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中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited*

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

(Stock Code: 01798)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2022, revenue amounted to RMB12,499.23 million, representing an increase of 5.32% as compared with last year.
- For the year ended 31 December 2022, the profit before tax amounted to RMB4,343.7 million, representing an increase of 62.79% as compared with last year.
- For the year ended 31 December 2022, the net profit attributable to owners of the parent amounted to RMB3,485.17 million, representing an increase of 71.55% as compared with last year.
- For the year ended 31 December 2022, the basic earnings per share attributable to ordinary equity holders of the parent amounted to RMB0.4027, representing an increase of 93.89% 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 2022 (“**Reporting Period**”), together with the year-on-year comparable figures of 2021. The financial information of the Group for the year ended 31 December 2022 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 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021 (Restated)
Revenue	3	12,499,229	11,868,283
Other income and other gains, net	4	637,465	279,640
Depreciation and amortisation charges		(4,998,888)	(4,450,137)
Employee benefit expenses		(1,092,020)	(1,031,159)
Material costs		(61,730)	(148,960)
Repairs and maintenance expenses		(326,280)	(517,925)
Other operating expenses	5	(450,804)	(1,222,818)
Operating profit		6,206,972	4,776,924
Finance income	6	29,190	22,451
Finance expenses	6	(1,939,610)	(2,121,769)
Finance expenses, net	6	(1,910,420)	(2,099,318)
Share of profits and losses of associates and joint ventures		47,144	(9,389)
Profit before tax		4,343,696	2,668,217
Income tax expenses	7	(452,471)	(376,484)
Profit for the year		3,891,225	2,291,733
Attributable to:			
Owners of the parent		3,485,167	2,031,623
Non-controlling interests		406,058	260,110
		3,891,225	2,291,733
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (expressed in RMB)	8	0.4027	0.2077

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	2022	2021 (Restated)
Profit for the year	<u>3,891,225</u>	<u>2,291,733</u>
Other comprehensive income:		
<i>Other comprehensive income that may be reclassified to profit or loss in the subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>252</u>	<u>(1,340)</u>
Net other comprehensive income that may be reclassified to profit or loss in the subsequent periods	<u>252</u>	<u>(1,340)</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods:</i>		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value, net of tax	<u>49,507</u>	<u>42,062</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>49,507</u>	<u>42,062</u>
Other comprehensive income for the year, net of tax	<u>49,759</u>	<u>40,722</u>
Total comprehensive income for the year	<u>3,940,984</u>	<u>2,332,455</u>
Attributable to:		
Owners of the parent	3,534,889	2,070,731
Non-controlling interests	<u>406,095</u>	<u>261,724</u>
	<u>3,940,984</u>	<u>2,332,455</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	10	71,978,581	70,480,361
Investment properties		17,979	18,739
Intangible assets		405,292	382,607
Right-of-use assets		3,018,637	3,651,206
Investments in associates and joint ventures		989,465	929,071
Equity investments designated at fair value through other comprehensive income		55,712	104,905
Financial assets at fair value through profit or loss		9,972	8,972
Deferred tax assets		27,189	27,664
Prepayments, other receivables and other assets		2,132,388	2,301,729
Total non-current assets		78,635,215	77,905,254
Current assets			
Inventories		122,857	124,227
Trade and bills receivables	11	14,468,273	16,470,899
Prepayments, other receivables and other assets		1,855,471	1,628,778
Restricted cash		25,466	35,486
Time deposits		–	18,000
Cash and cash equivalents		2,440,992	3,119,959
Total current assets		18,913,059	21,397,349
Total assets		97,548,274	99,302,603

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	<i>Notes</i>	2022	2021 (Restated)
LIABILITIES			
Current liabilities			
Trade and bills payables	12	279,437	369,964
Other payables and accruals		8,022,414	9,402,040
Interest-bearing bank and other borrowings	13(b)	8,633,616	12,461,757
Current income tax liabilities		188,938	105,286
Total current liabilities		17,124,405	22,339,047
Net current assets (liabilities)		1,788,654	(941,698)
Total assets less current liabilities		80,423,869	76,963,556
Non-current liabilities			
Interest-bearing bank and other borrowings	13(a)	45,945,306	45,414,484
Deferred tax liabilities		17,904	17,623
Other payables and accruals		190,730	185,518
Total non-current liabilities		46,153,940	45,617,625
Total liabilities		63,278,345	67,956,672
Net assets		34,269,929	31,345,931

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)*

	<i>Notes</i>	2022	2021 (Restated)
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		14,310,845	14,294,047
Reserves		(765,118)	(1,106,784)
Retained profits		7,286,499	4,866,276
		<u>30,186,896</u>	<u>27,408,209</u>
Non-controlling interests		<u>4,083,033</u>	<u>3,937,722</u>
Total equity		<u>34,269,929</u>	<u>31,345,931</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022
(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the parent										
	Share capital	Share premium	Perpetual note and bonds	Statutory surplus reserve*	Other reserve*	Fair value reserve*	Exchange fluctuation reserve*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2022 (Before restated)	7,273,701	2,080,969	14,294,047	513,407	(1,466,167)	(145,380)	(8,644)	4,665,948	27,207,881	3,932,026	31,139,907
Application of to IAS 16 (Note 2.2.)	-	-	-	-	-	-	-	200,328	200,328	5,696	206,024
As at 1 January 2022 (Restated)	7,273,701	2,080,969	14,294,047	513,407	(1,466,167)	(145,380)	(8,644)	4,866,276	27,408,209	3,937,722	31,345,931
Profit for the year	-	-	556,272	-	-	-	-	2,928,895	3,485,167	406,058	3,891,225
Other comprehensive income for the year:											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	49,507	-	-	49,507	-	49,507
Exchange differences on translation of foreign operations	-	-	-	-	-	-	215	-	215	37	252
Total comprehensive income for the year	-	-	556,272	-	-	49,507	215	2,928,895	3,534,889	406,095	3,940,984
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	75,166	75,166
Final 2021 dividend declared (Note 9)	-	-	-	-	-	-	-	(218,211)	(218,211)	-	(218,211)
Issuance of perpetual note and bonds	-	-	1,000,000	-	-	-	-	-	1,000,000	-	1,000,000
Issuance cost of perpetual note and bonds	-	-	(2,474)	-	-	-	-	-	(2,474)	-	(2,474)
Repayment of perpetual note and bonds	-	-	(1,000,000)	-	-	-	-	-	(1,000,000)	-	(1,000,000)
Dividends paid to holders of perpetual note and bonds	-	-	(537,000)	-	-	-	-	-	(537,000)	-	(537,000)
Transfer from retained profits	-	-	-	194,398	-	-	-	(194,398)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(336,264)	(336,264)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	-	96,063	-	(96,063)	-	-	-
Others	-	-	-	-	1,483	-	-	-	1,483	314	1,797
As at 31 December 2022	7,273,701	2,080,969	14,310,845	707,805	(1,464,684)	190	(8,429)	7,286,499	30,186,896	4,083,033	34,269,929

* The total of reserves as at 31 December 2022 is (RMB765,118,000) (2021: (RMB1,106,784,000)).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the parent										
	Share capital	Share premium	Perpetual note and bonds	Statutory surplus reserve*	Other reserve*	Fair value reserve*	Exchange fluctuation reserve*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2021	7,273,701	2,080,969	12,250,087	420,410	(1,466,167)	(185,659)	(7,473)	3,666,475	24,032,343	3,700,375	27,732,718
Profit for the year (Restated) (Note 2.2)	-	-	520,614	-	-	-	-	1,511,009	2,031,623	260,110	2,291,733
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 (Restated)	-	-	520,614	=	=	40,279	(1,171)	1,511,009	2,070,731	261,724	2,332,455
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	-	-	4,000,000	-	-	-	-	-	4,000,000	-	4,000,000
Issuance cost of perpetual note and bonds	-	-	(7,754)	-	-	-	-	-	(7,754)	-	(7,754)
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 (Restated)	7,273,701	2,080,969	14,294,047	513,407	(1,466,167)	(145,380)	(8,644)	4,866,276	27,408,209	3,937,722	31,345,931

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2021
Cash flows from operating activities			
Profit before tax		4,343,696	2,668,217
Adjustments for:			
Depreciation of property, plant and equipment	10	4,742,054	4,230,437
Depreciation of right-of-use assets		205,234	166,526
Amortisation of intangible assets, long-term prepaid expenses and depreciation of investment properties		51,600	53,174
Losses on disposal of property, plant and equipment and intangible assets	4	8,698	51,066
(Reversal of impairment)/impairment of receivables, net	5	(195,595)	210,039
Impairment of other receivables		64,331	53,188
Write-down of inventories to net realisable value	5	–	7,140
Impairment of property, plant and equipment	5	82,679	338,524
Impairment of an investment in a joint venture	5	–	46,903
Foreign exchange gains, net		24,464	(5,476)
Interest income from finance lease receivables	6	(415)	(343)
Interest expenses	6	1,915,146	2,126,566
Share of (profits)/losses of associates and joint ventures		(47,144)	9,389
Gains on restructuring of debts	4	–	(7,499)
Fair value gains on financial assets at fair value through profit or loss	4	–	(243)
Others, net		18,086	(15,793)
		11,212,834	9,931,815

