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: 1798

2023
Annual Report

* For identification purpose only

Contents

Chairman's Statement

Dear shareholders,

2023 was a year of overcoming challenges and forging ahead in the Company's development journey. With the joint efforts of all employees, we worked hard to deal with the challenges of rapid expansion and technological iteration in the new energy industry, firmly grasped the theme of value creation and foundation building, and made great efforts to accelerate high-quality development, achieving significant results.

In this year, our steps were solid. Faced with fierce competition for resources in the new energy industry, we successfully acquired multiple large bases and offshore wind power projects, continuously optimizing our development quality. Despite the complex external environment, we successfully achieved our annual work goals and continued to improve our asset quality. Despite the arduous operational tasks, the Company's potential was effectively released and our market value continued to increase. Looking back on the past year, there were hardships and joys of harvest. We accelerated our momentum and solidified the foundation for high-quality development through pragmatic actions.

2024 marks the 75th anniversary of the founding of New China, and it is also the year for the Company to seize opportunities and reach new heights. The basic trend of China's economic recovery and long-term improvement remains unchanged. With the rising tide and favorable winds, the energy revolution is deepening, the construction of a new energy system is accelerating, and the reform of the institutional mechanisms in the energy sector is continuously deepening. Standing at a new historical starting point for high-quality development, we have good resource endowments, stable operating income, incremental project resources, and have gathered tremendous strength to improve and strengthen our Company.

As time passes and the pages turn, the chapter of development is constantly being renewed. In the new year, we will unite and pursue excellence, cultivate and strengthen the development of green and low-carbon colors, accelerate the cultivation of new productive forces, create a new situation of high-quality development with new momentum and new performance, and give back to society and shareholders.

Finally, on behalf of the Board of Directors, I would like to express my sincere thanks to all shareholders, investors, and friendly people from all walks of life for their long-term trust and support!

Chairman of the Board and Executive Director
Li Kai

General Manager's Statement

Dear shareholders,

In 2023, facing multiple challenges such as various profit-reducing constraints and fierce competition for resources, the Company's management team, under the scientific leadership of the Board of Directors, united and led all employees to implement the new development concept in a complete, accurate and comprehensive manner, and made integrated planning for increment and inventory, sparing no effort to promote high-quality development. The Company's operating conditions were stable, asset quality was robust, and the development trend was steadily improving, successfully completing all annual objectives and tasks.

As at the end of 2023, the Company had total assets of RMB101.545 billion, total installed capacity of 15.4187 million kW, annual operating revenue of RMB12.802 billion, total profit of RMB3.623 billion, and the debt-to-asset ratio of 64.59%. In 2023, the Company achieved a construction indicator of 3.58 million kW, with significant progress in large base and offshore wind power projects. Actively responding to the national "dual carbon" goal, the Company recorded annual electricity generation of 31.6 billion kWh for the year, leading to a saving of 9.53 million tons of standard coal and a reduction in carbon dioxide emissions of 18.03 million tons. The Company was awarded the "Best Hong Kong Stock Connect Company" award granted by Zhitong Caijing (智通財經) in 2023, and ranked 48th in the list of the "Central Enterprise ESG • Pioneer 100 Index" in 2023, and the level of ESG governance was recognized by the industry.

In 2024, the Company will firmly grasp the direction of green and low-carbon development, seizing opportunities for the development of the new energy industry. Under the leadership of the Board, we will coordinate high-quality development and high-level safety, deeply promote efficiency and quality improvement, and accelerate the construction of a modern enterprise. We will continuously enhance the new vitality and momentum of high-quality development, striving to seek progress while maintaining stability, improving quality in the progress, and endeavoring to establish ourselves as an industry-leading clean energy supplier and give back to investors with better performance.

Lastly, we sincerely thank all shareholders and people from all walks of life for their strong support to the Company!

