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 2021

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2021, revenue amounted to RMB11,625.09 million, representing an increase of 24.04% as compared with last year.
- For the year ended 31 December 2021, the profit before tax amounted to RMB2,462.19 million, representing an increase of 31.00% as compared with last year.
- For the year ended 31 December 2021, the net profit attributable to owners of the parent amounted to RMB1,831.30 million, representing an increase of 54.30% as compared with last year.
- For the year ended 31 December 2021, the basic earnings per share attributable to ordinary equity holders of the parent amounted to RMB0.1802, representing an increase of 41.33% as compared with last year.

The board of directors (the "**Board**") of China Datang Corporation Renewable Power Co., Limited (the "**Company**") hereby announces the final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2021 ("**Reporting Period**"), together with the year-on-year comparable figures of 2020. The financial information of the Group for the year ended 31 December 2021 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 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2021**	2020
Revenue	3	**11,625,086**	9,372,031
Other income and other gains, net	4	**279,640**	300,235
Depreciation and amortisation charges		**(4,445,184)**	(3,838,585)
Employee benefit expenses		**(1,021,101)**	(768,294)
Material costs		**(148,960)**	(65,955)
Repairs and maintenance expenses		**(507,039)**	(303,754)
Other operating expenses	5	**(1,211,542)**	(773,508)
Operating profit		**4,570,900**	3,922,170
Finance income	6	**22,451**	37,203
Finance expenses	6	**(2,121,769)**	(2,136,818)
Finance expenses, net	6	**(2,099,318)**	(2,099,615)
Share of profits and losses of associates and joint ventures		**(9,389)**	56,930
Profit before tax		**2,462,193**	1,879,485
Income tax expenses	7	**(376,484)**	(326,892)
Profit for the year		**2,085,709**	1,552,593
Attributable to:			
Owners of the parent		**1,831,295**	1,186,861
Non-controlling interests		**254,414**	365,732
		2,085,709	1,552,593
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	8	**0.1802**	0.1275

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	2021	2020
Profit for the year	**2,085,709**	1,552,593
Other comprehensive income:		
Other comprehensive income that may be reclassified to profit or loss in the subsequent periods:		
Exchange differences on translation of foreign operations	**(1,340)**	501
Share of other comprehensive income of joint ventures	**–**	(436)
Net other comprehensive income that may be reclassified to profit or loss in the subsequent periods	**(1,340)**	65
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value, net of tax	**42,062**	2,666
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**42,062**	2,666
Other comprehensive income for the year, net of tax	**40,722**	2,731
Total comprehensive income for the year	**2,126,431**	1,555,324
Attributable to:		
Owners of the parent	**1,870,403**	1,191,191
Non-controlling interests	**256,028**	364,133
	2,126,431	1,555,324

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2021**	2020
ASSETS			
Non-current assets			
Property, plant and equipment	10	**70,274,337**	64,703,731
Investment properties		**18,739**	19,499
Intangible assets		**382,607**	364,285
Right-of-use assets		**3,651,206**	3,569,431
Investments in associates and joint ventures		**929,071**	990,458
Equity investments designated at fair value through other comprehensive income		**104,905**	68,287
Financial assets at fair value through profit or loss		**8,972**	9,728
Deferred tax assets		**27,664**	12,430
Prepayments, other receivables and other assets		**2,301,729**	2,955,973
Total non-current assets		**77,699,230**	72,693,822
Current assets			
Inventories		**124,227**	221,592
Trade and bills receivables	11	**16,470,899**	12,405,648
Prepayments, other receivables and other assets		**1,628,778**	1,483,077
Restricted cash		**35,486**	32,402
Time deposits		**18,000**	19,490
Cash and cash equivalents		**3,119,959**	3,052,717
Total current assets		**21,397,349**	17,214,926
Total assets		**99,096,579**	89,908,748

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 December 2021
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2021**	2020
LIABILITIES			
Current liabilities			
Trade and bills payables	12	**369,964**	282,580
Other payables and accruals		**9,402,040**	7,168,674
Interest-bearing bank and other borrowings	13(b)	**12,461,757**	14,154,713
Current income tax liabilities		**105,286**	131,082
Total current liabilities		**22,339,047**	21,737,049
Net current liabilities		**(941,698)**	(4,522,123)
Non-current liabilities			
Interest-bearing bank and other borrowings	13(a)	**45,414,484**	40,171,571
Deferred tax liabilities		**17,623**	15,939
Other payables and accruals		**185,518**	251,471
Total non-current liabilities		**45,617,625**	40,438,981
Total liabilities		**67,956,672**	62,176,030
Net assets		**31,139,907**	27,732,718
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 note and bonds		**14,294,047**	12,250,087
Retained profits		**4,665,948**	3,666,475
Other reserves		**(1,106,784)**	(1,238,889)
		27,207,881	24,032,343
Non-controlling interests		**3,932,026**	3,700,375
Total equity		**31,139,907**	27,732,718

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital	Share premium	Perpetual note and bonds	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2021	**7,273,701**	**2,080,969**	**12,250,087**	**(1,238,889)**	**3,666,475**	**24,032,343**	**3,700,375**	**27,732,718**
Profit for the year	–	–	520,614	–	1,310,681	1,831,295	254,414	2,085,709
Other comprehensive income for the year:								
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	40,279	–	40,279	1,783	42,062
Exchange differences on translation of foreign operations	–	–	–	(1,171)	–	(1,171)	(169)	(1,340)
Total comprehensive income for the year	–	–	520,614	39,108	1,310,681	1,870,403	256,028	2,126,431
Capital contributions from non-controlling interests	–	–	–	–	–	–	86,889	86,889
Cancellation of subsidiaries	–	–	–	–	–	–	(1,716)	(1,716)
Final 2020 dividend declared *(Note 9)*	–	–	–	–	(218,211)	(218,211)	–	(218,211)
Issuance of perpetual note and bonds, net of issuance costs	–	–	3,992,246	–	–	3,992,246	–	3,992,246
Repayment of perpetual note and bonds	–	–	(2,000,000)	–	–	(2,000,000)	–	(2,000,000)
Dividends paid to holders of perpetual note and bonds	–	–	(468,900)	–	–	(468,900)	–	(468,900)
Transfer from retained profits	–	–	–	92,997	(92,997)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(109,550)	(109,550)
As at 31 December 2021	**7,273,701**	**2,080,969**	**14,294,047**	**(1,106,784)**	**4,665,948**	**27,207,881**	**3,932,026**	**31,139,907**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to owners of the parent							
	Share capital	Share premium	Perpetual note and bonds	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2020	7,273,701	2,080,969	–	(1,237,002)	2,951,129	11,068,797	3,432,053	14,500,850
Profit for the year	–	–	259,521	–	927,340	1,186,861	365,732	1,552,593
Other comprehensive income for the year:								
Share of other comprehensive income of joint ventures	–	–	–	(436)	–	(436)	–	(436)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	4,326	–	4,326	(1,660)	2,666
Exchange differences on translation of foreign operations	–	–	–	440	–	440	61	501
Total comprehensive income for the year	–	–	259,521	4,330	927,340	1,191,191	364,133	1,555,324
Capital contributions from non-controlling interests	–	–	–	–	–	–	51,706	51,706
Final 2019 dividend declared	–	–	–	–	(218,211)	(218,211)	–	(218,211)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	–	(94,192)	94,192	–	–	–
Issuance of perpetual note and bonds, net of issuance costs	–	–	11,990,566	–	–	11,990,566	–	11,990,566
Transfer from retained profits	–	–	–	87,975	(87,975)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(147,517)	(147,517)
As at 31 December 2020	7,273,701	2,080,969	12,250,087	(1,238,889)	3,666,475	24,032,343	3,700,375	27,732,718

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	**2021**	2020
Cash flows from operating activities			
Profit before tax		**2,462,193**	1,879,485
Adjustments for:			
Depreciation of property, plant and equipment	10	**4,225,484**	3,747,509
Depreciation of right-of-use assets		**166,526**	45,339
Amortisation of intangible assets, long-term prepaid expenses and depreciation of investment properties		**53,174**	45,737
Losses on disposal of property, plant and equipment and intangible assets	4	**51,066**	8,706
Impairment of receivables	5	**263,227**	32,283
Write-down of inventories to net realisable value	5	**7,140**	–
Impairment of property, plant and equipment	5	**338,524**	244,793
Impairment of right-of-use assets	5	**–**	1,739
Impairment of an investment in a joint venture	5	**46,903**	–
Foreign exchange gains, net		**(5,476)**	(14,770)
Interest income from finance lease receivables	6	**(343)**	(1,887)
Interest expenses	6	**2,126,566**	2,146,869
Share of losses/(profits) of associates and joint ventures		**9,389**	(56,930)
Gains on restructuring of debts	4	**(7,499)**	(438)
Fair value gains on financial assets at fair value through profit or loss	4	**(243)**	(388)
Others, net		**(15,793)**	(33,659)
		9,720,838	8,044,388
Changes in working capital:			
Decrease/(increase) in inventories		**90,225**	(27,861)
Increase in trade and bills receivables		**(4,491,212)**	(2,888,942)
Increase in prepayments, other receivables and other assets		**(151,775)**	(120,996)
(Increase)/decrease in restricted cash		**(3,084)**	11,639
Increase/(decrease) in trade and bills payables		**106,737**	(93,829)
Increase in other payables and accruals		**1,124,454**	856,425
Cash generated from operations		**6,396,183**	5,780,824
Interest received		**22,108**	35,316
Income tax paid		**(416,394)**	(326,013)
Net cash flows from operating activities		**6,001,897**	5,490,127

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2021

(Amounts expressed in thousands of RMB unless otherwise stated)

	2021	2020
Cash flows from investing activities		
Purchase of property, plant and equipment, land use rights and intangible assets	**(8,211,895)**	(9,238,282)
Proceeds from disposal of property, plant and equipment and intangible assets	**20,590**	1,555
Investments in associates and joint ventures	**(10,499)**	(120,335)
Investments in equity investments designated at fair value through other comprehensive income	**–**	(9,749)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	**–**	357,138
Proceeds from disposal of financial assets at fair value through profit or loss	**1,361**	5,079
Proceeds from disposal of associates and joint ventures	**1,656**	9,382
Decrease/(increase) in time deposits	**1,490**	(19,490)
Dividends received from associates	**38**	26,893
Net cash flows used in investing activities	**(8,197,259)**	(8,987,809)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
Year ended 31 December 2021
(Amounts expressed in thousands of RMB unless otherwise stated)