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*Year ended 31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)*

	<i>Notes</i>	2022	2021
Changes in working capital:			
Decrease in inventories		8,511	90,225
Decrease/(increase) in trade and bills receivables		2,197,786	(4,491,212)
Increase in prepayments, other receivables and other assets		(318,221)	(151,775)
Decrease/(increase) in restricted cash		10,020	(3,084)
(Decrease)/increase in trade and bills payables		(94,527)	106,737
Increase in other payables and accruals		638,613	913,477
		<hr/>	<hr/>
Cash generated from operations		13,655,016	6,396,183
Interest received		28,775	22,108
Income tax paid		(452,471)	(416,394)
		<hr/>	<hr/>
Net cash flows from operating activities		13,231,320	6,001,897

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*Year ended 31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)*

	2022	2021
Cash flows from investing activities		
Purchase of property, plant and equipment, land use rights and intangible assets	(6,974,554)	(8,211,895)
Proceeds from disposal of property, plant and equipment and intangible assets	4,465	20,590
Investments in associates and joint ventures	(15,000)	(10,499)
Proceeds from disposal of financial assets at fair value through profit or loss	99,139	1,361
Proceeds from disposal of associates and joint ventures	19,138	1,656
Decrease in time deposits	18,000	1,490
Dividends received from associates	–	38
	<hr/>	<hr/>
Net cash flows used in investing activities	(6,848,812)	(8,197,259)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*Year ended 31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)*

	2022	2021
Cash flows from financing activities		
Proceeds from issuance of corporate bonds, medium-term notes and short-term bonds, net of issuance costs	5,098,262	15,745,912
Proceeds from issuance of perpetual note and bonds	1,000,000	4,000,000
Issuance costs of perpetual note and bonds	(2,474)	(7,754)
Capital contributions from non-controlling interests	75,166	86,889
Proceeds from borrowings	20,167,363	16,112,579
Loans from related parties	6,181,244	6,874,284
Repayments of perpetual note and bonds	(1,000,000)	(2,000,000)
Repayments of borrowings	(18,073,230)	(13,478,490)
Repayments of corporate bonds and short-term bonds	(7,950,000)	(12,150,000)
Repayments of loans from related parties	(9,588,861)	(9,752,119)
Dividends paid	(218,211)	(218,211)
Dividends paid to non-controlling interests	(152,765)	(80,201)
Dividends paid to holders of perpetual note and bonds	(537,000)	(468,900)
Interest paid	(1,561,155)	(2,020,901)
Principal portion of lease payments	(505,038)	(380,469)
Net cash flows (used in)/from financing activities	(7,066,699)	2,262,619

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*Year ended 31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)*

	2022	2021
Net (decrease)/increase in cash and cash equivalents	(684,191)	67,257
Cash and cash equivalents at beginning of year	3,119,959	3,052,717
Effect of foreign exchange rate changes, net	5,224	(15)
Cash and cash equivalents at end of year	<u>2,440,992</u>	<u>3,119,959</u>
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	<u>2,440,992</u>	<u>3,119,959</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows	<u>2,440,992</u>	<u>3,119,959</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

1. CORPORATE INFORMATION

China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (the “**Company**”) was established as a joint stock company with limited liability in the People’s Republic of China (the “**PRC**”) on 9 July 2010, as part of the reorganisation of the wind power generation business of China Datang Group Corporation 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 2022, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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 2023;
- Unutilised banking facilities of approximately RMB60,600.4 million as at 31 December 2022, of which banking facilities of RMB37,379.4 million are not subject to renewal during the next 12 months from the end of the reporting period. As at 31 December 2022, 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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 RMB15,000.00 million approved by the China Securities Regulatory Commission but not yet issued, asset-backed notes of RMB2,200.00 million, ultra-short-term financing bonds of RMB4,900.00 million and medium-term notes of RMB12,000.00 million registered in the National Association of Financial Market Institutional Investors but not yet issued as at 31 December 2022. Except for the asset-backed notes that are valid until June 2023, corporate bonds of RMB6,000.00 million and RMB9,000.00 million that are valid until September 2023 and December 2023 respectively, ultra-short-term financing bonds of RMB49,000.00 million that are valid until November 2023 and medium-term notes of RMB4,000.00 million that are valid until December 2023, the approvals and registrations of the remaining medium-terms notes of RMB8,000.00 million 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 2022. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.1 Basis of preparation (continued)

2.1.2 Basis of consolidation (continued)

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any resulting surplus or deficit in profit or loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.2 Changes in accounting policies and disclosures

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), agenda decision/decisions of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board (the “IASB”), and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020

Except as described below, the application of the amendments to IFRSs and agenda decision/decisions of the IFRS Interpretations Committee (the “Committee”) of the IASB in the current year has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.2 Changes in accounting policies and disclosures (continued)

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

Property, plant and equipment

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss.

The Group has applied the new accounting policy retrospectively to property, plant and equipment made available for use on or after the beginning of the earliest period presented, i.e. 1 January 2021. Comparative figures have been restated.

The table below summarises the financial statement line items affected in the Group's consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended 31 December 2021, applicable to IAS 16. Unaffected items are not included. In the opinion of the directors of the Company, the application of the amendments has had no material impact on the Group's financial position as at 1 January 2021.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.2 Changes in accounting policies and disclosures (continued)

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (continued)

Property, plant and equipment (continued)

Impact on the consolidated statement of financial position as at 31 December 2021:

	As previously reported <i>RMB'000</i>	Adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
Property, plant and equipment	70,274,337	206,024	70,480,361
Retained profits	4,665,948	200,328	4,866,276
Non-controlling interests	3,932,026	5,696	3,937,722
	<u><u>70,274,337</u></u>	<u><u>206,024</u></u>	<u><u>70,480,361</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.2 Changes in accounting policies and disclosures (continued)

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (continued)

Property, plant and equipment (continued)

Impact on the consolidated statement of comprehensive income for the year ended 31 December 2021:

	As previously reported RMB'000	Adjustments RMB'000	As restated RMB'000
Revenue	11,625,086	243,197	11,868,283
Depreciation and amortisation charges	4,445,184	4,953	4,450,137
Employee benefit expenses	1,021,101	10,058	1,031,159
Repairs and maintenance expenses	507,039	10,886	517,925
Other operating expenses	1,211,542	11,276	1,222,818
Profit for the period attributable to:			
Owners of the parent	1,831,295	200,328	2,031,623
Non-controlling interests	254,414	5,696	260,110
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)	<u>0.1802</u>	<u>0.0275</u>	<u>0.2077</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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

2.2 Changes in accounting policies and disclosures (continued)

Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (continued)

Property, plant and equipment (continued)

Impact on the consolidated statement of comprehensive income for the year ended 31 December 2021:

	As previously reported RMB'000	Adjustments RMB'000	As restated RMB'000
Profit for the period	2,085,709	206,024	2,291,733
Total comprehensive income for the year	<u>2,126,431</u>	<u>206,024</u>	<u>2,332,455</u>
Total comprehensive income for the period attributable to:			
Owners of the parent	1,870,403	200,328	2,070,731
Non-controlling interests	<u>256,028</u>	<u>5,696</u>	<u>261,724</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
IFRS 17 and related Amendments	<i>Insurance Contracts¹</i>
Amendments to IFRS 16 Amendments to IAS 1	<i>Lease Liability in a Sale and Leaseback² Classification of Liabilities as Current or Non-current²</i>
Amendments to IAS 1 Amendments to IAS 1 and IFRS Practice Statement 2	<i>Non-current Liabilities with Covenants² Disclosure of Accounting Policies¹</i>
Amendments to IAS 8 Amendments to IAS 12	<i>Definition of Accounting Estimates¹ Deferred Tax related to Assets and Liabilities arising from a Single Transaction¹</i>

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ No mandatory effective date yet determined but available for adoption

The above new and amendments to existing standards do not expect to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new and amended HKFRSs to existing standards when they become effective.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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 2022 and 2021. 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 2022, all (2021: all) of the Group’s revenue was derived from external customers in the PRC.

As at 31 December 2022, all (31 December 2021: all) of the non-current assets were located in the PRC (including Hong Kong).

