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)

RULES OF PROCEDURE FOR THE AUDIT COMMITTEE UNDER THE BOARD OF DIRECTORS OF CHINA DATANG CORPORATION RENEWABLE POWER CO., LIMITED

Article 1 In order to standardize the organization, duties and work procedure of the audit committee (the "**Audit Committee**") under the board of directors (the "**Board**") of China Datang Corporation Renewable Power Co., Limited (the "**Company**") and to ensure the truthfulness of the financial information and the effectiveness of the internal control of the Company, these rules of procedure (the "**Rules**") are formulated in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), the Articles of Association of China Datang Corporation Renewable Power Co., Limited (the "**Articles of Association**"), the Rules of Procedure for the Board of Directors of China Datang Corporation Renewable Power Co., Limited and applicable regulatory requirements.

Article 2 The Audit Committee is a special committee established by and under the Board. It is accountable to and reports work under the Rules to the Board , as well as exercises the powers and functions of the board of supervisors as stipulated in the Company Law. The Audit Committee shall perform its duties in compliance with applicable laws and regulations, the Articles of Association and the requirements hereof.

Article 3 The Audit Committee shall comprise three non-executive Directors, a majority of whom shall be independent non-executive Directors. The Audit Committee shall have one chairman who shall be an accounting professional among the independent non-executive Directors.

Article 4 Members of the Audit Committee shall fulfil the following requirements:

(1) having skills and experience in relation to the Company's business;

(2) having proper knowledge of finance;

(3) at least one member shall have accounting or related financial management expertise to meet the requirement of the Hong Kong Listing Rules on qualifications of the financial professional of the audit committee.

Article 5 The members of the Audit Committee shall be appointed and removed by the Board with a term of office consistent with that of the Directors and are eligible for reappointment. If any member ceases to hold the position of non-executive Director or independent non-executive Director during his/her term of office, his/her membership shall automatically terminate. The Board shall have the vacancy filled in a timely manner in accordance with the above provisions to meet the requirements hereof on the composition of the Audit Committee.

Article 6 The Audit Committee shall hold at least two regular meetings each year in the form of on-site meetings or by way of telecommunication. The chairperson of the Audit Committee may convene a meeting on his/her own initiative or upon request of the independent accountant or internal auditor. An extraordinary meeting may be held upon request of more than two members of the Audit Committee.

Meetings of the Audit Committee shall not be held unless more than two-thirds of its members are present. Resolutions made by the Audit Committee shall be passed by the majority of its members. Resolutions of the Audit Committee shall be decided on a one-person-one-vote basis.

The meetings shall be chaired by the chairperson of the Audit Committee, who, if unable to attend the meeting, may appoint another member to preside. A member unable to be present at a meeting may appoint another member in writing to exercise the power of office on his/her behalf.

Article 7 The principal duties and powers of the Audit Committee shall include the following:

(1) to guide the development of the risk management system, internal control system, compliance management system, and accountability framework for non-compliant business and investment activities of the Company, review reports on internal control, risk management, compliance and related matters and oversee the formulation and implementation of internal audit system;

(2) to review financial information and its disclosure of the Company, consider accounting policies and their changes and provide recommendations for the Board;

(3) to review the annual audit plan and material audit tasks, oversee their implementation upon approval from the Board and research major audit conclusions and rectification;

(4) to evaluate the effectiveness of internal audit, coordinate between internal and external audits and put forward proposals in respect of adjustments to the head of the audit department to the Board;

(5) to supervise and evaluate external audit, propose recommendations to the Board regarding the appointment or dismissal of independent accountants and their compensation and maintain beneficial communication with external audit auditor;

(6) to be responsible for matters stipulated in laws and regulations, normative documents, regulatory rules of the place where the Company's shares are listed, the Articles of Association and other matters authorized by the Board.

Article 8 The Audit Committee shall exercise the powers and functions of the board of supervisors as stipulated in the Company Law and assume the supervisory responsibilities of the Board:

(1) to inspect the Company's implementation of relevant laws, regulations and institutional rules;

(2) to inspect the implementation of Board resolutions and exercise of powers authorized by the Board;

(3) to inspect the Company's finance;

(4) to supervise the operational management activities of senior management;

(5) to oversee the Company's rectification and implementation of issues identified through audits, state-owned asset supervision and special inspections;

(6) to organize post-evaluation of investment projects in accordance with regulations;

(7) to promptly report to the Board on substantial corporate issues, material risks and operational risk events and major abnormal circumstances.

Article 9 The following matters shall be submitted to the Board for consideration only after being approved by the majority of all members of the Audit Committee:

(1) disclosure of financial information in financial accounting reports and periodic reports and internal control evaluation reports;

(2) appointment or dismissal of the accounting firm responsible for auditing the listed company;

(3) appointment or dismissal of the chief financial officer of the listed company;

(4) changes in accounting policies or accounting estimates, or corrections of significant accounting errors, other than those resulting from changes in accounting standards;

(5) other matters as prescribed by laws, administrative regulations, the China Securities Regulatory Commission, the regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 10 The Audit Committee shall submit a minute to the Board based on the discussion results after each of its regular meeting.