	2021	2020
Cash flows from financing activities		
Proceeds from issuance of corporate bonds, medium-term notes and short-term bonds, net of issuance costs	**15,745,912**	10,745,846
Proceeds from issuance of perpetual note and bonds, net of issuance costs	**3,992,246**	11,990,057
Capital contributions from non-controlling interests	**86,889**	51,706
Proceeds from borrowings	**16,112,579**	20,051,846
Loans from related parties	**6,874,284**	9,250,620
Repayments of perpetual note and bonds	**(2,000,000)**	–
Repayments of borrowings	**(13,478,490)**	(21,073,805)
Repayments of corporate bonds and short-term bonds	**(12,150,000)**	(12,000,000)
Repayments of loans from related parties	**(9,752,119)**	(13,516,350)
Dividends paid	**(218,211)**	(218,211)
Dividends paid to non-controlling interests	**(80,201)**	(21,567)
Dividends paid to holders of perpetual note and bonds	**(468,900)**	–
Interest paid	**(2,020,901)**	(2,089,673)
Repayments of working capital provided by related parties	**–**	(12,550)
Principal portion of lease payments	**(380,469)**	(119,241)
Net cash flows from financing activities	**2,262,619**	3,038,678
Net increase/(decrease) in cash and cash equivalents	**67,257**	(459,004)
Cash and cash equivalents at beginning of year	**3,052,717**	3,517,159
Effect of foreign exchange rate changes, net	**(15)**	(5,438)
Cash and cash equivalents at end of year	**3,119,959**	3,052,717
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	**3,119,959**	3,052,717
Cash and cash equivalents as stated in the consolidated statement of cash flows	**3,119,959**	3,052,717

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. As at 31 December 2021, in the opinion of the directors of the Company, the ultimate holding company of the Company was Datang Corporation.

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

The address of the Company's registered office is Room 6197, Floor 6, Building 4, Yard 49, Badachu Road of Shijingshan District, Beijing, the PRC.

The Company's H shares were listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") in December 2010.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRSs (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by 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 that certain bills receivable, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

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

2.1 Basis of preparation (continued)

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

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

2.1.1 Going concern

As at 31 December 2021, the Group's current liabilities exceeded its current assets by approximately RMB941.7 million (31 December 2020: RMB4,522.1 million). The Group meets its day to day working capital requirements from cash generated from its operating activities and available financing facilities from banks and other financial institutions. The following is 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 2022;
- Unutilised banking facilities of approximately RMB15,956.7 million as at 31 December 2021, of which banking facilities of RMB1,500.0 million are not subject to renewal during the next 12 months from the end of the reporting period. As at 31 December 2021, 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

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

2.1 Basis of preparation (continued)

2.1.1 Going concern (continued)

- Other available sources of financing from banks and other financial institutions given the Group's credit history. There were corporate bonds of RMB10,000.0 million approved by the China Securities Regulatory Commission but not yet issued, asset-backed notes of RMB2,000.0 million, short-term financing bonds of RMB4,250.0 million and medium-term notes of RMB6,200.0 million registered in the National Association of Financial Market Institutional Investors but not yet issued as at 31 December 2021. Except for the asset-backed notes that are valid until August 2022, the approvals and registrations mentioned above are effective and valid for the next 12 months from the end of the reporting period.

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

2.1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries for the year ended 31 December 2021. 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.

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

2.1 Basis of preparation (continued)

2.1.2 Basis of consolidation (continued)

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 are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

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

2.1 Basis of preparation (continued)

2.1.2 Basis of consolidation (continued)

- 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 profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

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 IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

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

2.2 Changes in accounting policies and disclosures (continued)

The nature and the impact of the revised IFRSs are described below:

(a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("**RFR**"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

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

2.2 Changes in accounting policies and disclosures (continued)

The nature and the impact of the revised IFRSs are described below: (continued)

(a) (continued)

As at 31 December 2021, the Group had certain interest-bearing bank and other borrowings denominated in RMB based on various Interbank Offered Rates or the Loan Prime Rate announced by the People's Bank of China ("**PBOC**"). Since the interest rates of these borrowings were not replaced by RFR during the current year, these amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFR in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met. The Group does not expect the changes and the application of the amendments will result in significant gains or losses.

(b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. As there is no rent concession event occurred in the Group in the current period, the amendments did not have any significant impact on the Group's financial statements.

(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 adopted the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements:

Amendments to IFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17	*Insurance Contracts*[2]
Amendments to IFRS 17	*Insurance Contracts*[2, 4]
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS9 – Comparation Information*[2]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to IAS 8	*Definition of Accounting Estimates*[2]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Annual Improvements to IFRSs 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*[1]

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023
3 No mandatory effective date yet determined but available for adoption
4 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

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:

(a) Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

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: (continued)

(b) 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 resulting from a downstream transaction 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 December 2015 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. The amendments are not expected to have any significant impact on the Group's financial statements.

(c) Amendments to IAS 1 *Classification of liabilities as current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. 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)

Further information about those IFRSs that are expected to be applicable to the Group is described below: (continued)

(d) Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

(e) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. 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)

Further information about those IFRSs that are expected to be applicable to the Group is described below: (continued)

(f) Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

(g) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The Group is currently assessing the impact that the amendments will have on current practice.

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: (continued)

(h) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. 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)

Further information about those IFRSs that are expected to be applicable to the Group is described below: (continued)

(i) *Annual Improvements to IFRSs 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION

(a) Segment information

Management has determined the operating segments based on the information reviewed by the executive directors and certain senior management (including chief accountant) (together referred to as the "**Executive Management**") for the purposes of allocating resources and assessing performance.

The Executive Management considers the performance of all businesses on a consolidated basis as all other renewable power businesses except the wind power business were relatively insignificant for the years ended 31 December 2021 and 2020. 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 2021, all (2020: all) of the Group's revenue was derived from external customers in the PRC.

As at 31 December 2021, all (31 December 2020: all) of the non-current assets were located in the PRC (including Hong Kong).

For the year ended 31 December 2021, all (2020: all) revenue from the sales of electricity was charged to the provincial power grid companies in which the Group operated. These power grid companies are directly or indirectly owned or controlled by the PRC government.

(b) Revenue

An analysis of revenue is as follows:

	2021	2020
Revenue from contracts with customers	**11,605,188**	9,361,499
Revenue from other sources		
Gross rental income from investment properties leases:		
Other lease payments, including fixed payments	**19,898**	10,532
	11,625,086	9,372,031

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

Wind power segment	**2021**	2020
Types of goods or services		
Sale of electricity	**11,568,431**	9,334,458
Other services	**36,757**	27,041
Total revenue from contracts with customers	**11,605,188**	9,361,499
Timing of revenue recognition		
Goods transferred at a point in time	**11,568,431**	9,334,458
Services transferred over time	**36,757**	27,041
Total revenue from contracts with customers	**11,605,188**	9,361,499

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2021	2020
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Other services	**2,638**	3,057

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of electricity

The Group's contracts with customers for the power generation and sale generally include one performance obligation. The Group has concluded that the performance obligation is satisfied at a point in time and revenue continues to be recognised upon transmission to the customers.

Rendering of other services

The Group provides energy performance services, repairs and maintenance services, and other services to external parties, and recognises the related revenue over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

Rendering of other services (continued)

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and 2020 were as follows:

	2021	2020
Within one year	**461**	2,640
After one year	**2,522**	2,981
	2,983	5,621

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year related to construction and maintenance services, of which the performance obligations will be satisfied within two to fifteen years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

(Amounts expressed in thousands of RMB unless otherwise stated)

4. OTHER INCOME AND OTHER GAINS, NET

	2021	2020
Government grants	**296,079**	311,465
Fair value gains on financial assets at fair value through profit or loss	**243**	388
Gain on disposal of financial assets at fair value through profit or loss	**361**	51
Compensation from wind turbine suppliers *(Note)*	**2,250**	7,942
Losses on disposal of property, plant and equipment and intangible assets	**(51,066)**	(8,706)
Compensation, liquidated damages and fines income/(expense)	**32,553**	(5,609)
Gains on restructuring of debts	**7,499**	438
Gains/(losses) on disposal of investment in associates and joint ventures	**656**	(1,270)
Others	**(8,935)**	(4,464)
	279,640	300,235

Note: Compensation from wind turbine suppliers represents compensation for revenue losses incurred due to the delays of the provision of maintenance services and poor conditions of spare parts within the warranty periods provided by relevant suppliers.

(Amounts expressed in thousands of RMB unless otherwise stated)

5. OTHER OPERATING EXPENSES

	2021	2020
Impairment of property, plant and equipment *(Note 10)*	**338,524**	244,793
Impairment of right-of-use assets	**–**	1,739
Impairment of an investment in a joint venture	**46,903**	–
Write-down of inventories to net realisable value	**7,140**	–
Impairment of receivables	**263,227**	32,283
Tax and surcharges	**115,657**	108,172
Insurance premium	**65,288**	62,281
Utility fees	**32,087**	57,132
Travelling expenses	**33,109**	32,777
Professional service and consulting fees	**43,378**	33,604
Lease payments not included in the measurement of lease liabilities	**50,338**	17,431
Transportation expenses	**17,027**	17,755
Information technology expenses	**27,733**	22,377
Property management fees	**13,281**	10,891
Office expenses	**11,403**	9,646
Technical supervision service fees	**21,419**	23,893
Entertainment expenses	**3,308**	2,983
Research and development costs	**9,941**	631
Others	**111,779**	95,120
	1,211,542	773,508

(Amounts expressed in thousands of RMB unless otherwise stated)

6. FINANCE INCOME/FINANCE EXPENSES

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

	2021	2020
Finance income		
Interest income on deposits with banks and other financial institutions	**7,825**	10,146
Interest income on deposits with a related party	**14,283**	25,170
Interest income from finance lease receivables	**343**	1,887
	22,451	37,203
Finance expenses		
Interest on bank and other borrowings	**(2,095,967)**	(2,301,178)
Interest on lease liabilities	**(124,599)**	(73,505)
Unwinding of discount on asset retirement obligations	**(6,420)**	(6,025)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	**100,420**	233,839
	(2,126,566)	(2,146,869)
Foreign exchange gains, net	**4,797**	10,051
	(2,121,769)	(2,136,818)
Finance expenses, net	**(2,099,318)**	(2,099,615)
Interest capitalisation rate	**3.95%-5.22%**	4.05%-5.22%

(Amounts expressed in thousands of RMB unless otherwise stated)

7. INCOME TAX EXPENSES

	2021	2020
Current tax		
PRC enterprise income tax	**379,970**	320,346
Underprovision in prior years	**10,064**	9,073
	390,034	329,419
Deferred tax		
Recognition of temporary differences	**(13,550)**	(2,527)
Income tax expenses	**376,484**	326,892

For the year ended 31 December 2021, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 20% (2020: 7.5% to 15%), all other subsidiaries established in the PRC were subject to income tax at a rate of 25% (2020: 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 years for the investment operating income.