For the year ended 31 December 2022, all (2021: 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)***3. REVENUE AND SEGMENT INFORMATION (CONTINUED)****(b) Revenue**

An analysis of revenue is as follows:

	2022	2021 (Restated)
Revenue from contracts with customers	12,464,836	11,848,385
Revenue from other sources		
Gross rental income from investment properties leases:		
Other lease payments, including fixed payments	<u>34,393</u>	<u>19,898</u>
	<u>12,499,229</u>	<u>11,868,283</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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	2022	2021 (Restated)
Types of goods or services		
Sale of electricity	12,408,959	11,811,628
Other services	55,877	36,757
	<u>12,464,836</u>	<u>11,848,385</u>
Total revenue from contracts with customers	<u>12,464,836</u>	<u>11,848,385</u>
Timing of revenue recognition		
Goods transferred at a point in time	12,423,723	11,811,628
Services transferred over time	41,113	36,757
	<u>12,464,836</u>	<u>11,848,385</u>
Total revenue from contracts with customers	<u>12,464,836</u>	<u>11,848,385</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

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:

	2022	2021 (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Other services	<u><u>2,000</u></u>	<u><u>2,638</u></u>

(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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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

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.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022 and 2021 were as follows:

	2022	2021 (Restated)
Within one year	1,354	461
After one year	—	2,522
	<u>1,354</u>	<u>2,983</u>

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

4. OTHER INCOME AND OTHER GAINS, NET

	2022	2021
Government grants (<i>Note i</i>)	293,720	296,079
Fair value gains on financial assets at fair value through profit or loss	–	243
Gain on disposal of financial assets at fair value through profit or loss	–	361
Compensation from wind turbine suppliers (<i>Note ii</i>)	332,708	2,250
Losses on disposal of property, plant and equipment and intangible assets	(8,698)	(51,066)
Compensation, liquidated damages and fines income, net	24,550	32,553
Gains on restructuring of debts		7,499
Gains on disposal of investment in associates and joint ventures	5,657	656
Others	(10,472)	(8,935)
	<u>637,465</u>	<u>279,640</u>

Notes:

- (i) The amount mainly represents subsidies on the Group's business, 50% refund of the VAT levied on electricity generated. There is no specific condition attached to these subsidies.
- (ii) 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)***5. OTHER OPERATING EXPENSES**

	2022	2021 (Restated)
Impairment of property, plant and equipment <i>(Note 10)</i>	82,679	338,524
Impairment of an investment in a joint venture	–	46,903
Write-down of inventories to net realisable value	–	7,140
(Reversal of impairment)/impairment of trade receivables, net	(195,595)	210,039
Impairment of other receivables	64,331	53,188
Tax and surcharges	117,180	115,657
Insurance premium	50,537	65,288
Bank charges	31,354	39,728
Utility fees	33,805	32,087
Travelling expenses	19,476	33,109
Professional service and consulting fees	36,619	43,378
Lease payments not included in the measurement of lease liabilities	24,883	50,338
Transportation expenses	16,530	17,027
Information technology expenses	31,920	27,733
Property management fees	18,366	13,281
Office expenses	11,374	11,403
Technical supervision service fees	23,935	21,419
Entertainment expenses	2,687	3,308
Research and development costs	2	9,941
Others	80,721	83,327
	450,804	1,222,818

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)***6. FINANCE INCOME/FINANCE EXPENSES**

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

	2022	2021
Finance income		
Interest income on deposits with banks and other financial institutions	6,335	7,825
Interest income on deposits with a related party	22,440	14,283
Interest income from finance lease receivables	415	343
	<u>29,190</u>	<u>22,451</u>
Finance expenses		
Interest on bank and other borrowings	(1,910,950)	(2,095,967)
Interest on lease liabilities	(111,380)	(124,599)
Unwinding of discount on asset retirement obligations	(6,459)	(6,420)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	113,643	100,420
	<u>(1,915,146)</u>	<u>(2,126,566)</u>
Foreign exchange (gains)/losses, net	<u>(24,464)</u>	<u>4,797</u>
	<u>(1,939,610)</u>	<u>(2,121,769)</u>
Finance expenses, net	<u>(1,910,420)</u>	<u>(2,099,318)</u>
Interest capitalisation rate	<u>3.20%-4.98%</u>	<u>3.95%-5.22%</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

7. INCOME TAX EXPENSES

	2022	2021
Current tax		
PRC enterprise income tax	462,219	379,970
(Overprovision)/Underprovision in prior years	<u>(10,504)</u>	<u>10,064</u>
Deferred tax	451,715	390,034
Recognition of temporary differences	<u>756</u>	<u>(13,550)</u>
Income tax expenses	<u><u>452,471</u></u>	<u><u>376,484</u></u>

For the year ended 31 December 2022, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5 to 20% (2021: 7.5% to 15%), all other subsidiaries established in the PRC were subject to income tax at a rate of 25% (2021: 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

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 2021, 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 Enterprise Income Tax Law of the People's Republic of China 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 2022, the joint ventures and associates were subject to an income tax rate of 25% (2021: 25%), and the share of income tax attributable to associates of RMB17.7 million (2021: 10.0 million), was included in "Share of profits and losses of associates and joint ventures".

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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:

	2022	2021 (Restated)
Profit before tax	<u>4,343,696</u>	<u>2,668,217</u>
Taxation calculated at the statutory tax rate	1,085,924	667,054
Income tax effects of:		
– Preferential income tax treatments	(664,454)	(487,952)
– Profits and losses attributable to associates and joint ventures	(11,786)	2,347
– Expenses not deductible for tax purposes	4,649	7,144
– Tax losses and temporary differences for which no deferred income tax asset was recognised	53,628	195,859
– Utilisation of previously unrecognised tax losses and temporary differences	(4,986)	(18,032)
– (Overprovision)/underprovision for prior years	<u>(10,504)</u>	<u>10,064</u>
	<u>452,471</u>	<u>376,484</u>
Weighted average effective income tax rate	<u>10.4%</u>	<u>14.1%</u>

The changes in the weighted average effective income tax rate were primarily caused by certain subsidiaries of the Group which commenced production in 2022 and were entitled to income tax exemption pursuant to the preferential tax regulation in the PRC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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.

	2022	2021 (Restated)
<u>Earnings</u>		
Profit attributable to owners of the parent	3,485,167	2,031,623
Interest on perpetual note and bonds	<u>(556,272)</u>	<u>(520,614)</u>
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u><u>2,928,895</u></u>	<u><u>1,511,009</u></u>
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation (<i>thousands of shares</i>)	<u><u>7,273,701</u></u>	<u><u>7,273,701</u></u>
Basic earnings per share	<u><u>0.4027</u></u>	<u><u>0.2077</u></u>

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2022 and 2021 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

9. DIVIDENDS

	2022	2021
Proposed final dividend – RMB0.05 (before tax) (2021: RMB0.03 (before tax)) per ordinary share	<u>363,685</u>	<u>218,211</u>

The dividend paid by the Company in 2022 was RMB218.2 million (2021: RMB218.2 million).

A final dividend in respect of the year ended 31 December 2022 of RMB0.05 (before tax) per ordinary share, amounting to a total final dividend of RMB363.7 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*31 December 2022**(Amounts expressed in thousands of RMB unless otherwise stated)***10. PROPERTY, PLANT AND EQUIPMENT**

	Buildings and plant <i>RMB'000</i>	Generators and related equipment <i>RMB'000</i>	Others <i>RMB'000</i> <i>(Note)</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2022					
Opening net carrying amount	3,212,484	58,316,304	173,860	8,777,713	70,480,361
Additions	131,915	443,944	60,798	5,752,470	6,389,127
Transfer and reclassification	392,784	7,890,630	-	(8,276,009)	7,405
Other disposals	(12,351)	(3,295)	(3,281)	-	(18,927)
Depreciation	(249,119)	(4,486,969)	(60,618)	-	(4,796,706)
Impairment during the year	-	(78,776)	-	(3,903)	(82,679)
Closing net carrying amount	<u>3,475,713</u>	<u>62,081,838</u>	<u>170,759</u>	<u>6,250,271</u>	<u>71,978,581</u>
As at 31 December 2022					
Cost	5,148,354	97,499,395	546,959	6,636,322	109,831,030
Accumulated depreciation	(1,624,143)	(35,208,658)	(375,485)	-	(37,208,286)
Accumulated impairment	(48,498)	(208,899)	(715)	(386,051)	(644,163)
Net carrying amount	<u>3,475,713</u>	<u>62,081,838</u>	<u>170,759</u>	<u>6,250,271</u>	<u>71,978,581</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

*(Amounts expressed in thousands of RMB unless otherwise stated)***10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Buildings and plant <i>RMB'000</i>	Generators and related equipment <i>RMB'000</i>	Others <i>RMB'000</i> <i>(Note)</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December					
2021 (restated)					
Opening net carrying amount	3,004,192	49,395,156	130,888	12,173,495	64,703,731
Additions (restated)	4,710	758,466	16,252	9,699,201	10,478,629
Transfer and reclassification	400,343	12,285,056	63,469	(12,767,233)	(18,355)
Other disposals	(4,097)	(66,387)	(1,172)	–	(71,656)
Depreciation (restated)	(192,664)	(4,045,223)	(35,577)	–	(4,273,464)
Impairment during the year	–	(10,764)	–	(327,760)	(338,524)
Closing net carrying amount	<u>3,212,484</u>	<u>58,316,304</u>	<u>173,860</u>	<u>8,777,713</u>	<u>70,480,361</u>
As at 31 December 2021					
Cost (restated)	4,638,328	89,189,845	522,365	9,180,643	103,531,181
Accumulated depreciation (restated)	(1,377,345)	(30,743,418)	(347,791)	–	(32,468,554)
Accumulated impairment	<u>(48,499)</u>	<u>(130,123)</u>	<u>(714)</u>	<u>(402,930)</u>	<u>(582,266)</u>
Net carrying amount (restated)	<u>3,212,484</u>	<u>58,316,304</u>	<u>173,860</u>	<u>8,777,713</u>	<u>70,480,361</u>

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the years ended 31 December 2022 and 2021, depreciation expense is analysed as follows:

	2022	2021 (Restated)
Depreciation expense recognised in profit or loss	4,742,054	4,230,437
Capitalisation as construction in progress	54,652	43,027
	<u>4,796,706</u>	<u>4,273,464</u>

As at 31 December 2022, 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 2022, 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 RMB3.9 million (2021: RMB327.8 million) was recognised in profit or loss in "other operating expenses".