Executive Director and General Manager
Wang Fanghong

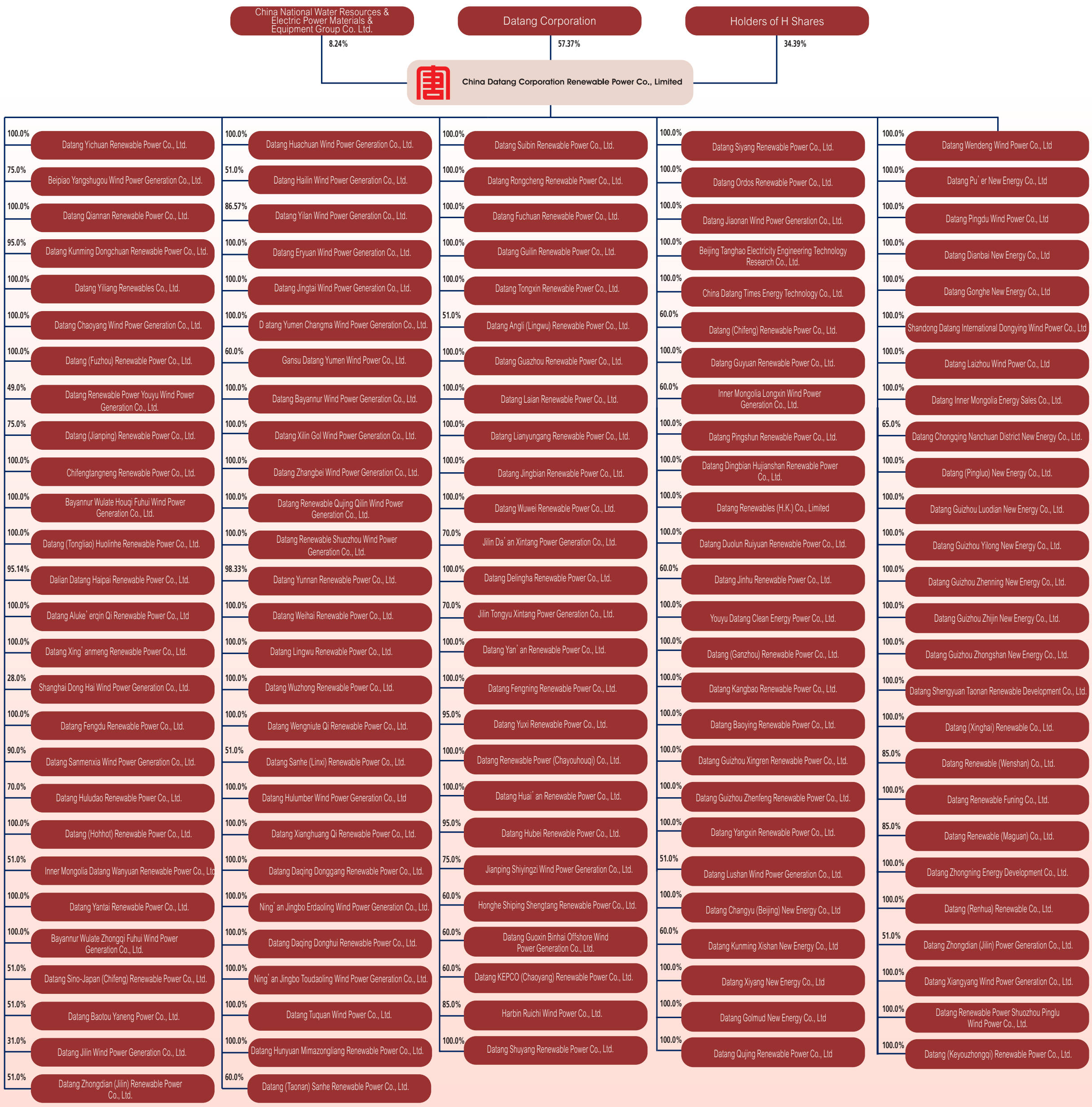
Company Profile

The predecessor of China Datang Corporation Renewable Power Co., Limited (stock code: 1798) was Datang Chifeng Saihanba Wind Power Generation Co., Ltd. (大唐赤峰塞罕壩風力發電有限公司) which was established on 23 September 2004. It was one of the earliest power enterprises that engaged in the development of new energy in the PRC. Since the establishment of the Company and after several years of rapid development, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on 17 December 2010. As at 31 December 2023, the Company had a total of 7,273,701,000 issued shares, among which the Company's controlling shareholder China Datang Corporation Ltd. holds an aggregate of 65.61%.

The Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; design, construction and installation, repair and maintenance of domestic and overseas power projects; import and export services of renewable energy equipment and technologies; foreign investment; renewable energy-related consulting services.

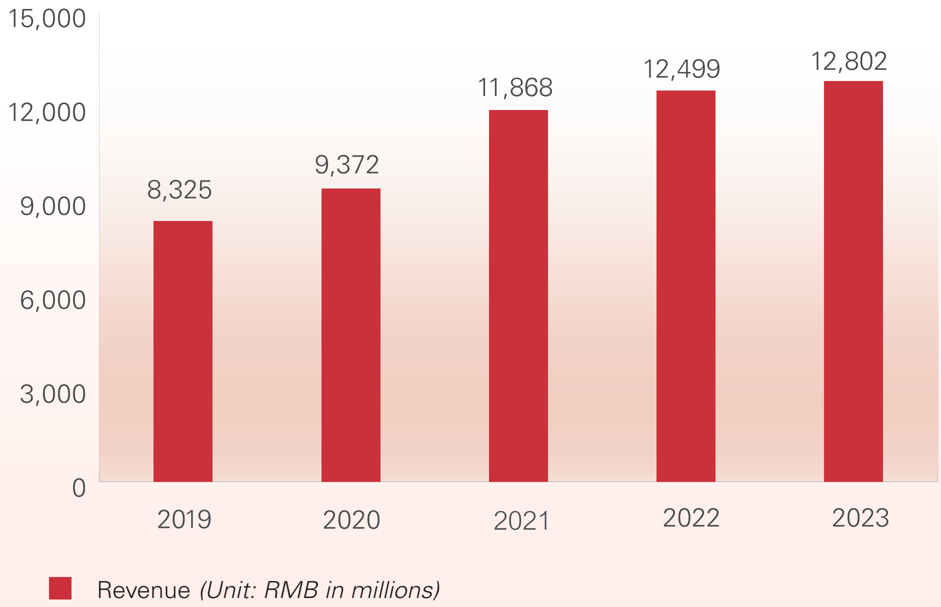
The Group is actively engaged in the renewable sources business including wind power and solar power. As at 31 December 2023, the Group's consolidated installed capacity amounted to 15,418.72 MW, including 12,981.20 MW of wind power consolidated installed capacity and 2,437.52 MW of photovoltaic consolidated installed capacity.

Corporate Structure: As at 31 December 2023, the Company's major corporate structure was as follows:

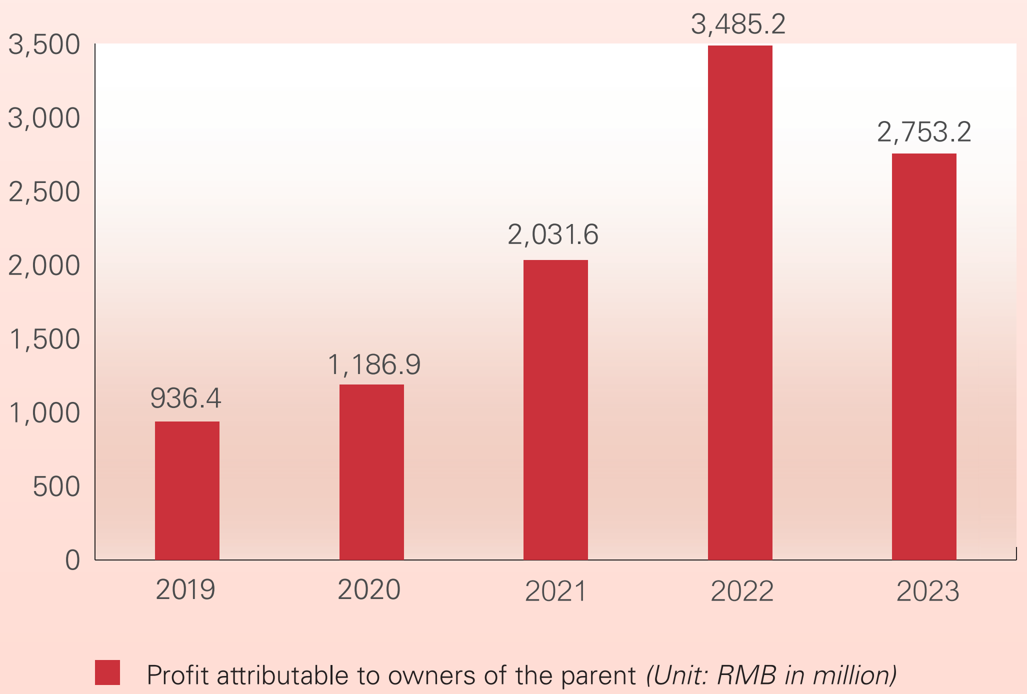


Key Operating and Financial Data

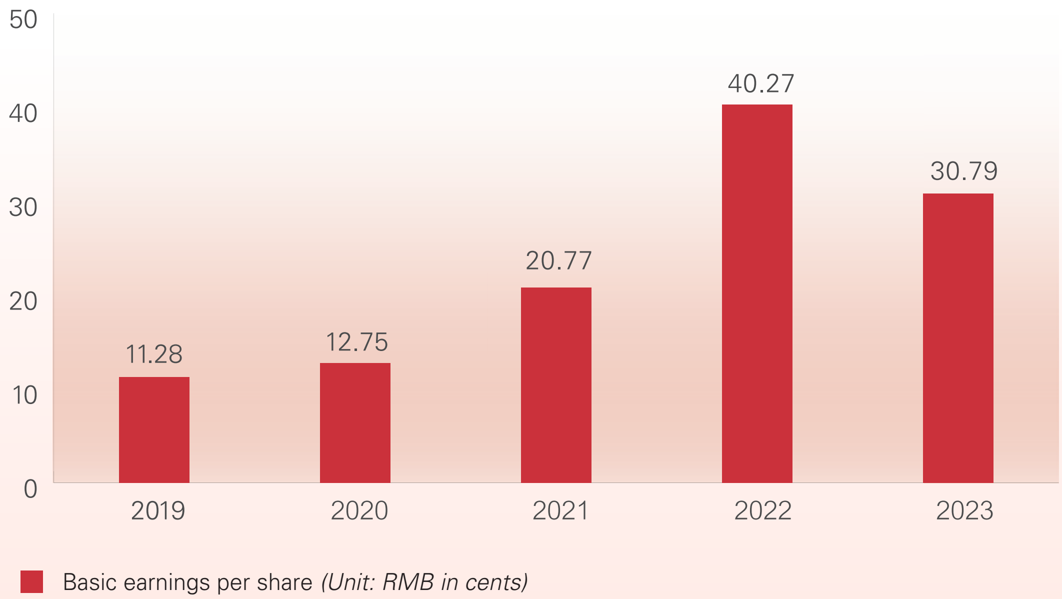
1. REVENUE



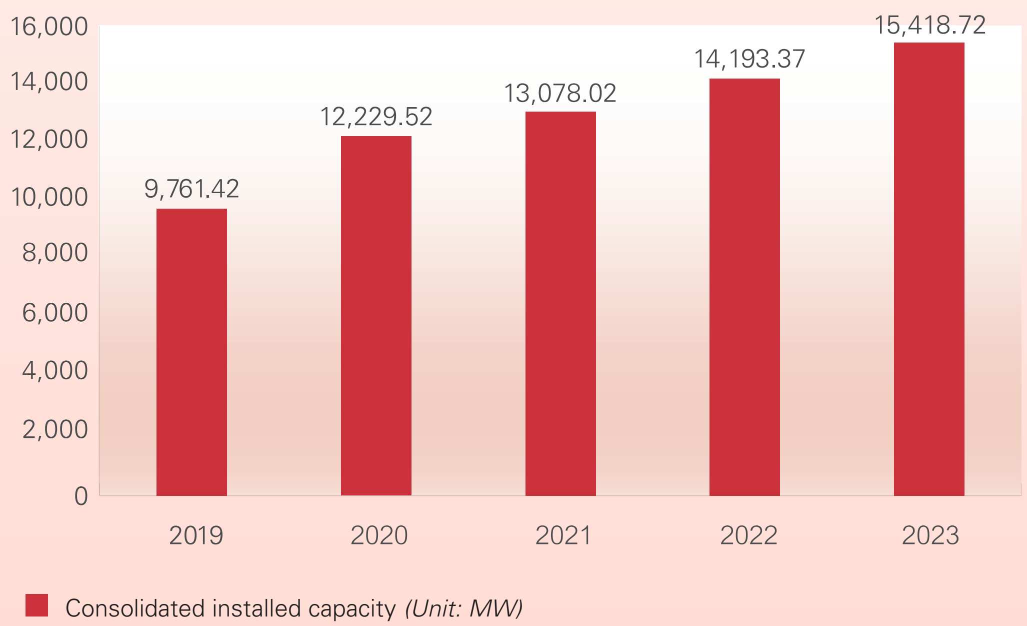
2. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT



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



4. CONSOLIDATED INSTALLED CAPACITY



Financial Highlights

	Year ended 31 December				
	2023	2022	2021	2020	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**12,802,292**	12,499,229	11,868,283	9,372,031	8,324,779
Other income and other gains, net	**404,807**	637,465	279,640	300,235	365,548
Operating expenses	**(7,900,423)**	(6,929,722)	(7,370,999)	(5,750,096)	(5,163,818)
Operating profit	**5,306,676**	6,206,972	4,776,924	3,922,170	3,526,509
Profit before tax	**3,623,346**	4,343,696	2,668,217	1,879,485	1,439,874
Income tax expenses	**(529,646)**	(452,471)	(376,484)	(326,892)	(295,882)
Profit for the year	**3,093,700**	3,891,225	2,291,733	1,552,593	1,143,992
Other comprehensive income for the year, net of tax	**1,320**	49,759	40,722	2,731	101,404
Total comprehensive income for the year	**3,095,020**	3,940,984	2,332,455	1,555,324	1,245,396
Profit attributable to:					
– Owners of the parent	**2,753,227**	3,485,167	2,031,623	1,186,861	936,437
– Non-controlling interests	**340,473**	406,058	260,110	365,732	207,555
	3,093,700	3,891,225	2,291,733	1,552,593	1,143,992
Total comprehensive income attributable to:					
– Owners of the parent	**2,754,575**	3,534,889	2,070,731	1,191,191	1,038,507
– Non-controlling interests	**340,445**	406,095	261,724	364,133	206,889
	3,095,020	3,940,984	2,332,455	1,555,324	1,245,396
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	**0.3079**	0.4027	0.2077	0.1275	0.1128

Financial Highlights (Continued)

	At 31 December				
	2023	2022	2021	2020	2019
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	**79,037,119**	78,635,215	77,905,254	72,693,822	65,222,639
Total current assets	**22,508,186**	18,913,059	21,397,349	17,214,926	14,800,804
Total assets	**101,545,305**	97,548,274	99,302,603	89,908,748	80,023,443
Equity attributable to owners of the parent	**32,039,107**	30,186,896	27,408,209	24,032,343	11,068,797
Non-controlling interests	**3,918,877**	4,083,033	3,937,722	3,700,375	3,432,053
Total equity	**35,957,984**	34,269,929	31,345,931	27,732,718	14,500,850
Total non-current liabilities	**46,542,069**	46,153,940	45,617,625	40,438,981	39,065,476
Total current liabilities	**19,045,252**	17,124,405	22,339,047	21,737,049	26,457,117
Total liabilities	**65,587,321**	63,278,345	67,956,672	62,176,030	65,522,593
Total equity and liabilities	**101,545,305**	97,548,274	99,302,603	89,908,748	80,023,443

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

According to the data released by the National Energy Administration, as at the end of 2023, the country's cumulative installed power generation capacity was approximately 2.92 billion kW, representing a year-on-year increase of 13.9%. Non-fossil energy power generation installed capacity of 1.57 billion kW, accounting for the proportion of total installed capacity exceeded 50% for the first time in 2023, reaching 53.9%. By type, hydropower installed capacity was 420 million kW, including 50.94 million kW of pumped storage; nuclear power was 56.91 million kW; grid-connected wind power was 440 million kW, including onshore wind power of 400 million kW and offshore wind power of 37.29 million kW; and grid-connected solar power was 610 million kW.