7. INCOME TAX EXPENSES (CONTINUED)

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

(b) Pursuant to CaiShui [2011] No. 58 issued by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, from 1 January 2011 to 31 December 2020, the enterprise income tax will be levied at a reduced rate of 15% on the encouraged industrial enterprises in the western region. Pursuant to CaiShui [2020] No. 23 issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, this preferential tax policies validity was extended to 31 December 2030.

(c) Pursuant to CaiShui [2021] No.12 issued by the Ministry of Finance and the State Administration of Taxation, for the qualified small and micro enterprises, the income tax of the first RMB1.0 million of annual taxable profits, and the remaining part exceeding RMB1.0 million but not more than RMB3.0 million shall be calculated at 12.5% and 50% of taxable income respectively, with a reduced tax rate of 20%.

(d) Pursuant to CaiShui [2009] No.203 issued by the State Administration of Taxation, the enterprise income tax will be levied at a reduced rate of 15% for the eligible qualified high-tech enterprises.

For the year ended 31 December 2021, the joint ventures and associates were subject to an income tax rate of 25% (2020: 25%), and the share of income tax attributable to joint ventures and associates of nil (2020: RMB0.1 million) and RMB10.0 million (2020: RMB21.1 million) respectively, was included in “Share of profits and losses of associates and joint ventures”.

(Amounts expressed in thousands of RMB unless otherwise stated)

7. INCOME TAX EXPENSES (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:

	2021	2020
Profit before tax	**2,462,193**	1,879,485
Taxation calculated at the statutory tax rate	**615,548**	469,871
Income tax effects of:		
– Preferential income tax treatments	**(467,350)**	(313,953)
– Profits and losses attributable to associates and joint ventures	**2,347**	(14,233)
– Expenses not deductible for tax purposes	**7,144**	3,544
– Tax losses and temporary differences for which no deferred income tax asset was recognised	**226,763**	182,365
– Utilisation of previously unrecognised tax losses and temporary differences	**(18,032)**	(9,775)
– Underprovision for prior years	**10,064**	9,073
	376,484	326,892
Weighted average effective income tax rate	**15.3%**	17.4%

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in 2021 and were entitled to income tax exemption pursuant to the preferential tax regulation in the PRC.

(Amounts expressed in thousands of RMB unless otherwise stated)

8. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings per share

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, adjusted to reflect the interest on perpetual note and bonds, and the weighted average number of ordinary shares in issue during the year.

	2021	2020
Earnings		
Profit attributable to owners of the parent *(RMB'000)*	**1,831,295**	1,186,861
Interest on perpetual note and bonds *(RMB'000)*	**(520,614)**	(259,521)
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation *(RMB'000)*	**1,310,681**	927,340
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation *(thousands of shares)*	**7,273,701**	7,273,701
Basic earnings per share *(RMB)*	**0.1802**	0.1275

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2021 and 2020 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. DIVIDENDS

	2021	2020
Proposed final dividend – RMB0.03 (before tax) (2020: RMB0.03 (before tax)) per ordinary share	**218,211**	218,211

The dividend paid by the Company in 2021 was RMB218.2 million (2020: RMB218.2 million).

A final dividend in respect of the year ended 31 December 2021 of RMB0.03 (before tax) per ordinary share, amounting to a total final dividend of RMB218.2 million, is subject to the 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)

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings and plant	Generators and related equipment	Others *(Note)*	Construction in progress	Total
Year ended 31 December 2021					
Opening net carrying amount	**3,004,192**	**49,395,156**	**130,888**	**12,173,495**	**64,703,731**
Additions	**4,710**	**547,489**	**16,252**	**9,699,201**	**10,267,652**
Transfer and reclassification	**400,343**	**12,285,056**	**63,469**	**(12,767,223)**	**(18,355)**
Other disposals	**(4,097)**	**(66,387)**	**(1,172)**	**–**	**(71,656)**
Depreciation	**(192,664)**	**(4,040,270)**	**(35,577)**	**–**	**(4,268,511)**
Impairment during the year	**–**	**(10,764)**	**–**	**(327,760)**	**(338,524)**
Closing net carrying amount	**3,212,484**	**58,110,280**	**173,860**	**8,777,713**	**70,274,337**
As at 31 December 2021					
Cost	**4,638,328**	**88,978,868**	**522,365**	**9,180,643**	**103,320,204**
Accumulated depreciation	**(1,377,345)**	**(30,738,465)**	**(347,791)**	**–**	**(32,463,601)**
Accumulated impairment	**(48,499)**	**(130,123)**	**(714)**	**(402,930)**	**(582,266)**
Net carrying amount	**3,212,484**	**58,110,280**	**173,860**	**8,777,713**	**70,274,337**
Year ended 31 December 2020					
Opening net carrying amount	2,996,179	47,559,698	132,700	8,366,553	59,055,130
Additions	1,795	161,509	9,188	9,500,338	9,672,830
Transfer and reclassification	234,666	5,347,796	22,931	(5,617,175)	(11,782)
Other disposals	(3,350)	(2,406)	(4,139)	–	(9,895)
Depreciation	(176,599)	(3,552,082)	(29,078)	–	(3,757,759)
Impairment during the year	(48,499)	(119,359)	(714)	(76,221)	(244,793)
Closing net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731
As at 31 December 2020					
Cost	4,239,680	76,242,611	452,085	12,339,303	93,273,679
Accumulated depreciation	(1,186,989)	(26,728,096)	(320,483)	–	(28,235,568)
Accumulated impairment	(48,499)	(119,359)	(714)	(165,808)	(334,380)
Net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731

Note: Other property, plant and equipment represents transportation facilities, office equipment and other property, plant and equipment held by the Group.

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the years ended 31 December 2021 and 2020, depreciation expense is analysed as follows:

	2021	2020
Depreciation expense recognised in profit or loss	**4,225,484**	3,747,509
Capitalisation as construction in progress	**43,027**	10,250
	4,268,511	3,757,759

As at 31 December 2021, certain property, plant and equipment was pledged as security for certain bank and other borrowings of the Group as set out in Note 13(c).

Impairment test for property, plant and equipment

For the year ended 31 December 2021, certain construction in progress was considered impaired due to the suspension of the construction progress for a long time and future discontinue plan of relevant subsidiaries. The Group's management estimated the recoverable amount based on fair value less costs of disposal of those assets was nil. An impairment loss of RMB327.8 million (2020: RMB53.7 million) was recognised in profit or loss in "other operating expenses". Certain subsidiaries and branch of the Company, namely China Datang Corporation Renewable Power Co., Ltd. Beijing Maintenance Branch, Datang Taihua Qiqihar Renewable Power Co., Ltd. and Datang Weifang New Energy Co., Ltd. were deregistered this year and the accumulated impairment loss on construction in progress of RMB90.6 million was written off.

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment test for property, plant and equipment (continued)

For the year ended 31 December 2021, certain property, plant and equipment for energy performance service were considered impaired as the related service contract was terminated and the management estimated the recoverable amount based on fair value less costs of disposal. Accordingly, an impairment loss of RMB10.8 million (2020: nil) was recognised in profit or loss in "other operating expenses". In 2020, Datang Qiannan Renewable Power Co., Ltd. ("**Qiannan Renewable**"), a subsidiary of the Company, planned to dismantle 17 wind turbines and booster stations in its wind farm named as the Dafengping project before 30 April 2021, in order to cooperate with the protection of the Duliu River Source Wetland Provincial Nature Reserve Protection Zone by Guizhou Province Duliu City. Impairment losses of RMB191.1 million and RMB1.7 million provided for the property, plant and equipment and right-of-use assets respectively, including RMB22.5 million provided for construction in progress, were recognised in profit or loss in "other operating expenses" as a result of the assessment as at 31 December 2020. The management reassessed the recoverable amounts of those assets based on fair values less costs of disposal at 31 December 2021, and no additional impairment need to be recognised.

For the year ended 31 December 2021, no impairment losses were provided for other property, plant and equipment of the Group based on value in use (2020: Nil). When indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each asset or CGU. The CGU is an entity. The carrying values of the assets or entities for which indication of impairment was identified were compared to their recoverable amounts, which were based predominantly on value in use. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the same cash flows of the fifth year. Other key assumptions applied in the impairment tests include the future sales volume, affected by the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects, and the utilisation efficiency, operating costs, electricity prices and discount rates. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopted pre-tax rates at 8.24% and 9.33% (31 December 2020: 9.41% and 14.67%) that reflect specific risks related to CGUs as the discount rates as at 31 December 2021.

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

According to the approval by the committee of the Communist Party of the Company during the twenty-fourth meeting, the Group adjusted the estimated useful life of transportation facilities from 6 years to 10 years since 1 July 2021. Management adopts prospective application to the changes in accounting estimates. Upon adoption of the new useful life of transportation facilities, the depreciation charges of the Group would have decreased by approximately RMB1.7 million and the profit before taxation of the Group would have increased by approximately RMB1.6 million for the year ended 31 December 2021.

11. TRADE AND BILLS RECEIVABLES

	2021	2020
Trade receivables	**16,552,604**	12,093,097
Bills receivable	**160,932**	345,149
	16,713,536	12,438,246
Less: impairment losses	**(242,637)**	(32,598)
	16,470,899	12,405,648

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of trade and bills receivables based on the revenue recognition date, less impairment losses, is as follows:

	2021	2020
Within 1 year	**7,019,881**	6,321,150
Between 1 year and 2 years	**5,092,403**	4,281,844
Between 2 years and 3 years	**3,637,104**	1,419,041
Over 3 years	**721,511**	383,613
	16,470,899	12,405,648

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 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 power grid companies, except for the tariff premium of renewable energy. The collection of renewable energy tariff premium is subject to the allocation of funds by the relevant government authorities to the local power grid companies, which consequently takes a relatively longer time for settlement.

As at 31 December 2021 and 2020, the Group has pledged a portion of its tariff collection rights as security for certain bank and other loans (Note 13(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 2021, bills receivable which have not matured but discounted or endorsed with a right of recourse and were not derecognised in the financial statements were nil (31 December 2020: nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movements in the impairment loss of trade and bills receivables are as follows:

	2021	2020
As at 1 January	**32,598**	3,652
Impairment losses	**210,039**	28,946
As at 31 December	**242,637**	32,598

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group is satisfied that recovery of the amount is remote.