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES

	2022	2021
Trade receivables	14,434,204	16,552,604
Bills receivable	<u>81,111</u>	<u>160,932</u>
	14,515,315	16,713,536
Less: impairment losses	<u>(47,042)</u>	<u>(242,637)</u>
	<u><u>14,468,273</u></u>	<u><u>16,470,899</u></u>

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

	2022	2021
Within 1 year	7,275,994	7,019,881
Between 1 year and 2 years	3,543,399	5,092,403
Between 2 years and 3 years	1,854,723	3,637,104
Over 3 years	<u>1,794,157</u>	<u>721,511</u>
	<u><u>14,468,273</u></u>	<u><u>16,470,899</u></u>

Trade and bills receivables primarily represent receivables from regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest-bearing. The 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2022 and 2021, the Group has pledged a portion of its trade receivables 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 2022, the Group endorsed certain bills receivable from certain of its suppliers (“**Derecognised Bills**”), which were accepted by banks in Mainland China, to settle the amounts due to those suppliers with an aggregate carrying amount of RMB109.1 million (31 December 2021: RMB219.1 million). In the opinion of the directors of the Company, the Group’s exposure to losses arising from the repurchase of the undiscounted cash flows from these Derecognised Bills is not material.

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

	2022	2021
As at 1 January	242,637	32,598
Impairment losses	4,138	210,039
Reversal of impairment	<u>(199,733)</u>	<u>–</u>
As at 31 December	<u><u>47,042</u></u>	<u><u>242,637</u></u>

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

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**”).

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 2022, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

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 RMB13,344.4 million (31 December 2021: RMB15,374.6 million) as at 31 December 2022. 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 RMB5.3 million (31 December 2021: RMB2.3 million) representing a past due tariff premium from a power grid company in dispute which was assessed to be not recoverable.
- For the tariff receivables from grid companies amounting to RMB966.1 million (31 December 2021: RMB887.7 million) as at 31 December 2022, 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 RMB38.3 million (31 December 2021: RMB238.0 million) among which aged over three years was RMB38.3 million (31 December 2021: RMB193.8 million) as at 31 December 2022, due to the debtor's significant increase in credit risk in 2021, the management made a full provision of RMB38.3 million (31 December 2021: RMB238.0 million) as at 31 December 2022. During the year ended 31 December 2022, an amount of RMB199.7 million was settled by that trade debtor. As a results, the management made a reversal of impairment of RMB199.7 million for the year ended 31 December 2022.
- For other trade receivables amounting to RMB85.4 million (31 December 2021: RMB52.3 million) among which aged over three years was RMB13.1 million (31 December 2021: RMB9.5 million) as at 31 December 2022, the management considered the amount was insignificant and loss allowance of RMB3.4 million (31 December 2021: RMB2.3 million) was provided resulting from individual credit risk assessment.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

12. TRADE AND BILLS PAYABLES

	2022	2021
Trade payables	275,437	369,964
Bills payable	4,000	–
	<u>279,437</u>	<u>369,964</u>

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

	2022	2021
Within 1 year	168,981	291,392
After 1 year but within 2 years	55,499	32,686
After 2 years but within 3 years	14,903	24,206
After 3 years	36,054	21,680
	<u>275,437</u>	<u>369,964</u>

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

*(Amounts expressed in thousands of RMB unless otherwise stated)***13. INTEREST-BEARING BANK AND OTHER BORROWINGS****(a) Long-term borrowings**

	2022	2021
Bank loans		
– Unsecured	26,843,109	23,725,866
– Guaranteed <i>(Note 13 (c))</i>	573,332	809,292
– Secured	12,390,107	11,921,658
– Secured and guaranteed <i>(Note 13 (c))</i>	68,771	34,661
	<u>39,875,319</u>	<u>36,491,477</u>
Other loans		
– Unsecured	1,966,038	2,566,758
– Secured <i>(Note (i))</i>	3,188,246	5,590,750
	<u>5,154,284</u>	<u>8,157,508</u>
Corporate bonds and medium-term notes		
– unsecured <i>(Note (ii))</i>	4,675,345	4,862,689
Lease liabilities	<u>2,329,426</u>	<u>2,635,890</u>
Total long-term borrowings	<u>52,034,374</u>	<u>52,147,564</u>
Less: current portion of long-term borrowings <i>(Note 13 (b))</i>		
– Bank loans	(4,073,956)	(3,532,963)
– Other loans	(1,515,273)	(1,774,175)
– Corporate bonds and medium-term notes	(77,338)	(1,263,635)
– Lease liabilities	(422,501)	(162,307)
	<u>(6,089,068)</u>	<u>(6,733,080)</u>
Total non-current portion of long-term borrowings	<u>45,945,306</u>	<u>45,414,484</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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 2022 and 2021, the details of secured other loans were as follows:

	2022	2021
Datang Financial Leasing Company Limited ("Datang Financial Leasing")*	1,504,619	2,519,922
Shanghai Datang Financial Leasing Company Limited ("Shanghai Datang Financial Leasing") *	517,344	1,218,690
ICBC Financial Leasing Company Limited*	270,660	611,646
CMB Financial Leasing Company Limited*	99,967	393,093
China Reform Financial Leasing Company Limited*	–	43,415
State Grid International Leasing Company Limited*	11,977	18,433
Datang Factoring Company Limited	757,415	755,527
Taiping & Sinopec Financial Leasing Company Limited*	26,264	30,024
Total	<u>3,188,246</u>	<u>5,590,750</u>

- * 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 2022, cash amounting to RMB26.0 million (31 December 2021: RMB48.7 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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 RMB1,200.0 million, RMB1,000.0 million, RMB1,000.0 million, RMB500.0 million, RMB800.0 million, RMB300.0 million and RMB1,000.0 million with a unit par value of RMB100 each on 26 September 2019, 6 May 2021, 15 July 2021, 9 August 2021, 26 September 2021, 20 October 2021 and 28 February 2022, respectively. The annual interest rates for these corporate bonds and medium-term notes are 3.68%, 3.32%, 2.95%, 2.85%, 3.00%, 3.39% and 2.97%, respectively. The first issued corporate bonds has already matured and settled in September 2022.

(b) Short-term borrowings

	2022	2021
Bank loans		
– Unsecured	128,671	875,687
– Guaranteed (<i>Note 13 (c)</i>)	–	–
– Secured and guaranteed (<i>Note 13 (c)</i>)	–	–
	<u>128,671</u>	<u>875,687</u>
Short-term bonds – Unsecured (<i>Note</i>)	1,111,441	3,772,764
Other loans		
– Unsecured	1,055,101	362,328
– Secured	249,335	717,898
	<u>1,304,436</u>	<u>1,080,226</u>
Current portion of long-term borrowings (<i>Note 13(a)</i>)	<u>6,089,068</u>	<u>6,733,080</u>
	<u><u>8,633,616</u></u>	<u><u>12,461,757</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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 2022	Issued	Interest	Payment	31 December 2022
2021 short-term bonds (the eighth tranche)	4 August 2021	1,000,000	2.31%	1,009,430	–	10,316	1,019,746	–
2021 short-term bonds (the ninth tranche)	11 August 2021	1,000,000	2.28%	1,008,870	–	10,182	1,019,052	–
2021 short-term bonds (the eleventh tranche)	12 November 2021	1,000,000	2.45%	1,003,155	–	7,853	1,011,008	–
2021 short-term bonds (the twelfth tranche)	3 December 2021	750,000	2.45%	751,309	–	4,430	755,739	–
2022 short-term bonds (the first tranche)	12 January 2022	1,000,000	2.24%	–	1,000,000	5,523	1,005,523	–
2022 short-term bonds (the second tranche)	19 January 2022	1,000,000	2.16%	–	1,000,000	5,327	1,005,327	–
2022 short-term bonds (the third tranche)	9 March 2022	1,000,000	2.00%	–	1,000,000	3,945	1,003,945	–
2022 short-term bonds (the fourth tranche)	15 April 2022	600,000	2.03%	–	600,000	8,609	–	608,609
2022 short-term bonds (the fifth tranche)	17 August 2022	500,000	1.52%	–	500,000	2,832	–	502,832
Total		<u>7,850,000</u>	<u> </u>	<u>3,772,764</u>	<u>4,100,000</u>	<u>59,017</u>	<u>6,820,340</u>	<u>1,111,441</u>

The issuance cost of above-mentioned short-term bonds for the year ended 31 December 2022 was RMB1.5 million (2021: RMB3.0 million).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(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 2022 and 2021, the effective interest rates per annum on borrowings are as follows:

	2022	2021
Long-term borrowings		
Bank loans	1.25% - 4.51%	2.15% - 4.95%
Other loans	3.15% - 4.98%	2.95% - 5.80%
Corporate bonds and medium-term notes	2.85% - 3.39%	2.85% - 3.58%
Short-term borrowings		
Bank loans	1.70% - 3.50%	2.15% - 4.35%
Other loans	3.20% - 4.35%	1.01% - 5.70%
Short-term bonds	2.00% - 2.45%	2.28% - 2.45%