In order to achieve energy transformation and carbon neutrality goals, promote regional economic development and improve energy independence, and address global climate change and frequent natural disasters, the country has successively issued various policies related to new energy wind power and photovoltaics, which are of great significance for promoting national economic development and energy transformation.

In April 2023, the National Energy Administration issued the "Guiding Opinions on Energy Work in 2023 (《2023年能源工作指導意見》)", which pointed out that the advantages of wind power and photovoltaic industry development should be consolidated, clean and low-carbon energy supply should be continuously expanded, and the low-carbon and clean transformation of production and living energy should be actively promoted. Both supply and demand should work together to consolidate and expand the strong momentum of green and low-carbon transformation. Vigorously develop wind and solar power and promote the grid connection and operation of the first batch of large-scale wind and photovoltaic base projects focusing on desert, Gobi, and desert areas, and construct the second and third batch of projects, and actively promote the large-scale development of solar thermal power generation. Steadily build offshore wind power bases and plan to start construction of offshore photovoltaics. Vigorously promote the construction of distributed onshore wind power and distributed photovoltaic power generation projects. Promote full coverage of Green Certificates, do a good job of connecting with carbon trading, improve the guarantee mechanism for renewable energy power consumption based on Green Certificates, scientifically set the consumption responsibility weighting of each province (region, city), and the main goal of the opinions is to propose a steady decline in the proportion of coal consumption, and the proportion of non-fossil energy in total energy consumption will increase to about 18.3%. The proportion of non-fossil energy power generation installed capacity shall increase to about 51.9%, and the proportion of wind power and photovoltaic power generation in the total social electricity consumption will reach 15.3%. The annual installation of wind power and photovoltaics will increase by about 160 million kW. Steadily promote the substitution of electricity in key areas.

In June 2023, the National Energy Administration organized the release of the "Blue Book of New Power System Development (《新型電力系統發展藍皮書》)", the "Blue Book" clearly stated that the new power system is based on ensuring energy and power security, with the primary goal of meeting the electricity demand for high-quality economic and social development, and the main task is to build a high-proportion new energy supply and consumption system. It is strongly supported by the coordination of source-network-load-storage and flexible interaction, takes the strong, intelligent, and flexible grid as the hub platform, and the new era power system is guaranteed by technological innovation and institutional and mechanism innovation. It is an important part of the new energy system and a key carrier for achieving the "dual carbon" goal. The new power system has four important characteristics: safety and efficiency, clean and low-carbon, flexibility and agility, and smart integration. Safety and efficiency are the basic prerequisites, clean and low-carbon are the core goals, flexibility and agility are the important supports, and smart integration is the fundamental guarantee. Together, they construct the "four-in-one" framework system of the new power system.

In June 2023, the National Energy Administration issued the "Management Measures for the Transformation and Upgrading and Retirement of Wind Farms (《風電場改造升級和退役管理辦法》)", which encouraged the transformation and upgrading of wind farms that have been grid-connected for more than 15 years or have a single unit capacity of less than 1.5 MW, and wind farms that have reached the design service life should be retired after a safety operation assessment, and can continue to operate if they meet the safety operation conditions.

In August 2023, the National Development and Reform Commission, the Ministry of Finance, and the National Energy Administration jointly issued the "Notice on Achieving Full Coverage of Renewable Energy Green Power Certificates to Promote Renewable Power Consumption (《關於做好可再生能源綠色電力證書全覆蓋工作促進可再生能源電力消費的通知》)", which mentioned that renewable energy green power certificate(s) ("Green Certificate(s)") are the only proof of the environmental attributes of renewable energy electricity in China, and the only certificate(s) for recognizing the production and consumption of renewable energy power. The state issues Green Certificates for renewable energy electricity that meets the conditions, and one Green Certificate unit corresponds to 1,000 kW-hours of renewable energy electricity. The notice also requires the standardization of the issuance of Green Certificate. Green certificates should be issued for all electricity generated by already established and registered renewable energy power generation projects, including national wind power (including distributed wind power and offshore wind power), solar power (including distributed photovoltaic power generation and solar thermal power generation), conventional hydropower, biomass power generation geothermal power generation and ocean energy power generation, which will achieve full coverage of issuance of Green Certificate.

II. BUSINESS REVIEW

The year 2023 marked the first year for the comprehensive implementation of the principal guidelines of the 20th National Congress of the CPC, and it was also a year for the Company to continue to work hard and forge ahead. Over the past year, the Company adhered to the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and implemented the principal guidelines of the 20th National Congress of the CPC, conscientiously implemented various decisions and plans, followed the principle of seeking progress while maintaining stability and improving quality while progressing, proactively complied with the requirements for the construction of a new type of energy system, promoted the in-depth integration of the CPC building and the central work, and effectively strengthened the management and innovation to promote the development of the Company. For the whole year, the Company completed power generation of 31,607,760 MWh, and obtained qualification for construction of 3,580 MW. The installed capacity reached 15,418.72 MW, the total assets amounted to RMB101.545 billion, with the gearing ratio of 64.59% and an average financing cost ratio of 3.03%, ranking the 48th in the list of the SASAC's "Central Enterprise ESG • Pioneer 100 Index" and winning the "Best Hong Kong Stock Connect Company" award granted by Zhitong Caijing (智通財經) in 2023.