The financial resource for the renewable energy tariff premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. Pursuant to 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) jointly issued by the Ministry of Finance (the "**MOF**"), the National Development and Reform Commission (the "**NDRC**") and the National Energy Administration (the "**NEA**") in March 2012, the standardised application and approval procedures on a project by project basis for the settlement of the tariff premium came into force in 2012, and such applications were accepted and approved batch by batch jointly by the MOF, NDRC and NEA at intervals in form of announcing renewable energy subsidy catalogues (the "**Subsidy Catalogues**").

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

In February 2020, the MOF, NDRC and NEA jointly issued new guidelines and notices (collectively referred to "**New Guidelines**"), i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法). Pursuant to the New Guidelines, the quota of new subsidies should be decided based on the scale of subsidy funds, there will be no new Subsidy Catalogues published for tariff premium and as an alternative, power grid enterprises will publish the list of renewable energy projects qualified for tariff premium (the "**Subsidy List**") periodically after the renewable energy enterprises have gone through certain approval and information publicity process.

As at 31 December 2021, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. Based on the above, the directors estimated that there are no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogues or the Subsidy List. The tariff premium receivables are settled in accordance with prevailing government policies and prevalent payment trends of the MOF. There is no due date for settlement.

The Group applies the simplified approach to the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The assessment on the expected credit losses are as follows:

- For the trade receivables from tariff premium amounting to RMB15,374.6 million (31 December 2020: RMB11,000.2 million) as at 31 December 2021. The Group is of the opinion that the approvals will be obtained in due course and these trade receivables from tariff premium are fully recoverable considering such tariff premium is funded by the PRC government, except for RMB2.3 million (31 December 2020: RMB2.3 million) representing a past due tariff premium from a power grid company in dispute which was assessed to be not recoverable.

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

- For the tariff receivables from grid companies amounting to RMB887.7 million (31 December 2020: RMB819.2 million) as at 31 December 2021, no credit loss is expected considering there were no bad debt experiences with the grid companies in the past.

- For the trade receivable from a trade debtor for services rendered amounting to RMB238.0 million (31 December 2020: RMB238.0 million) among which aged over three years was RMB193.8 million(31 December 2020: RMB114.2 million) as at 31 December 2021, due to the debtor's significant increase in credit risk in 2021, the management made a full provision of RMB238.0 million (31 December 2020: RMB28.0 million) as at 31 December 2021.

- For other trade receivables amounting to RMB52.3 million (31 December 2020: RMB35.7 million) among which aged over three years was RMB9.5 million(31 December 2020: RMB7.2 million) as at 31 December 2021, the management considered the amount was insignificant and loss allowance of RMB2.3 million (31 December 2020: RMB2.3 million) was provided resulting from individual credit risk assessment.

(Amounts expressed in thousands of RMB unless otherwise stated)

12. TRADE AND BILLS PAYABLES

	2021	2020
Trade payables	**369,964**	263,227
Bills payable	**–**	19,353
	369,964	282,580

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

	2021	2020
Within 1 year	**291,392**	164,798
After 1 year but within 2 years	**32,686**	49,698
After 2 years but within 3 years	**24,206**	22,727
After 3 years	**21,680**	26,004
	369,964	263,227

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)

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	2021	2020
Bank loans		
– Unsecured	**23,725,866**	22,021,298
– Guaranteed *(Note 13 (c))*	**809,292**	1,059,634
– Secured	**11,921,658**	9,217,252
– Secured and guaranteed *(Note 13 (c))*	**34,661**	89,716
	36,491,477	32,387,900
Other loans		
– Unsecured	**2,566,758**	5,918,254
– Secured *(Note (i))*	**5,590,750**	5,694,898
	8,157,508	11,613,152
Corporate bonds and medium-term notes – unsecured *(Note (ii))*	**4,862,689**	2,219,499
Lease liabilities	**2,635,890**	2,932,815
Total long-term borrowings	**52,147,564**	49,153,366
Less: current portion of long-term borrowings *(Note 13 (b))*		
– Bank loans	**(3,532,963)**	(4,009,648)
– Other loans	**(1,774,175)**	(3,900,321)
– Corporate bonds and medium-term notes	**(1,263,635)**	(1,021,503)
– Lease liabilities	**(162,307)**	(50,323)
	(6,733,080)	(8,981,795)
Total non-current portion of long-term borrowings	**45,414,484**	40,171,571

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(a) Long-term borrowings (continued)

Notes:

(i) As at 31 December 2021 and 2020, the details of secured other loans were as follows:

	2021	2020
Datang Financial Leasing Company Limited ("**Datang Financial Leasing**")*	**2,519,922**	2,618,770
Shanghai Datang Financial Leasing Company Limited ("**Shanghai Datang Financial Leasing**") *	**1,218,690**	1,050,068
ICBC Financial Leasing Company Limited*	**611,646**	856,820
CMB Financial Leasing Company Limited*	**393,093**	503,142
China Reform Financial Leasing Company Limited*	**43,415**	93,416
State Grid International Leasing Company Limited*	**18,433**	203,891
Bank of Communications Financial Leasing Company Limited*	**–**	14,202
Datang Factoring Company Limited	**755,527**	354,589
Taiping & Sinopec Financial Leasing Company Limited*	**30,024**	–
Total	**5,590,750**	5,694,898

* According to the respective loan agreements with the aforementioned companies, certain subsidiaries of the Company agreed to sell and lease back certain property, plant and equipment to and from the aforementioned companies for periods ranging from 3 to 15 years under certain conditions. The underlying property, plant and equipment will be transferred to the relevant subsidiaries of the Group at a notional consideration of RMB1.00 at the end of the lease term. In accordance with IFRS 16 *Leases*, if the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the seller-lessee shall continue to recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds applying IFRS 9, and proceeds received under this agreement should be accounted for as borrowings secured by the relevant property, plant and equipment as the substance of this arrangement is considered as a financing arrangement. As at 31 December 2021, cash amounting to RMB48.7 million (31 December 2020: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(a) Long-term borrowings (continued)

Notes: (continued)

(ii) The Company issued several corporate bonds and medium-term notes amounting to RMB500.0 million, RMB500.0 million, RMB1,200.0 million, RMB1,000.0 million, RMB1,000.0 million, RMB500.0 million, RMB800.0 million and RMB300.0 million with a unit par value of RMB100 each on 28 September 2016, 21 October 2016, 26 September 2019, 6 May 2021, 15 July 2021, 9 August 2021, 26 September 2021 and 20 October 2021, respectively. The annual interest rates for these corporate bonds and medium-term notes are 3.15%, 3.10%, 3.58%, 3.32%, 2.95%, 2.85%, 3.00% and 3.39%, respectively. The first two issued corporate bonds have already matured and settled in September 2021 and October 2021, respectively.

(b) Short-term borrowings

	2021	2020
Bank loans		
– Unsecured	**875,687**	1,449,855
– Guaranteed *(Note 13 (c))*	**–**	99,671
– Secured and guaranteed *(Note 13 (c))*	**–**	131,246
	875,687	1,680,772
Short-term bonds – Unsecured *(Note)*	**3,772,764**	2,759,071
Other loans		
– Unsecured	**362,328**	223,033
– Secured	**717,898**	510,042
	1,080,226	733,075
Current portion of long-term borrowings *(Note 13(a))*	**6,733,080**	8,981,795
	12,461,757	14,154,713

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(b) Short-term borrowings (continued)

Note: The information of short-term bonds issued by the Company is listed in the below table:

Type of instruments	Issuance date	Par value	Interest rate	1 January 2021	Issued	Interest	Payment	31 December 2021
2020 short-term bonds (the fifth tranche)	29 October 2020	1,000,000	2.45%	1,003,795	–	2,247	1,006,042	–
2020 short-term bonds (the sixth tranche)	2 November 2020	1,000,000	1.80%	1,002,860	–	1,578	1,004,438	–
2020 short-term bonds (the seventh tranche)	12 November 2020	750,000	2.40%	752,416	–	1,775	754,191	–
2021 short-term bonds (the first tranche)	26 January 2021	2,000,000	2.28%	–	2,000,000	9,370	2,009,370	–
2021 short-term bonds (the second tranche)	4 February 2021	1,000,000	2.69%	–	1,000,000	2,948	1,002,948	–
2021 short-term bonds (the third tranche)	12 March 2021	1,000,000	2.42%	–	1,000,000	4,310	1,004,310	–
2021 short-term bonds (the fourth tranche)	7 April 2021	800,000	2.42%	–	800,000	3,448	803,448	–
2021 short-term bonds (the fifth tranche)	14 May 2021	1,000,000	2.38%	–	1,000,000	5,803	1,005,803	–
2021 short-term bonds (the sixth tranche)	9 June 2021	800,000	2.19%	–	800,000	2,784	802,784	–
2021 short-term bonds (the seventh tranche)	19 July 2021	800,000	2.09%	–	800,000	1,466	801,466	–
2021 short-term bonds (the eighth tranche)	4 August 2021	1,000,000	2.31%	–	1,000,000	9,430	–	1,009,430
2021 short-term bonds (the ninth tranche)	11 August 2021	1,000,000	2.28%	–	1,000,000	8,870	–	1,008,870
2021 short-term bonds (the tenth tranche)	18 August 2021	1,000,000	2.09%	–	1,000,000	5,153	1,005,153	–
2021 short-term bonds (the eleventh tranche)	12 November 2021	1,000,000	2.45%	–	1,000,000	3,155	–	1,003,155
2021 short-term bonds (the twelfth tranche)	3 December 2021	750,000	2.45%	–	750,000	1,309	–	751,309
Total		14,900,000		2,759,071	12,150,000	63,646	11,199,953	3,772,764

The issuance cost of above-mentioned short-term bonds for the year ended 31 December 2021was RMB3.0 million (2020: RMB2.5 million).

