to fight against the capital constraints and the rising interest rates in the financial market responsively so as to maintain sufficient capital and avail ourselves of the low-cost financing advantage.

We will intensify capital operation and identify domestic and overseas high quality new energy assets, whereby to increase the consolidated installed capacity. Meanwhile, we will actively scheme for the acquisition and merger of such assets and strive to achieve substantial breakthroughs.

We will also strengthen compliance management and market value management and establish positive corporate image.

5. ***Strengthen team building and upgrade the technical skills of professional staff.***

We will adopt a comprehensive approach to boost the quality of our talent team. In particular, we will expedite the cultivation of a team composed of new energy professionals armed with modern ideas, new technologies and competent skills and facilitate the rapid development of the new energy professional team at a higher speed, thereby providing personnel support for the development of the wind power business of the Company.

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

For the year ended 31 December 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

On 26 March 2018, the Board proposed to distribute the final dividend for the year ended 31 December 2017 of RMB0.018 per share (tax inclusive) of the Company in cash to the shareholders. The dividend mentioned above will be distributed on or before 20 August 2018 upon the approval by the shareholders at the 2017 annual general meeting of the Company.

EVENT AFTER THE REPORTING PERIOD

As at the date of this announcement, there are no significant events occurring in the Company or the Group 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 2017, 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/her 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 2017, 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 2017. 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 2017 as set out in this 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 2017 annual results and the financial statements for the year ended 31 December 2017 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 2017 containing all the information as required by the Listing Rules, and publish it on the websites of SEHK and the Company.

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

Beijing, the PRC, 26 March 2018

As at the date of this announcement, the executive directors of the Company are Mr. Zhou Kewen and Mr. Jiao Jianqing; the non-executive directors are Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

* *For identification purposes only*