(1) The first regular meeting shall be held prior to the meeting of the Board for consideration of the annual financial report. The main topics are:

- to discuss the financial report and profit distribution plan of the Company for the previous year;
- to discuss the report on internal audit of the Company for the previous year;
- to discuss the report on internal control of the Company for the previous year;
- to discuss the report on connected transactions of the Company in the previous year;
- to discuss the report on audit fees paid to the independent accounting firm in the previous year;
- to discuss the proposal for appointment of domestic and international accounting firms of the Company for the current year; and
- to listen to the audit report on the financial position for the previous year prepared by the independent accounting firm.

(2) The second regular meeting shall be held prior to the meeting of the Board for consideration of the interim financial report. The main topics are:

- to discuss the interim financial report and profit distribution plan of the Company for the year; and
- to listen to the opinions of the independent accounting firm on the review of the interim financial position for the year.

Article 11 The Audit Committee may delegate the secretary to the Board to handle the following day-to-day affairs:

(1) to distribute the meeting agenda and relevant supporting materials to members of the Audit Committee 3 days prior to the date of each of the meetings of the Audit Committee;

(2) to be responsible for taking minutes and sorting out the opinions of members present to form written meeting minutes, which shall be signed by the members present and the minutes taker. The members present are entitled to request that their comments made at the meetings be recorded in the minutes as explanatory notes;

(3) to distribute the minutes to the Board and members of the Audit Committee within 14 days after the close of the meeting.

Article 12 It is the responsibility of the Audit Committee to examine the completeness of the Company's annual report and interim report as well as relevant financial statements and accounts and to review significant financial reporting judgements contained in them.

The Audit Committee shall review the financial and accounting statements prepared by the Company and form its opinions in written form before the accountant commences an annual audit; the Audit Committee shall review again the financial and accounting statements of the Company and form written opinions after the accountant providing annual audit service issues his/her preliminary audit opinions.

Article 13 The Audit Committee shall submit to the Board its opinions on the review of the Company's financial reports and relevant information before submitting the annual, interim and quarterly reports to the Board for approval. The Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in such financial reports and accounts and must give due consideration to any matters that have been raised by the Company's chief accountant and independent accountant. It should focus particularly on:

(1) any changes in accounting policies and practices;

(2) areas where major judgments are involved;

(3) significant adjustments resulting from audit;

(4) the going concern assumptions and any qualifications;

(5) compliance with relevant governing accounting standards;

(6) compliance with the applicable requirements of the Hong Kong Listing Rules and laws and regulations in relation to financial reporting, risk management and internal control systems, including new rules published recently by professional and regulatory authorities, and the implications thereof on financial reporting.

In regard to the above matters,

(i) members of the Audit Committee must consult the Board and senior management, while the Audit Committee must meet, at least twice a year, with the external auditor; and

(ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must give due consideration to any matters that have been raised by the staff responsible for the accounting and financial reporting function, compliance officer or auditors;

Article 14 The Company shall establish an internal audit department to inspect and supervise the establishment and implementation of the Company's internal control system and the truthfulness and integrity of the Company's financial information.

Article 15 The Audit Committee shall check and monitor the work of the internal audit department pursuant to regulatory rules of the place where the Company's shares are listed.

Article 16 The Audit Committee is accountable to monitoring the Company's financial reporting system, risk management and internal control systems and to review and evaluate the following matters:

(1) to review the Company's accounting policies and practices for the preparation of financial statements;

(2) to monitor the procedure for preparation of regular financial reports (interim and annual financial reports) and review the information disclosure such as publication of regular financial reports, financial results and other announcements;

(3) to evaluate the effectiveness of the internal control and risk management frameworks at least once a year, and the scope of the evaluation shall cover all material internal control measures, including financial, operational and compliance controls, with particular consideration given to:

(i) the evaluation of changes in the nature and extent of significant risks (including environmental, social and governance risks) faced by the Company compared to the previous year, as well as the Company's ability to respond to changes in its business and external environment;

(ii) the scope and effectiveness of management's ongoing monitoring of risks (including environmental, social and governance risks) and of the internal control systems;

(iii) the material internal control failings or weaknesses identified during the review of the risk management and internal control, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such internal control failings or weaknesses;

(iv) the effectiveness of the Company's processes for financial reporting and the compliance with the Hong Kong Listing Rules; and

(v) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's environmental, social and governance performance and reporting.