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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

As at 31 December 2021 and 2020, the effective interest rates per annum on borrowings are as follows:

	2021	2020
Long-term borrowings		
Bank loans	**2.15%-4.95%**	2.82%-5.50%
Other loans	**2.95%-5.88%**	3.30%-5.80%
Corporate bonds and medium-term notes	**2.85%-3.58%**	3.10%-3.58%
Short-term borrowings		
Bank loans	**2.15%-4.35%**	3.00%-4.65%
Other loans	**1.01%-5.70%**	1.01%-5.70%
Short-term bonds	**2.28%-2.45%**	1.80%-2.45%

As at 31 December 2021 and 2020, details of the Group's guaranteed bank loans are as follows:

	2021	2020
Guarantor		
– The Company	**686,346**	1,131,047
– Non-controlling interests and an ultimate holding company of subsidiaries and a fellow subsidiary of the Company*	**157,607**	249,220
	843,953	1,380,267

* The loans of certain subsidiaries of the Company from China Merchants Bank Co., Ltd. were guaranteed by Datang Yunnan Power Generation Co., Ltd., a fellow subsidiary of the Company. As at 31 December 2021, the guaranteed balance was RMB34.7 million.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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

As at 31 December 2021 and 2020, the Group has pledged certain assets as collateral for certain secured borrowings and a summary of these pledged assets is as follows:

	Bank loans		Other loans	
	2021	2020	**2021**	2020
Property, plant and equipment	**1,314,324**	1,432,299	**7,511,790**	7,551,020
Concession assets	**168,810**	184,089	**–**	–
Tariff collection rights	**5,156,683**	2,276,492	**1,670,579**	803,328
	6,639,817	3,892,880	**9,182,369**	8,354,348

As at 31 December 2021 and 2020, long-term borrowings were repayable as follows:

	2021	2020
Within 1 year	**6,733,080**	8,981,795
After 1 year but within 2 years	**9,393,806**	6,889,979
After 2 years but within 5 years	**20,118,909**	19,314,139
After 5 years	**15,901,769**	13,967,453
	52,147,564	49,153,366

As at 31 December 2021 and 2020, the carrying amounts of borrowings were all denominated in the RMB.

14. EVENTS AFTER THE REPORTING PERIOD

On 30 March 2022, the board of directors of the Company proposed to distribute the final dividend for the year ended 31 December 2021 of RMB0.03 per share (before tax) in cash to the shareholders with an amount of RMB218.2 million. The proposal is subject to the approval by the shareholders at the 2021 Annual General Meeting of the Company.

The Company has completed the public issue of its short-term bonds (first tranche) of 2022 (the "**Short-term Bonds I**") and received the proceeds therefrom as at 12 January 2022. The issuance of the Short-term Bonds I is RMB1.0 billion, with a maturity period of 90 days. The unit par value is RMB100 and the interest rate is 2.24%. The interest starts to accrue from 13 January 2022.

The Company has completed the public issue of its short-term bonds (second tranche) of 2022 (the "**Short-term Bonds II**") and received the proceeds therefrom as at 19 January 2022. The issuance of the Short-term Bonds II is RMB1.0 billion, with a maturity period of 90 days. The unit par value is RMB100 and the interest rate is 2.16%. The interest starts to accrue from 20 January 2022.

The Company has completed the public issue of its corporate bonds (first tranche) of 2022 (the "**Corporate Bonds I**") and received the proceeds therefrom on 2 March 2022. The issuance of the Corporate Bonds I is RMB1.0 billion, with a term of 3 years. The unit par value is RMB100 and the interest rate is 2.97%. The interest starts to accrue from 2 March 2022.

The Company has completed the public issue of its short-term bonds (third tranche) of 2022 (the "**Short-term Bonds III**") and received the proceeds therefrom as at 9 March 2022. The issuance of the Short-term Bonds III is RMB1.0 billion, with a maturity period of 72 days. The unit par value is RMB100 and the interest rate is 2.00%. The interest starts to accrue from 10 March 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

The State issued the "14th Five-Year Plan" and the outline of long-term objectives

2021 represents the first year of China's "carbon dioxide peaking and carbon neutralization" policy. In March 2021, the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China (2021–2025) and the Outline of Long-term Objectives for 2035(《中華人民共和國國民經濟和社會發展第十四個五年(2021-2025)規劃和2035年遠景目標綱要》) was issued. The document points out: "Accelerate the development of non-fossil energy, adhere to both centralized and distributed development, vigorously increase the scale of wind power and photovoltaic power generation, accelerate the development of distributed energy in the eastern and central part, orderly develop offshore wind power, accelerate the construction of hydro power bases in the southwest, safely and steadily promote the construction of coastal nuclear power, build a number of clean energy bases with multi kinds of energy complementing each other, and increase the proportion of non-fossil energy in the total energy consumption to approximately 20%.

Renewable energy continues to maintain a good momentum of development

In 2021, the domestic epidemic was effectively controlled and the national economy continued to recover; benefiting from the continuous promotion of the "double carbon" policy, China's renewable energy continued to maintain a good development momentum.

According to the data published by the National Energy Administration ("NEA"), in 2021, the electricity consumption reached 8,312.8 billion kWh, representing a year-on-year increase of 10.3%. By the end of 2021, China's installed power generation capacity was about 2.38 billion kilowatts, representing a year-on-year increase of 7.9%. Among them, the installed capacity of renewable energy power generation reached 1.063 billion kilowatts, accounting for 44.8% of the total installed capacity of power generation. The newly installed capacity of renewable energy was 134 million kilowatts, accounting for 76.1% of the newly installed power generation in China.

Firstly, the installed capacity of renewable energy exceeded 1 billion kilowatts. By the end of 2021, the installed capacity of renewable energy power generation in China had reached 1.063 billion kilowatts, accounting for 44.8% of the total installed capacity. Among them, the installed capacity of hydro power was 391 million kilowatts (including 36 million kilowatts of pumped storage), wind power was 328 million kilowatts, photovoltaic power generation was 306 million kilowatts and biomass power generation was 37.98 million kilowatts, accounting for 16.5%, 13.8%, 12.9% and 1.6% of the total installed capacity of power generation in China, respectively. Secondly, the power generation capacity of renewable energy has increased steadily. In 2021, the power generation capacity of renewable energy in China reached 2.48 trillion kWh, accounting for 29.8% of the electricity consumption of the whole society. Among them, hydro power contributed 1,340.1 billion kWh, representing a year-on-year decrease of 1.1%, wind power contributed 652.6 billion kWh, representing a year-on-year increase of 40.5%, photovoltaic power generation contributed 325.9 billion kWh, representing a year-on-year increase of 25.1%, and biomass power generation contributed 163.7 billion kWh, representing a year-on-year increase of 23.6%. Hydro power, wind power, photovoltaic power generation and biomass power generation accounted for 16.1%, 7.9%, 3.9% and 2% of the total electricity consumption of the whole society, respectively. Thirdly, renewable energy continued to maintain a high level of utilization. In 2021, the utilization rate of water energy in major river basins in China was approximately 97.9%, representing an increase of 1.5 percentage points over the same period last year, and the amount of hydro power abandoned was approximately 17.5 billion kWh. The average utilization rate of wind power in China was 96.9%, representing an increase of 0.4 percentage point over the same period last year. The average utilization rate of photovoltaic power generation in China was 98%, which is basically the same as that in the same period last year.

Frequent introduction of policy documents favorable to the new energy industry

With the development of "low-carbon environmental protection", China pays more and more attention to environmental pollution and energy conservation and emission reduction. Developing new energy, realizing energy transformation, reducing fossil energy consumption, building a green and low-carbon energy system and reducing carbon dioxide emissions are one of the important measures to achieve global carbon neutrality. Policies are in the first place for industrial development. In 2021, policy documents favorable to the new energy industry were introduced frequently, pointing out the direction for China's medium and long-term new energy development.

On 22 February 2021, the State Council issued the "Guiding Opinions on Accelerating the Establishment and Improvement of a Green and Low-carbon Circular Development Economic System" (《關於加快建立健全綠色低碳循環發展經濟體系的指導意見》). The opinions pointed out that China would promote the green and low-carbon transformation of the energy system, give priority to energy conservation, and improve the dual control system of total energy consumption and intensity. China would increase the proportion of renewable energy utilization, vigorously promote the development of wind power and photovoltaic power generation, and develop hydro power, geothermal energy, marine energy, hydrogen energy, and biomass energy and photothermal power generation according to local conditions.

On 5 March 2021, the National Development and Reform Commission and the NEA issued the "Guiding Opinions on Promoting the Integration of Power Source Network Load Storage and Multi Energy Complementary Development" (《關於推進電力源網荷儲一體化和多能互補發展的指導意見》). Through improving the market-oriented tariff mechanism, it mobilized the enthusiasm of market subjects, guided the active action, rational layout and optimal operation of power supply side, power grid side, load side and independent energy storage to achieve scientific and healthy development.

On 23 March 2021, the NEA issued the "Work Plan for Comprehensive Supervision of Clean Energy Consumption" (《清潔能源消納情況綜合監管工作方案》) and decided to organize and carry out comprehensive supervision of clean energy consumption nationwide. With the goal of promoting the efficient utilization of clean energy, this comprehensive supervision urged relevant regions and enterprises to strictly implement the national clean energy policy, optimized the grid connection and dispatching operation of clean energy, standardized the participation of clean energy in market-oriented transactions, and timely developed the outstanding problems existing in the development of clean energy to ensure the efficient utilization of clean energy, further promoting the high-quality development of the clean energy industry and helping achieve "carbon dioxide peaking and carbon neutralization".

On 22 April 2021, the NEA issued the "Guiding Opinions on Energy Work in 2021" (《2021年能源工作指導意見》). The opinions pointed out that the main expected objectives of 2021 were to make the allocation of energy resources more reasonable, greatly improve the utilization efficiency, maintain a high level of renewable energy utilization such as wind power and photovoltaic power generation, and increase the average utilization hours of cross regional transmission channels to approximately 4,100 hours.

On 25 April 2021, the NEA issued the "Notice on Submitting the Work Plan of Power Source Network Load Storage Integration and Multi Energy Complementary in the 14th Five-Year Plan" (《關於報送「十四五」電力源網荷一體化和多能互補工作方案的通知》). The notice required the steady implementation of "wind, photovoltaic, thermal (storage) integration" and encouraged the integration of "wind, photovoltaic, water (storage)" and "wind, photovoltaic and storage"; gave priority to relying on existing coal power projects to promote the integrated development of wind, photovoltaic, thermal (storage) and expand the bundling scale of new energy power; allowed the use of coal-fired power projects that had been included in the national power development plan in the near area to promote the integrated development of incremental wind, photovoltaic, thermal (storage), and strictly control the demand for new coal-fired power.

On 11 May 2021, the NEA issued the "Notice on Matters Related to the Development and Construction of Wind Power and Photovoltaic Power Generation in 2021" (《關於2021年風電、光伏發電開發建設有關事項的通知》). The notice pointed out that the proportion of wind power and photovoltaic power generation in the electricity consumption of the whole society would reach approximately 11% in 2021, and the new grid connection projects necessary for all provinces (regions and cities) to complete the minimum consumption responsibility weight of annual non-hydro power would be implemented by power grid enterprises. In 2021, the guaranteed grid connection scale should not be less than 90 million kilowatts.