As at 31 December 2022 and 2021, details of the Group's guaranteed bank loans are as follows:

	2022	2021
Guarantor		
– The Company	632,028	686,346
– Non-controlling interests and an ultimate holding company of subsidiaries and a fellow subsidiary of the Company	10,075	157,607
	<u>642,103</u>	<u>843,953</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

*(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 2022 and 2021, 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	
	2022	2021	2022	2021
Property, plant and equipment	2,034,664	1,314,324	4,419,258	7,511,790
Concession assets	34,675	168,810	–	–
Trade receivables	5,625,359	5,156,683	1,110,324	1,670,579
	<u>7,694,698</u>	<u>6,639,817</u>	<u>5,529,582</u>	<u>9,182,369</u>

As at 31 December 2022 and 2021, long-term borrowings were repayable as follows:

	2022	2021
Within 1 year	6,089,068	6,733,080
After 1 year but within 2 years	9,828,295	9,393,806
After 2 years but within 5 years	21,606,173	20,118,909
After 5 years	14,510,838	15,901,769
	<u>52,034,374</u>	<u>52,147,564</u>

As at 31 December 2022 and 2021, the carrying amounts of borrowings were all denominated in the RMB.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31 December 2022

(Amounts expressed in thousands of RMB unless otherwise stated)

14. EVENTS AFTER THE REPORTING PERIOD

As at 28 March 2023, the Board proposed to distribute the final dividend for the year ended 31 December 2022 of RMB0.05 per share (before tax) in cash to the shareholders of the Company with an amount of RMB363.7 million. The proposal is subject to the approval by the shareholders at the 2022 Annual General Meeting of the Company.

On 13 January 2023, the Company decided not to exercise the renewal option of the 2020 Renewable Bonds (the second tranche) (the “**20 Tang Xin* (唐新) Y2**”) amounting to RMB2 billion. The 20 Tang Xin* (唐新) Y2 were fully settled on 27 February 2023.

On 16 January 2023, the Company did not exercise the renewal option of the 2020 Renewable Bonds (the first tranche) (the “**20 Tang Xin* (唐新) Y1**”) amounting to RMB2 billion and the 20 Tang Xin* (唐新) Y1 were fully settled.

The Company has completed the public issuance of its renewable corporate bonds (the first tranche) of 2023 (the “**23 Tang Xin* (唐新) Y1**”) and received the proceeds therefrom on 16 January 2023. The amount of the 23 Tang Xin* (唐新) Y1 is RMB2 billion, with a basic term of 2 years. The unit par value is RMB100 and the interest rate is 3.52%. The interest starts to accrue on 16 January 2023.

The Company has completed the issuance of 2023 first tranche of the ultrashort-term debentures (the “**2023 Short-term Bonds I**”) and received the proceeds therefrom on 8 February 2023. The amount of the 2023 Short-term Bonds I is RMB700 million, with a maturity period of 69 days. The unit par value is RMB100 and the interest rate is 2.02%. The interest starts to accrue on 9 February 2023.

The Company has completed the public issuance of its renewable corporate bonds (the second tranche) of 2023 (the “**2023 Corporate Bonds II**”) and received the proceeds therefrom on 22 February 2023. The amount of the 2023 Corporate Bonds II is RMB1.9 billion, with a basic term of 3 years. The unit par value is RMB100 and the interest rate is 3.62%. The interest starts to accrue on 22 February 2023.

Except events above, until the approval date of the consolidated financial statements, there is no significant event after the reporting period of the Company that need to be disclosed.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

Renewable energy's competitiveness continues to increase

Active and steady improvement of carbon neutrality in peak carbon dioxide emissions by the Party's proposal in Report convened in the 20th CPC National Congress pointed out the way forward for China's energy development. In 2022, renewable energy achieved a new breakthrough, a new level as well as a new stage.

According to the data released by the National Energy Administration, in 2022, the country's cumulative installed power generation capacity was approximately 2.56 billion kW, representing a year-on-year increase of 7.8%; the total installed capacity of wind power and photovoltaic power generation in the country exceeded 120 million kW, reaching 125 million kW, which exceeded 100 million kW with a record high for three consecutive years. During the year, 152 million kW of renewable energy were newly installed, accounting for 76.2% of the country's newly installed power generation capacity, which has become the main part of China's newly installed power generation capacity. Among them, wind power, solar power, biomass power, conventional water and electricity and pumped storage increased by 37.63 million kW, 87.41 million kW, 3.34 million kW, 15.07 million kW, 8.80 million kW, respectively. As of the end of 2022, the installed capacity of renewable energy exceeded 1.2 billion kW, reaching 1.213 billion kW, accounting for 47.3% of the country's total installed power generation capacity, representing 2.5 percentage points higher than that of 2021. In particular, the number of wind power, solar power, biomass power, conventional water and electricity and pumped storage was respectively 365 million kW, 393 million kW, 41 million kW, 368 million kW and 45 million kW.

In 2022, the annual electricity generation of wind power and photovoltaic power exceeded 1 trillion kWh for the first time, reaching 1.19 trillion kWh, representing an increase of 207.3 billion kWh as compared with 2021, representing a year-on-year increase of 21%, accounting for 13.8% of the whole society's electricity consumption, representing a year-on-year increase of 2 percentage points, approaching the domestic electricity consumption of urban and rural residents across the country. In 2022, renewable energy generated 2.7 trillion kWh of electricity, accounting for 31.6% of the whole society's electricity consumption, 1.7 percentage points higher than in 2021, which played a more and more obvious role in ensuring energy supply.

Frequent introduction of policy favorable to the new energy industry

Comprehensive policy document on new energy development

In January 2022, the National Development and Reform Commission and the National Energy Administration issued the “Opinions on Improving the System, Mechanism and Policy Measures of Green and Low-carbon Energy Transformation” (《關於完善能源綠色低碳轉型體制機制和政策措施的意見》), which prescribes that during the “14th Five-Year Plan” period, the institutional framework for promoting energy green and low-carbon development will be basically established, a relatively sound policy, standard, market and regulatory system will be formed, and an energy green and low-carbon transformation promotion mechanism will be constructed with the “dual control” of energy consumption and the non-fossil energy target system as the guiding principles.

In May 2022, the National Development and Reform Commission and the National Energy Administration promulgated the “Implementation Plan for Promoting High-quality Development of Energy in the New Era”(《促進新時代能源高質量發展實施方案》), which improved the policies and measures in seven aspects including innovation in the development and utilization model, establishment of the new power system, the deepening of the “streamline administration, delegating power, strengthening regulation and improve services” reform, support and guidance of the healthy development of the industry, guarantee of the reasonable demand for space, comprehensive implementation of the benefits of ecological environment protection and improvement of the fiscal and financial policies so as to better play the role of new energy in ensuring supply and increasing supply of energy.

In June 2022, nine departments including the National Development and Reform Commission, the National Energy Administration, etc. jointly issued the “14th Five-Year Plan for the Development of Renewable Energy”(《“十四五”可再生能源發展規劃》) recently, which clearly proposes that the renewable energy sources will be developed in large scales such as wind power and by 2025, the electricity generated from renewable energy sources will reach about 3.3 trillion kWh. During the “14th Five-Year Plan” period, the increase in electricity generation from renewable sources accounted for more than 50% of the increase in electricity consumption in the whole society, and the electricity generation from wind power and solar energy doubled.

Promoting the development and construction of new energy sources and absorbing direct policies

In April 2022, the National Development and Reform Commission launched the “Letter on Continuation of the Affordable Internet Access Policy for New Wind and Photovoltaic Power Generation Projects in 2022”(《關於2022年新建風電、光伏發電項目延續平價上網政策的函》) in 2022, which states that in 2021, China’s new wind and photovoltaic power generation projects fully realized affordable Internet access and the industry maintained a rapid development trend. In order to promote the sustainable and healthy development of the wind power and photovoltaic power generation industry, in 2022, the newly approved onshore wind power projects, the newly filed centralized photovoltaic power station and the industrial and commercial distributed photovoltaic projects continued the affordable access policy, and the access tariff was implemented based on the benchmark price of local coal-fired power generation. The newly-built projects can voluntarily participate in the market-oriented transactions to form the on-grid electricity price, so as to fully reflect the green electricity value of new energy sources. All localities were encouraged to issue targeted support policies to support the high-quality development of the wind power and photovoltaic power generation industries.

In November 2022, the National Energy Administration issued the “Notice on Actively Promoting New Energy Power Generation Projects to Be Coordinated, Capable, Early and Relevant Work”(《關於積極推動新能源發電項目應併盡併、能併早併有關工作的通知》), which points out that under the premise of ensuring the safety and stability of the power grid and orderly supply of power, all power grid enterprises should take effective measures to ensure timely grid connection of wind power and photovoltaic power generation projects with grid connection conditions in accordance with the principle of “Be Coordinated, Capable, Early and Relevant”(應併盡併、能併早併). Grid connection in batches are allowed and full-capacity construction grid connection is no longer a necessary condition for new energy projects.

Promoting the construction of new power systems is conducive to the related policies in absorption of new energy

In February 2022, the National Development and Reform Commission and the National Energy Administration issued the “Notice on Accelerating the Construction of the Spot Power Market”(《關於加快推進電力現貨市場建設工作的通知》), which further deepened the reform of the power system, accelerated the construction of a unified national power market system, and promoted the optimal allocation of power resources in a market-oriented manner.