(I) The quality of development of the Company continued to optimise and the preliminary development achieved new progress

1. Our investment decision system was improving

In order to accelerate the pace of development of the preliminary projects, the Company comprehensively improved the authorisation and power delegation control process, focused on quality control and safety support, itemized and refined the investment decision-making control procedures, strictly examined the boundary conditions for projects, strictly stuck to the bottom line of the yield for projects, and resolutely prevented and avoided subversive risks. The Company fully promoted all the subsidiaries of the Company at primary level to accelerate the commencement of construction of projects, promoted the investment in new energy projects in Jiangsu, Guizhou, Ningxia, Hainan and other regions, and accelerated the translation of resources of high-quality project effectively.

As of 31 December 2023, the capacity of the projects of the Company under construction amounted to 1,833.00 MW, which were located in Yunnan, Shandong, Inner Mongolia, Chongqing, Xinjiang, Guizhou and other regions, and the consolidated installed capacity of the Company by region was as follows:

	Consolidated installed capacity (MW)			
Region	As of 31 December 2023	As of 31 December 2022	Year-on-year change	Rate of year-on-year change
Total	**15,418.72**	14,193.37	1,225.35	8.63%
Wind power	**12,981.20**	12,687.90	293.30	2.31%
Inner Mongolia	**3,478.55**	3,278.55	200.00	6.10%
Heilongjiang	**940.50**	940.50	0.00	0.00%
Jilin	**1,297.60**	1,297.60	0.00	0.00%
Liaoning	**614.20**	614.20	0.00	0.00%
Beijing	**49.50**	49.50	0.00	0.00%
Gansu	**1,045.80**	1,045.80	0.00	0.00%
Ningxia	**646.50**	646.50	0.00	0.00%
Shaanxi	**349.00**	349.00	0.00	0.00%
Shanxi	**1,034.70**	1,034.70	0.00	0.00%
Hebei	**247.50**	247.50	0.00	0.00%
Henan	**182.75**	182.75	0.00	0.00%
Anhui	**145.50**	145.50	0.00	0.00%
Guangxi	**297.00**	297.00	0.00	0.00%
Guizhou	**14.00**	14.00	0.00	0.00%
Yunnan	**493.75**	400.45	93.30	23.30%
Chongqing	**281.50**	281.50	0.00	0.00%
Guangdong	**49.50**	49.50	0.00	0.00%
Fujian	**95.50**	95.50	0.00	0.00%
Shandong	**1,010.50**	1,010.50	0.00	0.00%
Shanghai	**249.70**	249.70	0.00	0.00%
Jiangsu	**410.85**	410.85	0.00	0.00%
Hubei	**46.80**	46.80	0.00	0.00%

Region	Consolidated installed capacity (MW) As of 31 December 2023	As of 31 December 2022	Year-on-year change	Rate of year-on-year change
Photovoltaic	**2,437.52**	1,500.47	937.05	62.45%
Jiangsu	**98.27**	18.47	79.80	432.05%
Ningxia	**304.00**	204.00	100.00	49.02%
Qinghai	**580.00**	80.00	500.00	625.00%
Shanxi	**20.00**	20.00	0.00	0.00%
Liaoning	**7.00**	7.00	0.00	0.00%
Inner Mongolia	**400.00**	260.00	140.00	53.85%
Guizhou	**703.00**	610.00	93.00	15.25%
Guangdong	**73.00**	65.00	8.00	12.31%
Gansu	**76.00**	76.00	0.00	0.00%
Shandong	**26.25**	10.00	16.25	162.50%
Jilin	**150.00**	150.00	0.00	0.00%
Gas	**0.00**	5.00	-5.00	-100.00%
Shanxi	**0.00**	5.00	-5.00	-100.00%

Note: The reduction in the Group's gas capacity as at 31 December 2023 is mainly due to the transfer of the equity interest in the company that owns the project.

2. Big bases projects were advanced in an in-depth manner

The Company adhered to the "two-pronged approach" and kept a close eye on the progress of the national offshore wind power and new energy big base projects. It, giving full play to the advantages of foreign capital of its subsidiary in Hong Kong, successfully secured base projects in Shandong, Xinjiang, Inner Mongolia, etc. throughout the year.

(II) The situation of production safety of the Company was stable and the supply of green electricity showed the Company's new commitment

1. The foundation of safety was consolidated

The Company always followed the concept of development safety, insisted on consolidating the foundation of production safety, and solidly promoted the construction of itself into an inherently safe enterprise. It strengthened the supervision over the production safety of the subsidiaries of the Company at all levels, reinforced the control of key areas, and built a dual prevention mechanism comprising classified risk management and control and hidden trouble investigation and treatment. It improved the infrastructure safety monitor system, and the Company did not incur any production safety accidents in the whole year.

As of 31 December 2023, the Company's consolidated power generation by region was as follows:

Region	Consolidated power generation (MWh) As of 31 December 2023	As of 31 December 2022	Year-on-year change
Total	31,607,760	28,787,028	9.80%
Wind power	29,185,365	27,163,692	7.44%
Inner Mongolia	8,715,132	8,587,857	1.48%
Heilongjiang	2,387,622	2,192,447	8.90%
Jilin	3,072,130	2,690,231	14.20%
Liaoning	1,513,588	1,476,132	2.54%
Beijing	135,221	146,780	-7.87%
Gansu	1,807,896	1,611,145	12.21%
Hebei	501,917	542,070	-7.41%
Henan	333,157	347,892	-4.24%
Shanxi	2,474,297	1,671,476	48.03%
Shaanxi	643,802	683,849	-5.86%
Ningxia	1,146,636	1,113,703	2.96%
Yunnan	1,157,657	904,337	28.01%
Shandong	1,888,110	1,800,439	4.87%
Hubei	91,048	97,142	-6.27%
Guangdong	80,977	77,928	3.91%
Guangxi	502,056	532,045	-5.64%
Shanghai	524,515	539,416	-2.76%
Jiangsu	1,170,363	1,142,660	2.42%
Anhui	239,012	235,084	1.67%
Chongqing	577,284	545,750	5.78%
Guizhou	23,986	–	–
Fujian	198,960	225,309	-11.69%

Region	Consolidated power generation (MWh) As of 31 December 2023	As of 31 December 2022	Year-on-year change
Photovoltaic	**2,422,395**	1,623,336	49.22%
Inner Mongolia	**540,762**	163,515	230.71%
Jiangsu	**19,019**	15,775	20.56%
Ningxia	**347,955**	373,027	-6.72%
Gansu	**148,138**	54,426	172.18%
Qinghai	**135,254**	130,672	3.51%
Shanxi	**33,942**	34,015	-0.22%
Liaoning	**11,842**	11,554	2.49%
Guizhou	**793,636**	717,340	10.64%
Guangdong	**77,946**	13,707	468.66%
Jilin	**303,415**	109,305	177.59%
Shandong	**10,487**	–	–

2. The effectiveness of technical reforms and quality improvement was significant

The Company attached great importance to the production and operation of in-service units and technical reforms and efficiency improvement. It utilized the big data platform of the production dispatching center to focus on the analysis and diagnosis of equipment failures, classified and sorted out the common or individual failures of the wind turbine equipment and carried out corresponding technical reforms. As of the end of 2023, the Company's power loss arising from equipment failures dropped by 1.2 percentage points year-on-year, and the reliability of the equipment and the utilisation rate of the wind turbines further improved.