On 11 June 2021, the National Development and Reform Commission issued the "Notice on Matters Related to the New Energy on Grid Tariff Policy in 2021" (《關於2021年新能源上網電價政策有關事項的通知》). The notice pointed out that from 2021, the newly filed centralized photovoltaic power stations, industrial and commercial distributed photovoltaic and newly approved onshore wind power projects would not receive subsidy from the central government. In 2021, new projects would ensure the power generation within the acquisition hours, and the on-grid tariff would continue to be formed in the way of "guidance price + competitive allocation".

In 11 June 2021, the National Development and Reform Commission issued the "Letter on Matters Related to the Implementation of the New Energy On-grid Tariff Policy in 2021" (《關於落實好2021年新能源上網電價政策有關事項的函》), which clarified the on-grid tariff policy for new energy projects in 2021. For the new household distributed photovoltaic projects included in the central financial subsidy scope in 2021, the subsidy standard for total power generation was RMB0.03 per kWh. For the first batch of solar thermal power generation demonstration projects determined, if they were connected to the grid with full capacity by the end of 2021, the on-grid price would continue to be implemented at RMB1.15 per kWh, and other projects which were connected to the grid after that were not qualified to receive subsidy from the central government.

On 5 July 2021, the National Development and Reform Commission issued "Notice on Matters Related to Investment and Construction of Supporting New Energy Transmission Projects" (《關於做好新能源配套送出工程投資建設有關事項的通知》). The notice pointed out that in order to achieve the goal of carbon dioxide peaking and carbon neutralization, it was necessary to further accelerate the development of non-fossil energy such as wind power and photovoltaic power generation. The asynchronous construction of new energy units and supporting transmission projects would affect the on-grid consumption of new energy.

On 26 October 2021, the State Council issued "The Action Plan for Carbon Dioxide Peaking by 2030" (《2030年前碳達峰行動方案》). Regarding the implementation of the major strategic decisions of the CPC Central Committee and the State Council on carbon dioxide peaking and carbon neutralization, it focused on the goal of carbon dioxide peaking by 2030 in accordance with the work requirements of "The Opinions of the CPC Central Committee and the State Council on Fully Implementing the New Development Concept and Practically Implementing Carbon Dioxide Peaking and Carbon Neutralization"(《中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》), and made an overall deployment for carbon dioxide peaking.

II. BUSINESS REVIEW

2021 was a difficult year for the Company to embark on the "14th Five-Year Plan" and started a new journey of "secondary entrepreneurship". In this year, the Company grasped the historic opportunity of the "double carbon" policy, wholeheartedly focused on improving quality and efficiency with the attitude of "secondary entrepreneurship", concentrated on integrating into the new development pattern, increased the quality and efficiency of the Company's operation and development, and leaped to a new level of comprehensive strength, achieving a good start of the "14th Five-Year Plan".

As at 31 December 2021, the Company's consolidated installed capacity was 13,078.02 MW, representing a year-on-year increase of 6.94%; the power generation reached 26,178,431 MWh, representing a year-on-year increase of 23.62%; the total average utilization hours were 2,160 hours, representing a year-on-year increase of 21 hours; the consolidated curtailment rate was 3.65%, representing a year-on-year increase of 0.49 percentage point; the total profit before tax was RMB2.462 billion, representing a year-on-year increase of RMB0.583 billion, or 31.00%; the average on grid price (tax excluded) was RMB461.43/MWh, representing a year-on-year decrease of RMB3.81/MWh.

(I) Maintaining a stable situation of safety production and striving to increase the volume of power generation

1. Earnestly implementing various safety precautions

The Company always maintains the awareness of red line and bottom-line thinking, strengthens the construction of safety system and strengthens the implementation of safety responsibility. The Company further promoted the "three-year action for special rectification of work safety", carried out targeted special activities such as work safety month, flood control, autumn inspection, power supply safeguard, heat supply safeguard, the Winter Olympics safeguard and safety warning education, made every effort to actually implement the responsibility of work safety, promoted the implementation of various safety measures and anti-accident measures, and promoted the improvement of intrinsic safety level to maintain a stable situation of safe production.

In 2021, no major safety production accident occurred in the Company.

2. Seizing the opportunity and striving to increase the power generation

In 2021, the Company actively paid attention to market changes, increased marketing efforts, made use of the advantages of wind power and photovoltaic resources to improve the utilization level of units for increasing the power generation.

The Company improved the statistical analysis mechanism of electricity. The Company gave full play to the index analysis and supervision functions of the production dispatching center, and continuously upgraded and optimized the system interface and functional modules of the monitoring center. The Company strengthened the management of the production dispatching center, regularly summarized and analyzed the data, prepared the daily electricity report model, and organized the submission, statistics and analysis of daily electricity. The Company analyzed the main safety indicators of each station every month.

The Company paid close attention to market transactions and made every effort to earn various kinds of electricity with good profits. In 2021, the Company carried out market transactions in 14 provinces, with a billed tariff of 9.026 billion kWh, accounting for 36.00% of the on-grid power generation. The average billed tariff of the market transaction of the Company was RMB488.72/MWh (tax inclusive), representing a year-on-year increase of RMB61.59/MWh.

As at 31 December 2021, the consolidated power generation of the Company by region was as follows:

	Consolidated power generation (MWh)		
Region	**As at 31 December 2021**	**As at 31 December 2020**	**Rate of year-on-year change**
Total	**26,178,431**	**21,176,229**	**23.62%**
Wind power	**24,998,097**	**20,789,484**	**20.24%**
Inner Mongolia	8,128,776	7,527,674	7.99%
Heilongjiang	1,692,411	1,386,511	22.06%
Jilin	1,376,082	1,445,443	-4.80%
Liaoning	1,522,476	1,120,428	35.88%
Gansu	1,709,768	1,601,193	6.78%
Ningxia	1,153,896	971,385	18.79%
Shaanxi	633,076	245,234	158.15%
Shanxi	1,745,125	1,096,399	59.17%
Hebei	528,928	238,949	121.36%
Henan	398,083	287,797	38.32%
Anhui	259,603	182,209	42.48%
Guangxi	480,907	463,615	3.73%
Guizhou	24,063	101,068	-76.19%
Yunnan	928,535	874,488	6.18%
Chongqing	422,440	181,312	132.99%
Guangdong	75,624	88,142	-14.20%
Shandong	1,939,580	1,368,163	41.77%
Shanghai	417,347	494,147	-15.54%
Fujian	206,756	229,240	-9.81%
Jiangsu	1,287,438	886,048	45.30%
Beijing	18,871	40	47,194.74%
Hubei	48,315	–	–

Region	Consolidated power generation (MWh) As at 31 December 2021	As at 31 December 2020	Rate of year-on-year change
Photovoltaic	**1,169,232**	**361,005**	**223.88%**
Jiangsu	15,944	16,506	-3.40%
Ningxia	347,503	74,642	365.56%
Qinghai	132,275	126,712	4.39%
Shanxi	33,068	32,106	3.00%
Liaoning	11,045	12,127	-8.93%
Guizhou	460,817	81,459	465.70%
Inner Mongolia	118,233	101	116,962.67%
Gansu	50,344	17,352	190.13%
Gas	**11,102**	**25,740**	**-56.87%**
Shanxi	11,102	25,740	-56.87%

3. *Continuously strengthening the management and control of technical improvement projects, and striving to improve the health level of equipment*

The Company actively followed up the implementation progress of key projects by focusing on network-related safety rectification, special rectification of hidden dangers of large parts and special treatment of inefficient fans. Through the implementation of major technical transformation projects such as generator replacement and blade cascade transformation, the power generation capacity and reliability of the fan were effectively improved and the potential safety hazards of the equipment were effectively reduced.

As at 31 December 2021, the average availability rate of the Company's fans is 99.10%, an increase of 0.03 percentage point year-on-year. The overall efficiency enhancement was obvious for wind turbines equipment and the reliability of wind power units maintained leading in the industry.

The Company's wind power curtailment rate was 3.70%, an increase of 0.56 percentage point year-on-year; the photovoltaic power curtailment rate was 2.58%, a decrease of 4.26 percentage points year-on-year.

The average utilisation hours of wind power of the Company reached 2,266 hours, an increase of 104 hours year-on-year; the average utilisation hours of photovoltaic power reached 1,081 hours, a decrease of 229 hours year-on-year. The specific regions were as follows:

	Average utilisation hours (hour)		
Region	**As at 31 December 2021**	**As at 31 December 2020**	**Year-on-year change**
Total	**2,160**	**2,139**	**21**
Wind power	**2,266**	**2,162**	**104**
Inner Mongolia	2,541	2,499	42
Heilongjiang	2,324	2,454	-130
Jilin	2,123	2,230	-107
Liaoning	2,479	2,108	371
Gansu	2,021	1,893	128
Ningxia	1,785	1,530	255
Shaanxi	1,847	1,642	205
Shanxi	2,441	1,895	546
Hebei	2,222	2,004	218
Henan	2,280	2,015	265
Anhui	1,784	1,399	385
Guangxi	1,617	1,956	-339
Guizhou	1,525	2,106	-581
Yunnan	2,358	2,344	14
Chongqing	2,136	1,991	145
Guangdong	1,528	1,781	-253
Shandong	1,920	1,590	330
Shanghai	2,044	2,420	-376
Fujian	2,165	2,400	-235
Jiangsu	3,183	2,934	249
Beijing	432	–	–
Hubei	1,633	–	–
Photovoltaic	**1,081**	**1,310**	**-229**
Jiangsu	863	894	-31
Ningxia	1,617	1,373	244
Qinghai	1,653	1,584	69
Liaoning	1,578	1,732	-154
Guizhou	755	982	-227
Inner Mongolia	1,182	–	–
Gansu	1,936	1,491	445
Shanxi	1,653	1,605	48
Gas	**2,220**	**5,148**	**-2,928**
Shanxi	2,220	5,148	-2,928

4. *Technology driving production and operation to higher level*

The Company actively participated in the research and preparation of domestic technical standards, constantly improved and strengthened the construction of professional technical standard library, enriching and improving the national and industrial standard library covering 877 items in five major aspects, including wind power, photovoltaic, electrical, steel structure, safety, power transmission and transformation. The Company coordinated the special scientific research tasks, established a smooth communication mechanism with scientific research institutions, strengthened the preliminary demonstration of forward-looking new energy projects such as electric energy storage and multi scenario hydrogen production to make them have the potential for large-scale promotion and application.