In March 2022, the National Development and Reform Commission and the National Energy Administration issued the “Implementation Plan for the Development of New Energy Storage in the 14th Five-Year Plan”(《“十四五”新型儲能發展實施方案》), which prescribes the development target: by 2025, the new energy storage will enter the large-scale development stage from the initial stage of commercialization and meet the conditions for large-scale commercial application, by 2030, the new energy storage will be fully market-oriented.

II. BUSINESS REVIEW

In 2022, the Company worked hard and forged ahead, actively promoted high-quality development with better efficiency, better structure, safety and reliability, and made new progress and new achievements in various work, and its business performance reached a new record.

The annual operating revenue was RMB12.499 billion, representing a year-on-year increase of RMB631 million or 5.32%; the net profit attributable to the parent company was RMB3.485 billion, representing a year-on-year increase of RMB1.454 billion or 71.55%; as of the end of 2022, the asset-liability ratio was 64.87%, 3.56 percentage points lower than the beginning of the year. The Company’s shares were successfully included in the “Hang Seng Composite Index” constituent stocks and the Shenzhen-Hong Kong Stock Connect; it has been successfully selected into three series of indexes including “Pioneer 50 Index”, “Governance Pioneer 50 Index” and “Risk Management Pioneer 50 Index” of SASAC, and the ESG comprehensive ranking has risen from 45th in 2021 to 23rd.

(I) Implementing the dual-carbon goal and adhering to accelerating the pace of green development

1. Increasing resource acquisition and continuously enriching resource reserves

The Company closely followed the planning of major projects such as national large base, desert, gobi and barren land, and the offshore wind power, and closely followed the new energy allocation information of various provinces and regions; the Company has carried out the bidding application work in Shanxi, Shandong, Jilin, Yunnan, Jiangsu, Chongqing and other provinces and regions, promoted the implementation of the requirements of local governments for establishing companies and introducing foreign capital, and improved the competitiveness of projects.

As of the end of 2022, the Company's consolidated installed capacity was 14,193.37 MW, representing an increase of 1,115.35 MW over the same period in 2021; the capacity of projects under construction of the Company was 2,471.50 MW among which, wind power projects under construction were 1,236.50 MW and photovoltaic projects under construction were 1,235.00 MW; a total of 3,646.90 MW of investment and construction indicators for new energy projects were obtained throughout the year, and 2,531.10 MW of projects have been approved and recorded.

As of 31 December 2022, the consolidated installed capacity of the Company by region was as follows:

Region	Consolidated installed capacity (MW)		
	As of 31 December 2022	As of 31 December 2021	Rate of year on-year change
Total	14,193.37	13,078.02	8.53%
Wind power	12,687.90	11,997.55	5.75%
Inner Mongolia	3,278.55	3,278.55	0.00%
Heilongjiang	940.50	801.00	17.42%
Jilin	1,297.60	1,248.10	3.97%
Liaoning	614.20	614.20	0.00%
Beijing	49.50	49.50	0.00%
Gansu	1,045.80	945.80	10.57%
Ningxia	646.50	646.50	0.00%
Shaanxi	349.00	349.00	0.00%
Shanxi	1,034.70	735.05	40.77%
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	14.00	0.00%
Yunnan	400.45	393.75	1.70%
Chongqing	281.50	232.00	21.34%
Guangdong	49.50	49.50	0.00%
Fujian	95.50	95.50	0.00%
Shandong	1,010.50	1,010.50	0.00%
Shanghai	249.70	204.20	22.28%
Jiangsu	410.85	410.85	0.00%
Hubei	46.80	46.80	0.00%

Region	Consolidated installed capacity (MW)		
	As of 31 December 2022	As of 31 December 2021	Rate of year on-year change
Photovoltaic	1,500.47	1,075.47	39.52%
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	260.00	100.00	160.00%
Guizhou	610.00	610.00	0.00%
Guangdong	65.00	10.00	550.00%
Gansu	76.00	26.00	192.31%
Shandong	10.00	–	–
Jilin	150.00	–	–
Gas	5.00	5.00	0.00%
Shanxi	5.00	5.00	0.00%

2. *Dynamically adjusting the investment strategy and studying the acquisition and merger of high-quality projects*

The Company coordinated the bidding policies of various regions, continuously optimized the investment decision-making process and refined the project boundary conditions, and effectively improved the investment process management ability and level; actively collected market information and looked for potential partners of high-quality projects in the upstream and downstream of the industrial chain; seek cooperation opportunities with large equipment manufacturers such as wind turbines and photovoltaic modules, and accelerated cooperation with scientific research institutions and well-known listed companies to seek innovative development.

In 2022, the Company has successively carried out research, economic evaluation and acquisition demonstration of new energy projects in Jiangsu, Xinjiang, Hebei and Shanxi, and will choose the opportunity to carry out relevant acquisition work when conditions are fulfilled.

3. *Taking advantage of overseas investment platform to obtain a number of high-quality resources*

The Company further expanded the financing channels of Datang Renewables HK to meet the demands of some domestic provinces to introduce overseas investment. In 2022, the Company established project companies in Shandong, Jiangsu and Yunnan in the name of foreign-invested enterprises and locked in 1,560 MW of new energy projects, giving full play to the role of overseas investment and financing platform.

(II) Consolidating the foundation of safe production and taking multiple measures to increase power generation

1. *Promoting the construction of inherently safe enterprises and further improving the level of inherent safety*

The Company firmly established the concept of safe development, solidly carried out special activities in the field of safe production, and completed the tasks of “clean-up and rectification”, spring and autumn inspection, flood prevention and disaster reduction, and power guarantee for the 20th NPC of the Party with high quality; actively carried out activities such as “Safe Production Month” and “Journey of Safe Production”. In the face of the complicated and changeable COVID-19 pandemic, the Company constantly adjusted and optimized its prevention and control measures, withstood the repeated impact of the pandemic, and protected the life safety and health of employees to the greatest extent.

In 2022, the Company’s wind power curtailment rate was 4.22%, an increase of 0.52 percentage point year-on-year; the photovoltaic power curtailment rate was 2.04%, a decrease of 0.54 percentage point year-on-year. The average utilisation hours of wind power of the Company reached 2,262 hours, remaining broadly stable on a year-on-year basis; the average utilization hours of photovoltaic power reached 1,414 hours, an increase of 333 hours year-on-year.

As of 31 December 2022, the Company's average utilization hours by region were as follows:

Region	Utilisation hours (hour)		Change
	As of 31 December 2022	As of 31 December 2021	
Total	2,188	2,160	28
Wind power	2,262	2,266	-4
Inner Mongolia	2,619	2,541	78
Heilongjiang	2,578	2,324	254
Jilin	2,355	2,123	232
Liaoning	2,403	2,479	-76
Beijing	2,965	432	2,533
Gansu	1,724	2,021	-297
Hebei	2,190	2,222	-32
Henan	1,904	2,280	-376
Shanxi	2,128	2,441	-313
Shaanxi	1,959	1,847	112
Ningxia	1,723	1,785	-62
Yunnan	2,297	2,358	-61
Shandong	1,782	1,920	-138
Hubei	2,078	1,633	445
Guangdong	1,574	1,528	46
Guangxi	1,791	1,617	174
Shanghai	2,189	2,044	145
Jiangsu	2,781	3,183	-402
Anhui	1,616	1,784	-168
Chongqing	2,356	2,136	220
Guizhou	–	1,525	–
Fujian	2,359	2,165	194

Region	Utilisation hours (hour)		Change
	As of 31 December 2022	As of 31 December 2021	
Photovoltaic	1,414	1,081	333
Inner Mongolia	1,626	1,182	444
Jiangsu	854	863	-9
Ningxia	1,829	1,617	212
Gansu	1,999	1,936	63
Qinghai	1,633	1,653	-20
Shanxi	1,701	1,653	48
Liaoning	1,651	1,578	73
Guizhou	1,176	755	421
Guangdong	620	–	–
Jilin	1,787	–	–
Gas	–	2,220	–
Shanxi	–	2,220	–

2. *Focusing on equipment diagnosis and efficiency improvement, and continuously improving the efficiency of in-service units*

The Company steadily promoted the technical transformation of the operating wind farm, and made full use of the big data platform of the production dispatching center to carry out the detailed analysis and diagnosis of equipment failures; continued to increase the reasonable investment in technical transformation, minimize the number of equipment failures and power loss, and continued to promote the efficiency improvement and transformation of old wind turbines.

In 2022, according to the statistics of the Big Data Center platform system, the Company's total power loss due to unit performance decreased by 22.32% year-on-year, and the power due to unit defects decreased by 7.48% year-on-year. Through technical transformation investment, the hidden dangers and potential problems of the Company's station units and equipment have been effectively solved, and the equipment reliability and wind turbine availability have been effectively improved, with significant results in quality and efficiency improvement.