In 2023, the average utilisation hours of wind power of the Company reached 2,269 hours, representing an increase of 7 hours year-on-year; the average utilisation hours of photovoltaic power reached 1,537 hours, representing an increase of 123 hours year-on-year.

As of 31 December 2023, the Company's average utilization hours by region were as follows:

Region	Utilisation hours (hour) As of 31 December 2023	As of 31 December 2022	Change
Total	**2,191**	2,188	3
Wind power	**2,269**	2,262	7
Inner Mongolia	**2,587**	2,619	-32
Heilongjiang	**2,543**	2,578	-35
Jilin	**2,366**	2,355	11
Liaoning	**2,464**	2,403	61
Beijing	**2,732**	2,965	-233
Gansu	**1,743**	1,724	19
Hebei	**2,028**	2,190	-162
Henan	**1,823**	1,904	-81
Shanxi	**2,382**	2,128	254
Shaanxi	**1,845**	1,959	-114
Ningxia	**1,774**	1,723	51
Yunnan	**2,329**	2,297	32
Shandong	**1,868**	1,782	86
Hubei	**1,948**	2,078	-130
Guangdong	**1,636**	1,574	62
Guangxi	**1,690**	1,791	-101
Shanghai	**2,101**	2,189	-88
Jiangsu	**2,849**	2,781	68
Anhui	**1,643**	1,616	27
Chongqing	**2,107**	2,356	-249
Guizhou	**1,713**	–	–
Fujian	**2,083**	2,359	-276

Region	Utilisation hours (hour) As of 31 December 2023	As of 31 December 2022	Change
Photovoltaic	**1,537**	1,414	123
Inner Mongolia	**1,779**	1,626	153
Jiangsu	**1,030**	854	176
Ningxia	**1,649**	1,829	-180
Gansu	**1,949**	1,999	-50
Qinghai	**1,596**	1,633	-37
Shanxi	**1,697**	1,701	-4
Liaoning	**1,692**	1,651	41
Guizhou	**1,289**	1,176	113
Guangdong	**1,128**	620	508
Jilin	**2,023**	1,787	236
Shandong	**666**	–	–

3. "One policy for one province" was implemented in market trading

Against the backdrop of the gradually opening up of the electricity market, the Company launched a study on the trading rules of the electricity market and formulated corresponding marketing strategies in accordance with the principle of "one policy for one province", balanced the amount and the price in regions with tariff declining, such as Inner Mongolia and Shandong, and implemented tariffs for newly-invested projects in regions such as Ningxia and Jiangsu, so as to maximise the profitability. The Company also made every effort to reduce the apportionment of ancillary services to increase the value of electricity actually consumed.

In 2023, as affected by new power generating units, changes in power structure, and two detailed assessment of peak time adjustment, the Company's comprehensive average on-grid tariff in 2023 was RMB466.00 per MWh (tax inclusive), representing a year-on-year decrease of RMB33.07 per MWh.

(III) The effectiveness of costs reduction was significant and the investment capability of the Company reached a new high

1. The effectiveness of financing cost reduction was significant

For the whole year, the net financing costs amounted to RMB1,692 million, representing a decrease of RMB218 million, or a decrease of 11.44% year-on-year. The average financing cost ratio of the Company was 3.03%, down 35 basis points for the whole year. A total of RMB10 billion of perpetual bonds were replaced, the average financing cost ratio was 3.38%, down 46 basis points for the whole year.

2. The quality of the assets of the Company was continuously improving

The profitability of inefficient assets was effectively enhanced. 15 loss-making subsidiaries of the Company at primary level recorded a loss reduction of RMB120 million during the same period, of which 6 ones recorded a turnaround, and the overall assets of the Company optimized comprehensively.

(IV) The foundation of compliance was continuously strengthened and corporate governance for listed companies achieved new improvements

1. The corporate governance was continuously improved

The Company strengthened the construction of its compliance system, further embedded compliance management into various operation and management processes, and was committed to ensuring true, accurate, complete and timely information disclosure. In 2023, a total of 228 announcements in both Chinese and English were published. The Company strengthened its connected transactions control and successfully completed the renewal of its continuing connected transactions in relation to financial services and finance leasing.

2. Investor relation management was comprehensively deepened

The Company accurately learned the industry policy, industry innovation and market dynamics, and respond to the concerns in the capital market in a timely manner. In 2023, the Company organized and held 84 investor meetings in total, with 507 investor exchanges incurred. As of the end of December 2023, the number of shares held by the Company in Hong Kong Stock Connect amounted to 572 million shares, accounting for 22.86% of the tradable shares, and the market value reshaping capability of the Company continued to enhance.

(V) The Company achieved new results in theme education by building the spiritual support, enhancing the wisdom and cleaned up the acts

The Company adhered to the guidance by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era all along, promoted the in-depth and effective implementation of theme education, and conducted in-depth study and implementation of the principal guidelines of the 20th National Congress of the CPC. It strictly implemented the system of the "first agenda", and earnestly carried out regular theoretical study. It fully implemented the promotion plan for "three-years enhancement" project for Party building, and transformed the achievements of theme education into a strong driving force for work, leading to new achievements in the Company's high-quality development.

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 2023 amounted to RMB3,093.70 million, representing a decrease of RMB797.53 million as compared to RMB3,891.23 million in 2022, of which profit attributable to owners of the parent amounted to RMB2,753.23 million.

(II) Revenue

The Group's revenue increased by 2.42% to RMB12,802.29 million in 2023 as compared to RMB12,499.23 million in 2022, primarily due to the increase in revenue from sales of electricity.

The Group's electricity sales revenue increased by 2.40% to RMB12,706.29 million in 2023 as compared to RMB12,408.96 million in 2022, primarily due to the increase in power generation as a result of the increase in installed capacity and the change of wind resource.

(III) Other income and other gains, net

The Group's net other income and other gains decreased by 36.50% to RMB404.81 million in 2023 as compared to RMB637.47 million in 2022, 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 in 2022.

The Group's government grants increased by 15.39% to RMB338.91 million in 2023 as compared to RMB293.72 million in 2022, and there was no abnormal change in the amount of government grants in current year.