(II) Paying close attention to the layout of green industries and obtaining fruitful achievements in high-quality development

1. *Fruitful achievements in resource reserves*

The Company took development as the first priority, adhered to the new development concept, closely focused on the competition of new energy projects in various provinces and the allocation of resources, made the layout in advance and participate in bidding projects, and made deep and practical preliminary work. The Company has set up a comprehensive incentive mechanism to give full play to its subjective initiative, and sought high-quality project resources with good profits and low non-technical cost through multiple channels. At the same time, the Company actively promoted the cooperation and negotiation of new energy projects such as “photovoltaic + clean heating” and distributed roof photovoltaic for an entire county, and always maintained the active exploration of new energy formats and models in the future.

In 2021, the Company has achieved the approved and filed project capacity of 4,230 MW.

2. *Steadily increase of installed capacity*

As at 31 December 2021, the capacity of projects under construction of the Company was 1,787.60 MW, including 1,012.60 MW of wind power projects under construction and 775 MW of photovoltaic projects under construction.

In 2021, the Company achieved the new installed capacity of 848.50 MW and the cumulative consolidated installed capacity of 13,078.02 MW; among them, the consolidated installed capacity of wind power was 11,997.55 MW, a year-on-year increase of 826.50 MW, or 7.40%; the consolidated installed capacity of photovoltaic was 1,075.47 MW, a year-on-year increase of 22 MW, or 2.09%. As at 31 December 2021, the consolidated installed capacity of the Company by region was as follows:

	Consolidated installed capacity (MW)		
Region	**As at 31 December 2021**	**As at 31 December 2020**	**Rate of year-on-year change**
Total	**13,078.02**	**12,229.52**	**6.94%**
Wind power	**11,997.55**	**11,171.05**	**7.40%**
Inner Mongolia	3,278.55	3,229.05	1.53%
Heilongjiang	801.00	700.00	14.43%
Jilin	1,248.10	648.10	92.58%
Liaoning	614.20	614.20	0.00%
Beijing	49.50	49.50	0.00%
Gansu	945.80	845.80	11.82%
Ningxia	646.50	646.50	0.00%
Shaanxi	349.00	349.00	0.00%
Shanxi	735.05	725.05	1.38%
Hebei	247.50	247.50	0.00%
Henan	182.75	182.75	0.00%
Anhui	145.50	145.50	0.00%
Guangxi	297.00	297.00	0.00%
Guizhou	14.00	48.00	-70.83%
Yunnan	393.75	393.75	0.00%
Chongqing	232.00	232.00	0.00%
Guangdong	49.50	49.50	0.00%
Fujian	95.50	95.50	0.00%
Shandong	1,010.50	1,010.50	0.00%
Shanghai	204.20	204.20	0.00%
Jiangsu	410.85	410.85	0.00%
Hubei	46.80	46.80	0.00%

Region	Consolidated installed capacity (MW) As at 31 December 2021	As at 31 December 2020	Rate of year-on-year change
Photovoltaic	**1,075.47**	**1,053.47**	**2.09%**
Jiangsu	18.47	18.47	0.00%
Ningxia	204.00	204.00	0.00%
Qinghai	80.00	80.00	0.00%
Shanxi	20.00	20.00	0.00%
Liaoning	7.00	7.00	0.00%
Inner Mongolia	100.00	100.00	0.00%
Guizhou	610.00	598.00	2.01%
Gansu	26.00	26.00	0.00%
Guangdong	10.00	–	–
Gas	**5.00**	**5.00**	**0.00%**
Shanxi	5.00	5.00	0.00%

Note: Certain fans of Guizhou Dafengping wind power project of the Company have been removed, therefore the installed capacity of Guizhou region has been reduced by 34 MW as at 31 December 2021.

3. *Fully implementing the "double carbon" decision and deployment*

The Company timely established a leading group for "carbon dioxide peaking and carbon neutralization", fully implemented the strategic deployment of "double carbon" work at all levels, prepared and improved the Company's "14th Five-Year Plan" development plan, preliminarily studied and formulated the Company's "double carbon" strategic objectives and road map, and actively studied the carbon asset trading and management process to constantly help the Company build a low-carbon system.

(III) Improving the structure with multiple measures at the same time and remarkable achievements in improving quality and efficiency

1. Significantly optimization of the capital debt structure

The Company paid close attention to the favorable situation of the capital market and successfully issued 3 tranches of perpetual bonds amounting to RMB4 billion, 5 tranches of corporate bonds and medium-term notes amounting to RMB3.6 billion and 12 tranches of short-term financing bonds amounting to RMB12.15 billion to ensure the demand for working capital of the projects, and actively carried out financing cost replacement, debt maturity structure and capital debt structure adjustment. As at 31 December 2021, the asset liability ratio of the Company had decreased to 68.58%, representing a decrease by 0.57 percentage point compared with the beginning of the year, and the refinancing ability and future development space were effectively improved.

2. Effective reduction of comprehensive financing cost

The Company strengthened cooperation with commercial banks and financial institutions, and replaced accumulately RMB60 billion of high-cost loans. The overall average financing cost of the Company decreased from 4.18% at the beginning of the year to 3.94%, reducing nearly 24 basis points, directly saving nearly RMB130 million of financial expenses.

3. Effective improvement of cost control capability

The Company has established the awareness of comprehensive cost management, paid close attention to the cost control of project preliminary expenses, overhaul and technical transformation expenses, labor costs, financial expenses and other costs, carried out the cost bench-marking work covering investment, construction, production, operation and other links in an orderly manner, resulting in the obvious moving down of cost line, and the pressure of cost control was effectively transmitted to grass-roots enterprises, so as to promote the Company to independently establish the awareness of cost saving, maximize revenue and reduce expenditure and create low-cost advantages.

(IV) Improvement of market value management and shareholder returns

Firstly, focusing on the main business, the Company strengthened operation and management and continuously improved business performance. In 2021, the Company continued to maintain a steady increase in the scale of new energy installation, and the total profit before tax increased by 31.00% year-on-year. Secondly, the Company established and continuously improved the market value management system, assigned special personnel to supervise dynamically the changes of market value, and timely reported the major changes of market value. Thirdly, the Company actively out investor relations management and promoted investors' understanding and recognition of the Company through full information disclosure. The Company maintained its image and stabilized its market value through active and good communication with investors and market stakeholders.

(V) Closely adhering to main line of Party history education and earnestly promoting the comprehensive and strict administration within the Party

Setting the major political task of the whole year of carrying forward the great spirit of Party building, continuing the red blood, and carrying out the study and education of Party history with high standards and high quality, the Company organized party members and cadres to discuss and apply the new ideas and measures of Party history to promote "secondary entrepreneurship" around their work, effectively guided work practice, and built a matrix of "Red Department" Party history study and education activities, so as to transform the enthusiasm aroused in the study and education of Party history into a strong driving force to promote the high-quality development 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 figures of the Group together with the accompanying notes included in this announcement and other sections therein.

(I) Overview

The Group's net profit for 2021 amounted to RMB2,085.71 million, representing an increase of RMB533.12 million as compared to RMB1,552.59 million in 2020, of which profit attributable to owners of the parent amounted to RMB1,831.30 million.

(II) Revenue

The Group's revenue increased by 24.04% to RMB11,625.09 million in 2021 as compared to RMB9,372.03 million in 2020, primarily due to the increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 23.93% to RMB11,568.43 million in 2021 as compared to RMB9,334.46 million in 2020, primarily due to the increase in power generation as a result of the increase in installed capacity and the change of wind resource.

(III) Other income and other gains, net

The Group's net other income and other gains decreased by 6.86% to RMB279.64 million in 2021 as compared to RMB300.24 million in 2020, primarily due to the year-on-year decrease in government grants and the increase in losses on disposal of property, plant and equipment and intangible assets for the current year.

The Group's government grants decreased by 4.94% to RMB296.08 million in 2021 as compared to RMB311.47 million in 2020, primarily due to the expiration of renewable power development subsidy policy from Shanghai Development and Reform Commission at the end of 2020.

The Group's losses on disposal of property, plant and equipment and intangible assets increased by 486.34% to RMB51.07 million in 2021 as compared to RMB8.71 million in 2020, primarily due to the wind turbine dismantle costs and disposal losses resulting from the suspension of certain wind farms in current year.

(IV) Operating expenses

The Group's operating expenses increased by 27.54% to RMB7,333.83 million in 2021 as compared to RMB5,750.10 million in 2020, mainly due to the increase in depreciation and amortisation charges provided within the year and employee benefit expenses as a result of increase in installed capacity and the increase in other operating expenses.

The Group's depreciation and amortisation charges increased by 15.80% to RMB4,445.18 million in 2021 as compared to RMB3,838.59 million in 2020, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 32.91% to RMB1,021.10 million in 2021 as compared to RMB768.29 million in 2020, primarily due to the increase in expensed labour cost as a result of increase in production capacity.

The Group's other operating expenses increased by 56.63% to RMB1,211.54 million in 2021 as compared to RMB773.51 million in 2020, primarily due to the increase in the provision for assets impairment.

(V) Operating profit

The Group's operating profit increased by 16.54% to RMB4,570.90 million in 2021 as compared to RMB3,922.17 million in 2020, mainly due to the increase in revenue from sales of electricity.

(VI) Finance expenses, net

The Group's net finance expenses decreased by 0.01% to RMB2,099.32 million in 2021 as compared to RMB2,099.62 million in 2020, primarily due to the decrease in average loan interest rate.

(VII) Share of profits and losses of associates and joint ventures

The Group's share of losses of associates and joint ventures was RMB9.39 million in 2021 as compared to the profits of RMB56.93 million in 2020, the decrease of share of net profits of associates and joint ventures primarily due to the decrease in net profit of an associate of the Group for the year.

(VIII) Income tax expenses

The Group's income tax expenses increased by 15.17% to RMB376.48 million in 2021 as compared to RMB326.89 million in 2020, mainly due to the fluctuation in profits, together with the differentiated commencement and expiration of income tax preferences 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 RMB533.12 million to RMB2,085.71 million in 2021 as compared to the profit of RMB1,552.59 million in 2020. For the year ended 31 December 2021, the Group's profit ratio for the year as a percentage of its total revenue increased from 16.57% in 2020 to 17.94%.

(X) Profit attributable to owners of the parent

The profit attributable to owners of the parent increased by RMB644.44 million or 54.30%, to RMB1,831.30 million in 2021 as compared to RMB1,186.86 million in 2020.

(XI) Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 30.44% to RMB254.41 million in 2021 as compared to RMB365.73 million in 2020.

(XII) Liquidity and capital sources

As at 31 December 2021, the Group's cash and cash equivalents increased by 2.20% to RMB3,119.96 million as compared to RMB3,052.72 million as at 31 December 2020. The main sources of the Group's operating cash are revenue from the sales of electricity.