As of 31 December 2022, the consolidated power generation of the Company by region was as follows:

Region	Consolidated power generation (MWh)		
	As of 31 December 2022	As of 31 December 2021	Rate of year on-year change
Total	28,787,028	26,178,431	9.96%
Wind power	27,163,692	24,998,097	8.66%
Inner Mongolia	8,587,857	8,128,776	5.65%
Heilongjiang	2,192,447	1,692,411	29.55%
Jilin	2,690,231	1,376,082	95.50%
Liaoning	1,476,132	1,522,476	-3.04%
Beijing	146,780	18,871	677.82%
Gansu	1,611,145	1,709,768	-5.77%
Hebei	542,070	528,928	2.48%
Henan	347,892	398,083	-12.61%
Shanxi	1,671,476	1,745,125	-4.22%
Shaanxi	683,849	633,076	8.02%
Ningxia	1,113,703	1,153,896	-3.48%
Yunnan	904,337	928,535	-2.61%
Shandong	1,800,439	1,939,580	-7.17%
Hubei	97,142	48,315	101.06%
Guangdong	77,928	75,624	3.05%
Guangxi	532,045	480,907	10.63%
Shanghai	539,416	417,347	29.25%
Jiangsu	1,142,660	1,287,438	-11.25%
Anhui	235,084	259,603	-9.45%
Chongqing	545,750	422,440	29.19%
Guizhou	–	24,063	–
Fujian	225,309	206,756	8.97%

Region	Consolidated power generation (MWh)		
	As of 31 December 2022	As of 31 December 2021	Rate of year on-year change
Photovoltaic	1,623,336	1,169,232	38.84%
Inner Mongolia	163,515	118,233	38.30%
Jiangsu	15,775	15,944	-1.06%
Ningxia	373,027	347,503	7.35%
Gansu	54,426	50,344	8.11%
Qinghai	130,672	132,275	-1.21%
Shanxi	34,015	33,068	2.86%
Liaoning	11,554	11,045	4.61%
Guizhou	717,340	460,817	55.67%
Guangdong	13,707	–	–
Jilin	109,305	–	–
Gas	–	11,102	–
Shanxi	–	11,102	–

3. *Paying close attention to the market trading volume price analysis, and greatly improving the marketing management level*

The Company optimized the production monitoring center system and established a daily and weekly reporting mechanism; strengthened the research of power market marketing strategy, assigned special personnel to sort out the detailed market transactions and electricity price implementation in each province item by item, strengthened the analysis of market transaction settlement in each region, improved the transaction settlement ledger, and established and improved the real-time electricity price reporting mechanism and electricity price analysis information system.

In 2022, the billed electricity and billed tariff of the market transaction of the Company achieved a year-on-year increase. However, as affected by new power generating units, changes in power structure and two detailed assessment, the Company's total average on-grid tariff in 2022 was RMB499.07/MWh (tax inclusive), representing a year-on-year decrease of RMB27.36/MWh.

(III) Comprehensively optimizing capital and debt structure, and achieving remarkable achievements in increasing profits and creating efficiency

1. *Reducing the capital cost of the whole process, and increasing the profitability steadily*

In 2022, the Company recovered the subsidized electricity fee of renewable energy of RMB8.255 billion, and the high-cost loans of nearly RMB45.7 billion were replaced throughout the year. The average financing cost of the Company decreased to 3.38% at the end of the year. The Company has reduced 93bp in the past three years. The efficiency and benefit of the Company's capital use have been effectively improved, and the financial position has been significantly improved.

2. *Adjusting the capital and debt structure and effectively improving the refinancing capacity*

As of the end of 2022, the Company's asset-liability ratio was 64.87%, representing a decrease of 3.56 percentage points compared to the end of 2021, with a cumulative decrease of 17.01 percentage points in the past three years. Reasonable allocation of long-term and short-term debt structure, the scale of ultra-short-term financing decreased by RMB2.65 billion from the beginning of the year, and the ability to resist market fluctuations was significantly improved.

(IV) Further promoting asset renovation and continuously improving the Company's asset quality

The Company actively implemented the requirements of the reform task of SASAC, and made great efforts in the rectification of "non-core and no advantage business" and "low efficiency and non-performing assets", and the relevant experience was widely promoted by SASAC. The overall asset quality of the Company has been optimized, and assist the Company in entering the fast lane of high-quality development.

(V) Implementing the “three-year action” reform of state-owned enterprises and effectively improving the scientific management level

1. *Strengthening top-level design and comprehensively improving the corporate governance system*

The Company implemented various plans for the reform of state-owned enterprises, formulated and improved 97 relevant systems, strived to strengthen the risk prevention and control of connected transactions, sorted out and optimized the list of functional management matters, promoted substantive progress in comprehensively deepening the reform, and provided guarantee for the Company’s high-quality development in compliance with the law.

2. *Actively promoting the quality improvement of listed companies and enhancing the investment attraction*

The Company fully implemented the series requirements of the State-owned Assets Supervision and Administration Commission of the State Council on improving the quality of listed companies, prepared the Company’s “High-Quality Development Plan for Listed Companies”, and promoted the endogenous growth and innovative development of listed companies. The Company strengthened market value management and investor relationship management, organized 21 online roadshows, held 61 investor meetings and received 451 investors throughout the year. At the end of 2022, the proportion of shares held by the Company in Hong Kong Stock Connect in tradable shares has increased to 9.02%, and the liquidity of shares has improved significantly.

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 2022 amounted to RMB3,891.23 million, representing an increase of RMB1,599.50 million as compared to RMB2,291.73 million in 2021, of which profit attributable to owners of the parent amounted to RMB3,485.17 million.

(II) Revenue

The Group's revenue increased by 5.32% to RMB12,499.23 million in 2022 as compared to RMB11,868.28 million in 2021, primarily due to the increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 5.06% to RMB12,408.96 million in 2022 as compared to RMB11,811.63 million in 2021, 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 increased by 127.96% to RMB637.47 million in 2022 as compared to RMB279.64 million in 2021, primarily due to the increase in non-operating income of RMB310.38 million caused by the judgment of the second instance of the Huachuang case.

The Group's government grants decreased by 0.8% to RMB293.72 million in 2022 as compared to RMB296.08 million in 2021, and there was no abnormal change in the amount of government grants in current year.

The Group's losses on disposal of property, plant and equipment and intangible assets decreased by 82.96% to RMB8.70 million in 2022 as compared to RMB51.07 million in 2021, primarily due to the changes in equipment disposal losses.

(IV) Operating expenses

The Group's operating expenses decreased by 5.99% to RMB6,929.72 million in 2022 as compared to RMB7,371.00 million in 2021, mainly due to the satisfactory results achieved in equipment management, the significant improvement of equipment reliability, the good operation of wind turbines and the effective cost reduction in current year; due to the significant year-over-year decrease in asset impairment losses caused by the payment recovery of the Tangshan Chunxing Special Steel.

The Group's depreciation and amortisation charges increased by 12.33% to RMB4,998.89 million in 2022 as compared to RMB4,450.14 million in 2021, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 5.90% to RMB1,092.02 million in 2022 as compared to RMB1,031.16 million in 2021, primarily due to the increase in expensed labour cost as a result of increase in production capacity.

The Group's other operating expenses decreased by 63.13% to RMB450.80 million in 2022 as compared to RMB1,222.82 million in 2021, primarily due to the effective reduction of cost and expenses.

(V) Operating profit

The Group's operating profit increased by 29.94% to RMB6,206.97 million in 2022 as compared to RMB4,776.92 million in 2021, mainly due to the increase in revenue from sales of electricity, year-on-year increase in investment income and the reversal of provision for impairment.

(VI) Finance expenses, net

The Group's net finance expenses decreased by 9.00% to RMB1,910.42 million in 2022 as compared to RMB2,099.32 million in 2021, primarily due to the decrease in financing scale and the decrease in average loan interest rate.

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

The Group's share of profits of associates and joint ventures was RMB47.14 million in 2022 as compared to the losses of RMB9.39 million in 2021, the increase of share of net profits of associates and joint ventures primarily due to the increase in net profit of an associate of the Group for the year.

(VIII) Income tax expenses

The Group's income tax expenses increased by 20.18% to RMB452.47 million in 2022 as compared to RMB376.48 million in 2021, 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 RMB1,599.50 million to RMB3,891.23 million in 2022 as compared to the profit of RMB2,291.73 million in 2021. For the year ended 31 December 2021, the Group's profit ratio for the year as a percentage of its total revenue increased from 19.31% in 2021 to 31.13%.

(X) Profit attributable to owners of the parent

The profit attributable to owners of the parent increased by RMB1,453.55 million or 71.55%, to RMB3,485.17 million in 2022 as compared to RMB2,031.62 million in 2021.

(XI) Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group increased by 56.11% to RMB406.06 million in 2022 as compared to RMB260.11 million in 2021.

(XII) Liquidity and capital sources

As at 31 December 2022, the Group's cash and cash equivalents decreased by 21.76% to RMB2,440.99 million as compared to RMB3,119.96 million as at 31 December 2021. The main sources of the Group's operating cash are revenue from the sales of electricity.

As at 31 December 2022, the Group's borrowings decreased by 5.70% to RMB54,578.92 million as compared to RMB57,876.24 million as at 31 December 2021. In particular, RMB8,633.62 million (including RMB6,089.07 million of long-term borrowings due within one year) was short-term borrowings, and RMB45,945.31 million was long-term borrowings. The above borrowings are all denominated in RMB.