The Group's gains on disposal of property, plant and equipment and intangible assets was RMB4.22 million in 2023, representing an increase of RMB12.92 million as compared to 2022, primarily due to the changes in equipment disposal gains and losses in the year.

(IV) Operating expenses

The Group's operating expenses increased by 14.01% to RMB7,900.42 million in 2023 as compared to RMB6,929.72 million in 2022, mainly due to the increase in installed capacity, resulting in the increase in depreciation and amortisation charges and expensed labor costs.

The Group's depreciation and amortisation charges increased by 5.94% to RMB5,295.72 million in 2023 as compared to RMB4,998.89 million in 2022, primarily due to the increase in installed capacity.

The Group's employee benefit expenses increased by 14.42% to RMB1,249.53 million in 2023 as compared to RMB1,092.02 million in 2022, primarily due to the increase in expensed labour cost as a result of increase in production capacity.

The Group's other operating expenses increased by 130.11% to RMB1,037.33 million in 2023 as compared to RMB450.80 million in 2022, primarily due to the increase in provisions for impairment.

(V) Operating profit

The Group's operating profit decreased by 14.50% to RMB5,306.68 million in 2023 as compared to RMB6,206.97 million in 2022, mainly due to the increase in provision for impairment.

(VI) Finance expenses, net

The Group's net finance expenses decreased by 11.44% to RMB1,691.95 million in 2023 as compared to RMB1,910.42 million in 2022, primarily due to the effect of 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 RMB8.62 million in 2023 as compared to the profits of RMB47.14 million in 2022, the decrease of share of net profits of associates and joint ventures primarily due to the decrease in net profit of an associate of the Group for the year.

(VIII) Income tax expenses

The Group's income tax expenses increased by 17.06% to RMB529.65 million in 2023 as compared to RMB452.47 million in 2022, 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 decreased by RMB797.53 million to RMB3,093.70 million in 2023 as compared to the profit of RMB3,891.23 million in 2022. For the year ended 31 December 2023, the Group's profit ratio for the year as a percentage of its total revenue decreased from 31.13% in 2022 to 24.17%.

(X) Profit attributable to owners of the parent

The profit attributable to owners of the parent decreased by RMB731.94 million or 21.00%, to RMB2,753.23 million in 2023 as compared to RMB3,485.17 million in 2022.

(XI) Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Group decreased by 16.15% to RMB340.47 million in 2023 as compared to RMB406.06 million in 2022.

(XII) Liquidity and capital sources

As at 31 December 2023, the Group's cash and cash equivalents increased by 25.18% to RMB3,055.71 million as compared to RMB2,440.99 million as at 31 December 2022. The main sources of the Group's operating cash are revenue from the sales of electricity.

As at 31 December 2023, the Group's borrowings increased by 4.90% to RMB57,254.99 million as compared to RMB54,578.92 million as at 31 December 2022. In particular, RMB10,927.11 million (including RMB7,822.13 million of long-term borrowings due within one year) was short-term borrowings, and RMB46,327.88 million was long-term borrowings. The above borrowings are all denominated in RMB.

As at 31 December 2023, the Group had unutilized banking facilities amounting to approximately RMB83,176.0 million, of which banking facilities of RMB17,474.8 million was not subject to renewal within 12 months after the end of the Reporting Period. As at the date of the announcement, the Directors of the Company were of the opinion that such covenants of unutilised banking facilities had been complied with and were confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing.

Other sources of financing from banks and other financial institutions were available given the Group's credit history. As at 31 December 2023, there were corporate bonds of RMB20,000.00 million approved by the China Securities Regulatory Commission but not yet issued, perpetual medium-term notes of RMB3,800.00 million registered in the National Association of Financial Market Institutional Investors but not yet issued, ultra-short-term financing bonds of RMB6,000.00 million and ordinary medium-term notes of RMB4,000.00 million, of which the corporate bonds of RMB12,000.00 million and the remaining corporate bonds are valid until August 2025 and December 2025 respectively, ultra-short-term financing bonds are valid until December 2025, perpetual medium-term notes are valid until December 2024, and ordinary medium-term notes are valid until December 2025.

(XIII) Capital expenditure

The Group's capital expenditure decreased by 14.44% to RMB5,893.47 million in 2023 as compared to RMB6,888.03 million in 2022. 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 change in the scale of investment and construction of renewable energy projects.

(XIV) Net gearing ratio

The Group's net gearing ratio (being net debt (total borrowings and related parties' loans less cash and cash equivalents) divided by the sum of net debt and total equity) was 60.12% in 2023, representing a decrease of 0.28 percentage point as compared to 60.40% in 2022.

(XV) Significant investment

In 2023, the Group made no significant investment.

(XVI) Material acquisition and disposal

In 2023, 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 2023, the carrying value of the pledged assets amounted to RMB13,919.24 million.

(XVIII) Contingent liabilities

As at 31 December 2023, 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 and the rapid increase in generation capacity of new energy 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 such, 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 fall 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

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China, a critical year for achieving the objectives and missions as set out in the "14th Five-Year" Plan, and also a year during which the Company is about to ride on the momentum and scale new heights. The Company will embark on a new journey for high-quality development at a new historical starting point, it is of utmost importance thus to do the works for the whole year well.

In terms of the domestic policy environment, it is expected that in 2024, counter-cyclical and cross-cyclical macro policy adjustments will be strengthened, the implementation of active fiscal policies and prudent monetary policies will be continued, and the innovation and coordination of policy tools will be enhanced. Regarding fiscal policies, China will adhere to the principle of "Appropriate efforts will be increased, to improve quality and efficiency", while regarding monetary policies, it will adhere to the principle of "Flexibility and moderation will be given, so as to be precise and effective", maintaining reasonably sufficient liquidities, and interest rates and reserve requirement ratios cuts are expected to continue.

In terms of the industry development trend, the construction of a new energy system will be accelerated, to promote the deepening of the reform of the institutions and mechanisms in energy sector, and the scale of trading in electricity market had been steadily expanding.

In terms of the progress of the reform of state-owned enterprises, 2024 marks a critical year for the implementation of deepening the upgrading actions for the reform of state-owned enterprises, and efforts will be exerted continuously to advance the reform of state-owned enterprises in an in-depth manner. The State-owned Assets Supervision and Administration Commission of the State Council will fully implement the performance appraisal of state-owned enterprises in accordance with the principle of "one policy for one enterprise", and will comprehensively push forward the performance appraisal of listed companies' market value management.