(4) to discuss with the management the scope and quality of the risk management and internal control systems and ensure that the management has discharged its duty to have an effective risk management and internal control system;

(5) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(6) to consider any findings of internal investigation of any suspected dishonesties or irregularities, deficiencies in risk management and internal control systems, or suspected violation of laws, rules and regulations and the management's response;

(7) to review and monitor the scope, efficiency and results of the internal audit and risk management function and ensure the independence of the internal audit function and co-ordination between the internal and independent accountants, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;

(8) to discuss any recommendations derived from the audit with the independent accountant; to review the management letter issued by the independent accountant to the management in respect of the audit; to review any material queries raised by the independent accountant to the management in respect of the accounting records, financial accounts or system of control, the management's response or other communication documents, and to ensure the effective communication between the independent accountant and the management;

(9) to ensure that the Board will provide a timely response to the issues raised in the independent accountant's management letter;

(10) to understand the internal control function and procedure implemented by the management and ensure that the financial statements obtained from the established financial system meet the relevant standards and requirements and have been considered and approved by the management;

(11) to consider other topics proposed by the Board.

Article 17 The Audit Committee is responsible for overseeing and evaluating the external audit, and proposing the appointment or replacement of external audit auditor:

(1) to make recommendations on the proposed appointment or replacement of the external auditor, review the audit fees and engagement terms of external audit auditor and handle any matters relating to the resignation or dismissal of the independent accountant;

(2) to examine and monitor whether the external audit auditor maintains independence and objectivity and the audit procedures are effective in accordance with applicable standards;

(3) to discuss with the external audit auditor on the nature and scope of the audit and its reporting responsibilities prior to commencing audit procedures;

(4) to formulate and implement policies regarding the provision of non-audit services by external audit auditor pursuant to the work needs. The Audit Committee shall report to the Board and make recommendations on any matters where action or improvement is needed;

(5) to supervise the external auditor to be honest, trustworthy, diligent and responsible, strictly comply with the business rules and industry discipline regulations, strictly implement the internal control system, check and verify the Company's financial and accounting reports, perform the obligation of special attention, and prudently express professional opinions;

(6) to monitor, as a principal representative, the relationships between the Company and external auditor;

(7) to review the Company's policies on appointment of the employees and former employees of the accounting firm and monitor the implementation thereof.

Article 18 The Audit Committee is responsible for supervising and evaluating the internal audit and coordinating internal and external audit:

(1) to guide and supervise the establishment and implementation of the internal audit system;

(2) to review the annual internal audit plan of the Company;

(3) to supervise and facilitate the implementation of internal audit plan of the Company;

(4) to guide the internal audit department on effective operation and ensure that the internal audit function possesses adequate resources and appropriate organizational standing within the Company, and regularly review, evaluate and supervise its operational effectiveness;

(5) to coordinate the relationship between the internal audit department and the external audit auditor such as the independent accountant.

Article 19 The Audit Committee shall establish a process to address the following complaints:

(1) to receive, keep and deal with complaints of which the Company becomes aware in relation to accounting, internal accounting control or audit items;

(2) to receive and respond to complaints or anonymous tip-offs in respect of accounting or audit items and treat them as confidential;

(3) to review the arrangement allowing employees to raise concerns anonymously about possible improper financial reporting, internal control or other issues. The Audit Committee shall make sure the Company has proper arrangements in place for the fair and independent investigation of related issue and takes appropriate follow-up actions.

Article 20 The Audit Committee shall liaise on a regular basis with the Board, senior management and the independent accountant.

To discuss the risk management and internal control systems with the management and ensure that the management has performed its duty to establish such systems effectively. The discussion should include the adequacy of resources in respect of the Company's accounting and financial reporting functions, staff qualifications and experience, as well as the adequacy of training programmes and budget for the staff;

To consider major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and the management's response to these findings;

The Audit Committee shall meet at least twice a year with the Company's independent accountant.

Article 21 The Audit Committee is entitled to, in exercising its functions and powers, appoint independent accountants or other advisers (external advisers) to provide consulting services.

Any reasonable expenses incurred by the Audit Committee, when exercising its functions and powers, in connection with the appointment of independent advisers shall be borne by the Company.

Article 22 The Audit Committee shall submit its decisions and opinions to the Board in written form and report the following issues to the Board on a regular basis:

(1) issues that will help the Board to have a timely knowledge of the important matters that may have an impact on the Company's financial position and business operation;

(2) self appraisal of the Audit Committee members and the overall performance of the Audit Committee.

Article 23 The Audit Committee shall urge relevant departments to disclose how the Company complies with the code provisions in relation to risk management and internal control in the Corporate Governance Report.

Article 24 "More than" referred to herein includes the figure itself.

"Independent accountant" and "external auditor" referred to herein shall have the same meaning as "accounting firm undertaking audit services for listed companies" as defined in the Articles of Association.

Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Articles of Association.

Article 25 The Rules shall come into effect from the date of approval by the Board.

Article 26 The Rules shall be interpreted by the Board.

Important Note: The above is an English translation of the Chinese version of the Rules of Procedure of the Audit Committee under the Board of Directors of China Datang Corporation Renewable Power Co., Limited. In case of any discrepancies or inconsistencies, the Chinese version shall always prevail.

* *For identification purposes only*