As at 31 December 2022, the Group has unutilized banking facilities amounted to approximately RMB60,600.40 million, of which banking facilities of RMB37,379.40 million is not subject to renewal within 12 months after the end of the reporting period. At the date of this announcement, the Directors of the Company were of the opinion that such covenants of unutilised banking facilities have been complied with and are confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing; and other available sources of financing from banks and other financial institutions given the Group's credit history.

As at 31 December 2022, There were corporate bonds of RMB15,000.00 million approved by the China Securities Regulatory Commission but not yet issued, asset-backed notes of RMB2,200.00 million registered in the National Association of Financial Market Institutional Investors but not yet issued, ultra-short-term financing bonds of RMB4,900.00 million and medium-term notes of RMB12,000.00 million, of which the asset-backed notes that are valid until June 2023, corporate bonds of RMB6,000.00 million and RMB9,000.00 million that are valid until September 2023 and December 2023 respectively, ultra-short-term financing bonds of RMB4,900.00 million that are valid until November 2023 and medium-term notes of RMB4,000.00 million that are valid until December 2023, the approvals and registrations of other bonds and notes of the remaining medium-terms notes of RMB8,000.00 million 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 35.95% to RMB6,888.03 million in 2022 as compared to RMB10,753.45 million in 2021. 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 60.40% in 2022, representing a decrease of 3.23 percentage points as compared to 63.63% in 2021.

(XV) Significant investment

In 2022, the Group made no significant investment.

(XVI) Material acquisition and disposal

In 2022, 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 2022, the carrying value of the pledged assets amounted to RMB13,224.28 million.

(XVIII) Contingent liabilities

As at 31 December 2022, 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

2023 is the first year for fully implementing the spirit of the 20th National Congress of the CPC, a crucial year for the “14th Five-Year” Plan as an interface as well as a key year to comprehensively promote the high-quality development of new energy companies. These will be of great significance to accomplish our targets and goals for the year, and be of great significance to the satisfactory completion of the work in the last three years of the “14th Five-Year”.

From the perspective of the international and domestic situation, with the acceleration of the pace of once-in-a-century change by the influence of the COVID-19 pandemic, and the more complex and severe domestic and international environment, China’s development has entered a period where strategic opportunities and risks and challenges coexist, and uncertainties and unpredictable factors increase. However, the fundamentals that opportunities outweigh challenges and China’s economy will sustain long-term growth remain unchanged, the overall economy performance is expected to rebound in 2023. The Central Economic Working Conference has identified that we should adhere to the principle of “maintaining stability with steady progress”, focus on promoting high quality development, take “expanding domestic demand” as the focus of the economic work, and propose that active fiscal policies should be accelerated, prudent monetary policies should be precise and powerful, industrial policies should take into account development and security concurrently, science and technology policies should focus on self-reliance and self-improvement, and social policies should bring greater security to people’s livelihood. We should highlight the work of stabilising economic growth, employment and prices to achieve the effective improvement of quality and reasonable growth of quantity, and promote the overall improvement of economic performance.

From the perspective of the development environment of the industry, the 20th National Congress of the CPC has made arrangements and deployments for in-depth promotion of the energy revolution, ensuring energy security, promoting carbon peak and carbon neutrality, planning and building a new energy system, self-reliance and self-improvement in science and technology, and actively participating in global governance to address climate change, as well as put forward new and clear requirements. The General Secretary, Mr. Xi Jinping has repeatedly stressed the issue of energy security, which is the “top priorities of the China” and an overall and strategic issue related to China’s economic and social development. The National Energy Work Conference pointed out that in 2023, the wind power installed capacity in China will reach about 430 million kW, and the solar power installed capacity will reach about 490 million kW, with the cumulative installed capacity of both reaching 920 million kW, of which the new installed capacity will reach 160 million kW, representing a year-on-year increase of over 33%. Such positive trends and policies have given new energy companies a rare opportunity for development.

MAJOR WORKS IN 2023

(I) Vigorously obtaining project resources and accelerating the layout of wind and solar power assets

According to the relevant documents of the National Development and Reform Commission and the National Energy Administration, the scenic base project will be one of the important paths to achieve the national “dual carbon” goal, and the “three northern” regions are expected to become the main battlefield of the scenic base project. The Company will take full advantage of the geographical advantages of the “three northern” regions to comprehensively track the “desert, gobi and barren land” base project, strive for the development right of the scenic base project, and strive to build a new energy base cluster. The Company will focus on coastal areas such as Jiangsu and Shandong, and make every effort to seize offshore wind power resources; strengthen communication and coordination to ensure the implementation of the photothermal project in Xinjiang. The Company will do a good job in the competitive allocation of conventional new energy, vigorously promote the implementation of the acquired construction indicators, firmly build the “basic plate” of green development, and fully promote the production and efficiency of new energy projects.

(II) Continuously improving engineering construction capacity and ensuring the quality and progress of production

We will accelerate the construction of strategic research capacity, track the new situation, policies and technological changes in a timely manner, continue to optimize and improve the development strategy, and maintain the strategic leadership and enforceability. We will improve our engineering management ability, strengthen the allocation of professional engineering management personnel at all levels, improve the system’s grasp of the regularity of project construction, and promote the overall improvement of the Company’s construction management level. We will improve the engineering construction guarantee capacity, give full play to the advantages of new energy specialization, strengthen the business guidance ability and on-site construction ability, and continue to create high-quality projects with “short construction period, low cost, high quality and good benefits”.

(III) Strengthening the analysis of electricity price market policy and vigorously improving the efficiency of electricity sales

We will strengthen the research on regional power policies and power market trading rules, pay attention to the local volume and price structure and cross-network and cross-province spot trading, and track and urge all subsidiaries to develop the best trading strategy. We will continue to follow up on the verification of renewable energy subsidies, refine and analyze the sharing costs of ancillary services in various regions, and try our best to reduce the sharing costs of ancillary services. We will focus on green power and green certificate trading, track the implementation of green power and green certificate trading in Beijing and Guangzhou power trading centers, actively assist the grassroots enterprises in organizing the application for green certificates, participate in green power and green certificate trading, and improve the value of kilowatt-hour electricity.

(IV) Continuously promoting technical transformation and helping to improve the quality and efficiency of wind turbines

With the successive introduction of national and local policies, the wind farm “replacing small with big” has gradually entered the practical and demonstration stage, with huge market potential. The single capacity of the wind turbine put into operation by the Company in 2010 and before is mostly 1.5MW or below, which will provide an opportunity for the future development of “replacing small with big”. In 2023, the Company will fully study the detailed policies of the country and provinces and regions, vigorously promote the transformation and upgrading of old wind turbines, and help improve the quality and efficiency of stock assets.

(V) Improving the ability of total cost control and releasing the Company’s operating efficiency potential

We will establish the awareness of comprehensive cost management, firmly grasp the whole-process management, maximize resources and reduce costs, and create low-cost advantages. On the basis of the advantage of low financing cost, we will continue to reduce the loan interest rate, strictly control labor costs, strictly review technical transformation projects, and maximize cost savings and capital efficiency.

(VI) Continuously deepening market value management and earnestly creating a new image of listed companies

We will continue to implement the series of requirements of SASAC on improving the quality of listed companies, and prepare the capital operation plan in combination with the development objectives of the “14th Five-Year Plan” and strive to promote it. We will comprehensively deepen the market value management strategy in combination with the favorable new situation of Hong Kong Stock Connect, realize the Company’s “Going out” and shareholders’ “Coming In”, and systematically do a good job of regular performance release, roadshows and reverse roadshows. We will fully listen to the voice of the market, study the feasibility of increasing the dividend ratio, pay close attention to the equity incentive policy, and strive to stimulate the vitality of the market, reshape the new image of the market, and promote the high-quality development of the Company.

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

For the year ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

FINAL DIVIDEND

On 28 March 2023, the Board of Directors of the Company held the eighth meeting of the fourth session to consider the “Resolution on 2022 Profit Distribution Plan” and proposed to distribute RMB0.05 per share (before tax) in cash to the shareholders of the Company with an amount of RMB363,685,050.00. Such proposal is subject to the approval by the shareholders of the Company at the 2022 Annual General Meeting, and the final dividend is expected to be distributed on or before 25 August 2023.

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 2022, 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 2022, the Company has been in strict compliance with the principles and provisions contained in Part 2 of 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

Moore Stephens CPA Limited & Da Hua Certified Public Accountants (Special General Partnership) were appointed as international and domestic auditors respectively of the Company for the year ended 31 December 2022.

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 2022 as set out in this announcement have been agreed by the Company's auditor, as consistent with the amounts set out in the Group's consolidated financial statements. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the results announcement.

AUDIT COMMITTEE

The Group's 2022 final results announcement and the financial statements for the year ended 31 December 2022 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 2022 containing all the information as required by the Listing Rules, and publish it on the websites of the Company and the The Stock Exchange of Hong Kong Limited.

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

Beijing, the PRC, 28 March 2023

As at the date of this announcement, the executive director of the Company is Mr. Liu Guangming; the non-executive directors are Mr. Yu Fengwu, Mr. Ye Heyun, Mr. Liu Quancheng, Ms. Zhu Mei and Mr. Shi Feng; the independent non-executive directors are Mr. Lo Mun Lam, Raymond, Mr. Yu Shunkun and Mr. Qin Haiyan.

* For identification purposes only