As at 31 December 2021, the Group's borrowings increased by 6.53% to RMB57,876.24 million as compared to RMB54,326.28 million as at 31 December 2020. In particular, RMB12,461.76 million (including RMB6,733.08 million of long-term borrowings due within one year) was short-term borrowings, and RMB45,414.48 million was long-term borrowings. The above borrowings are all denominated in RMB.

As at 31 December 2021, the Group has unutilized banking facilities amounted to approximately RMB15,956.7 million, of which banking facilities of RMB1,500 million is not subject to renewal within 12 months after the end of the reporting period. As at 31 December 2021, the Group has the approved but not issued corporate bonds amounting to RMB10,000.0 million, the registered but not issued asset-backed notes amounting to RMB2,000.0 million, short-term financing bonds amounting to RMB4,250.0 million and medium-term notes amounting to RMB6,200.0 million. Except for the asset-backed notes that are valid until August 2022, the approvals and registrations of other bonds and notes mentioned above are effective and valid for the next 12 months from the end of the reporting period.

(XIII) Capital expenditure

The Group's capital expenditure decreased by 9.60% to RMB10,753.45 million in 2021 as compared to RMB11,894.88 million in 2020. Capital expenditure mainly comprises construction costs including acquisition or construction of property, plant and equipment, right-of-use assets (including land use rights) and intangible assets. The decrease in capital expenditure was mainly due to the slower development in the scale of investment and construction of tariff maintaining projects.

(XIV) Net gearing ratio

The Group's net gearing ratio (net debt (total borrowings and related parties' loans less cash and cash equivalents) divided by the sum of net debt and total equity) was 63.78% in 2021, representing a decrease of 1.32 percentage points as compared to 65.10% in 2020.

(XV) Significant investment

In 2021, the Group made no significant investment.

(XVI) Material acquisition and disposal

In 2021, the Group had no material acquisition and disposal.

(XVII) Pledge of assets

Some of our bank and other borrowings are secured by property, plant and equipment, concession assets and electricity tariff collection rights. As at 31 December 2021, the carrying value of the pledged assets amounted to RMB15,822.19 million.

(XVIII) Contingent liabilities

As at 31 December 2021, the Group had no material contingent liabilities.

IV. RISK FACTORS AND RISK MANAGEMENT

(I) Policy risk

With the continuous promotion of market-oriented reform of electricity, the new energy enterprises face the risks in relation to the decrease in electricity price and profits due to the continuous expansion of transaction scale and scope of new energy power generation market, grid parity of wind power, the competitive allocation, the requirements of energy storage and the further opening up of auxiliary service market. The Company will monitor and identify of the impact of policy and adopt the effective policy to protect the interest of the Company.

(II) Power curtailment risk

In recent years, the curtailment ratio has continued to decline, however, a mismatch between the increase in social power consumption mismatches the rapid increase in generation capacity of new energy, which might result in the risk related to the failure of full consumption of energy output from the Group's power generating projects operating at full load.

(III) Competition risk

Currently, there is an increasing number of investment entities participating in the domestic new energy development projects, all of which are actively capturing the resources, leading to a 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 wind power generation, being the main power generation assets of the Group, relies on the condition of wind resource, which fluctuates each year and in different regions, thus affecting the power generation volume of the wind turbines. In order to mitigate such risk, the Company owns projects for power generation in 21 provinces and regions in China for balancing the risk as a result of climate factors.

(V) Risks related to interest rate

Interest rate risk may result from fluctuations in bank loan interest rate. Such interest rate changes will have impact on the Company's project cost and finance expenses and will eventually affect our operating results. The Group raises funds by various means and adopts appropriate financing term for decreasing the impact of change of interest rates on profits as far as possible.

The businesses of the Group falls into the capital intensive industry. The significant increase in the development of new projects will lead to the significant increase in capital expenditure, resulting in the increase in gearing ratio. The Group will balance its own profit and the structure of various financing, so as to accommodate the needs for the development of new projects.

V. OUTLOOK ON THE FUTURE DEVELOPMENT

In 2022, from the international perspective, the world economy is expected to maintain restorative growth with however the prominent characteristics of instability, uncertainty and imbalance, and the pandemic is still the largest factor of uncertainty. From the domestic perspective, the fundamentals of China's economy will not change for a long time. Under the guidance of the "double carbon" goal, the development of wind power photovoltaic bases in the "Three North" areas, especially deserts, Gobi and barren land, and the development of offshore wind power clusters will be promoted actively. The development of integrated projects of coal enterprises supported by the state will provide greater development space for the new energy.

From the perspective of opportunities, it is more likely that the fiscal and financial policy will continue to be relaxed. The monetary policy orientation of the central bank will be widened marginally, which may continue to trigger RRR reduction with loose credit policy as new feature in 2022. Under the requirements of financial support for the real economy, reducing the financing costs of enterprises and supporting small, medium-sized and micro enterprises, the renewal of two monetary policy instruments directly reaching the real economy is still possible, and the continued expansion of refinancing and re-discount instruments will not be ruled out. Under the national "double carbon" policy, the capital market continues to be optimistic about the development of the new energy industry, and the bank investment is chasing enthusiastically new energy industry, which is conducive for us to obtain financial support and reduce financing costs.

MAJOR WORKS IN 2022

(I) Focusing on intrinsic safety and deepening infrastructure safety management

We will insist on strict leadership and start with intrinsic safety. While strengthening the construction of safety assurance system and supervision system, we will fully implement the safety production responsibility system at all levels, achieve fine construction and strict management, and strictly implement the operating procedures, systems and specified measures. In addition, we will always maintain the high-pressure situation to avoid any violation to ensure the safety of construction operations.We will coordinate the relationship between safety and development, make scientific and reasonable arrangements for construction, and avoid rushing to chase construction schedule. We will strengthen flood control and disaster reduction and extreme weather emergency management, improve the construction emergency plan, and conduct serious assessment and accountability for those who fail to implement the responsibility of safety production, inadequate supervision and ineffective rectification of hidden dangers, so as to ensure the safety of infrastructure construction.

We will always tighten the string of epidemic prevention and control, and continue to strengthen normalized epidemic prevention and control. We will master the epidemic information and various policies and regulations, guard the line of defense for the life and health of employees, and provide basic security for the completion of tasks and objectives.

(II) Improving the power generation level of the unit and sparing no effort to increase the power generation

By comparing the internal and external standards, finding the gap, analyzing the causes and implementing the responsibilities, we will further optimize the production monitoring center system and analyze the production technical indicators of each station every month. We will strengthen the research on power marketing strategy and comprehensively sort out the market transactions and tariff of various companies, so as to establish and improve the monthly tariff submission mechanism. In addition, we will conduct bench-marking analysis on the tariff of the counter-party company in combination with the monthly power generation and other production indicators, so as to do a good job in electricity trading.

We will intensify policy research and explore a marketing system more suitable for market competition. We will focus on economic interests and make comprehensive use of various market transactions to improve the hours of utilization.

(III) "Three pronged approach" to obtain more resources by all means

With the three fronts of wind and photoelectric power bases in "deserts, Gobi and barren land", offshore wind power project and provincial competitive allocation as the main direction of our focus, we will achieve a three-pronged approach and insist on promoting the intensive development of new energy base. We will adhere to the combination of centralised and distributed, as well as the coordination of guaranteed and market-based grid, and take more resources by all means, in order to strengthen the foundation of the Company's "14th Five-Year Plan" development.

(IV) Accelerating the transformation of resources and promoting project construction with high quality

We will actively implement the preliminary conditions of the project and strictly control the "gene" of the project. We will strictly manage the commencement process, strictly control the commencement conditions, adhere to "safety first and environmental protection first", and resolutely avoid touching the ecological red line and all kinds of protected areas. We will select the quality project to commence construction according to the scientific order of prioritising the new energy base projects and the projects with higher profits.

In the process of continuously improving the competitiveness of the project, we will adhere to safe and green development, and quality and effective development. We will take "within two limits and with three zeros" (within limits in construction period and budget, and with zero quality accident, zero safety accident and zero environmental protection accident) as the basic requirements of project construction, and pay attention to the lean management of the whole process of project from early stage, design, selection and construction. We will strictly manage the budget estimate and investment plan, improve the profitability and anti-risk ability of the whole life cycle of the project, and create a high-quality project with "good quality, excellent cost and good construction period".

(V) Continuously reducing the financing cost and comprehensively improving the profitability of the enterprise

According to the investment plan, we will scientifically formulate the financing plan to ensure the development capital demand of the Company. Guided by the "14th Five-Year Plan" and constrained by asset liability ratio control, we will strive to expand financing channels in a multi-market, multi-channel and multi-variety manner. By rationally planning the short, medium and long term debt structure, we will further optimize the financing cost and structure. We will give full play to our financing advantages and continue to strengthen communication and consultation with various financial institutions. Through cross regional financing, reducing or replacing the existing high-cost financing and alleviating the operating pressure, we will further reduce the financial expenses. By strengthening cash flow control and reducing the existing monetary funds, we will further improve the efficiency of capital use and profit.

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

For the year ended 31 December 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

As at 30 March 2022, the Board proposed to distribute the final dividend for the year 2021 of RMB0.03 per share (before tax) in cash to the shareholders with an amount of RMB218.2 million. Such dividend is expected to be distributed on or before 26 August 2022 upon the approval by the shareholders of the Company at the 2021 Annual General Meeting.

EVENT AFTER THE REPORTING PERIOD

The significant events occurred after the reporting period are set out in Note 14 to the financial statements of this results announcement.

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**"). For the year ended 31 December 2021, 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 the disclosed herein, for the year ended 31 December 2021, 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 relevant employees (as defined in the Corporate Governance Code). Having made specific inquiries of all Directors and Supervisors ("**Supervisor(s)**") of the Company, 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 2021.

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 2021 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, as consistent with the amounts set out in the Group's consolidated financial statements. The work performed by Ernst & Young 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 Ernst & Young on the results announcement.

AUDIT COMMITTEE

The Group's 2021 final results announcement and the financial statements for the year ended 31 December 2021 prepared in accordance with the IFRSs have been reviewed by the audit committee of the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be available on the websites of The Stock Exchange of Hong Kong Limited (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 2021 containing all the information as required by the Listing Rules, and publish it on the websites of the Company and the SEHK.

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

Beijing, the PRC, 30 March 2022

As at the date of this announcement, the executive director of the Company is Mr. Liu Guangming; the non-executive directors are Mr. Liu Jianlong, Mr. Wang Qiying, Mr. Yu Fengwu, Mr. Ye Heyun and Mr. Kuang Lelin; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

* *For identification purposes only*