MAJOR WORKS IN 2024

(I) To unite and assemble talents, and focus on quality, efficiency and management improvement, so as to promote the steady improvement of our operation quality and efficiency

The Company will strengthen electricity amount and tariff management and endeavour to increase our operating revenue. It will conduct a strategic study on the two-rules assessment, strengthen the sharing of auxiliary services management, and explored the potential for efficiency gains from Green Certificates and green electricity. It will strictly control the whole process of cost control and endeavour to tap the potential for efficiency gains, and also strengthen planning for budget as a whole and strengthen rigid constraints, enhance the level of digital operation, and maximise cost savings and efficiency. The Company will promote the increase of operational efficiency through refined benchmarking management. In line with the trend of changes in operation and development, the Company will facilitate the utilization of benchmarking results, and collaborate to promote the improvement of quality and efficiency of operation and management.

(II) To focus on the layout of industries and promote development with firm confidence, so as to facilitate new breakthrough and secure new driving force for growth

The Company will strengthen synergy and strive for project construction qualification and targets. Giving full play to its advantages in investment, the Company will explore and strive for more large-base investment and construction projects to drive incremental development. It will actively implement "replacing small facilities with large ones" to promote wind power capacity increase and efficiency improvement.

(III) To enhance our brand recognition and improve our market capitalisation management capability, so as to establish a new image of the Company as a listed company

The Company will fully implement the special programme to enhance the quality of listed companies, promote in an in-depth manner the actions to enhance the quality of listed companies, conduct in-depth studies on various capital operation schemes, improve the investor relations management, enhance the pertinency and effectiveness of communication in capital market, and effectively enhance market value.

(IV) To establish strong systems and focus on compliance and risk control enhancement, so as to facilitate the standard governance of the Company

The Company will enhance the compliance of the listed company on all fronts. It will continuously improve the compliance management system, and strictly implement the responsibility fulfillment and accountability mechanism. It will strengthen legal and audit construction, to prevent, control and resolve major risks. It will establish a more mature audit supervision system, conduct high-quality special audits, and strengthen the quality and effectiveness of supervision over its internal audit.

(V) To strive to be an example, focus on system and mechanism reform, and stimulate new impetus for working and entrepreneurship.

The Company will implement the reform deepening and enhancement actions in an in-depth manner, and strive to improve its value creation capacity. It will implement the missions and objectives of improving the quality of listed companies, promote in-depth changes in quality, efficiency and driving force. It will deepen the reform centering on the governance structure and continue to continuously give full play to the functions of the Board and the role of the management, to further enhance the effectiveness of corporate governance.

(VI) To be on the forefront and focus on the central task of Party building, and play the most powerful sound of high-quality development

Focusing on the major decisions and deployments of the CPC Central Committee, we shall deepen the overall strict governance of the Party and build a good political ecology. With in-depth implementation of the “three-year enhancement” project of Party building, we shall continuously improve the quality of Party building work, comprehensively lead the high-quality development, and stimulate the strong momentum of quality and efficiency improvement.

Major Events in 2023

On 16 January 2023, the Company held its 2023 working conference and employees' meeting to present an overall summary of the work done in 2022, analysed the current situation and set work arrangement for 2023.

On 24 February 2023, Top 100 Hong Kong Listed Company Research Centre released the 10th "Top 100 Hong Kong Listed Companies" List. The Company was successfully shortlisted for the first time in a number of sub-lists, including "Top 50 Medium-sized Enterprises", "Enterprise Potential Award" and "Top 10 Total Return Rate".

On 28 March 2023, the Company held its 2022 annual Board meeting and 2022 annual Supervisory Committee meeting in Beijing.

On 29 March 2023, the Company held its 2022 annual results presentation in Beijing and conducted in-depth exchanges with Hong Kong media and analysts in the form of a conference call.

On 10 May 2023, the Company obtained the qualification for construction of a 1,000,000 kW wind and photovoltaic power bases project in Inner Mongolia.

On 29 June 2023, the Company's 2022 annual general meeting was held, at which a total of nine resolutions were considered and approved, including the working report of the Board, the working report of the Supervisory Committee, the financial budget report, the final financial report and the investment plan.

On 30 August 2023, the Company held its 2023 interim results presentation in Beijing and released its results for the first half of 2023 to the public.

On 21 September 2023, the construction of Ningxia Zhongning 100MW/400MWh energy storage project, a national compressed air energy storage demonstration project, commenced.

On 23 September 2023, the Company achieved outstanding results in the ESG rating of listed companies held by central enterprises, attaining four-star excellence level, and was successfully selected for the rating of "Central Enterprises ESG Pioneer 100 Index (央企ESG先鋒100指數)", with a comprehensive ranking of No. 48, and the level of its ESG governance was once again generally recognised in the industry.

On 6 December 2023, the Company was awarded the "The Best Enterprise of the Hong Kong Stock Connect (最佳港股通公司)" by Zhitong Finance (智通財經).

On 31 December 2023, Xinghai 500,000 kW power project in Hainan Prefecture, Qinghai Province, was connected to the grid at full capacity.

Report of the Board of Directors

I. PRINCIPAL OPERATIONS

The Group is principally engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; development, sale, testing and maintenance of renewable energy-related equipment; power generation; engineering, construction and installation, repair and maintenance of domestic and overseas power projects; import and export of renewable energy equipment and technologies; foreign investment; as well as renewable energy-related consulting services, etc.

Details of the Company's subsidiaries and associates and joint ventures are set out in Notes 32 and 16 to the financial statements respectively.

II. RESULTS

The audited annual results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 170 to 171 of this Annual Report. The financial position of the Group as at 31 December 2023 is set out in the consolidated statement of financial position on pages 172 to 173 of this Annual Report. The cash flows of the Group for the Year are set out in the consolidated statement of cash flows on pages 176 to 178 of this Annual Report.

The description of relationship between the Group and employees is set out in Human Resources on pages 162 to 163 of this Annual Report. The aforementioned sections form part of the Report of the Board of Directors.

III. BUSINESS REVIEW

In 2023, the Group conscientiously implemented the Electricity Law of the People's Republic of China (《中華人民共和國電力法》), the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》) and strictly complied with the relevant laws and regulations.

The year 2023 marked the first year for the comprehensive implementation of the principal guidelines of the 20th National Congress of the CPC, and it was also a year for the Company to continue to work hard and forge ahead. Over the past year, the Company adhered to the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and implemented the principal guidelines of the 20th National Congress of the CPC. The Board of Directors strictly implements the state-owned assets supervision policies and securities market supervision requirements, and thoroughly implements the "State-owned Assets Supervision and Administration Commission's Plan for Improving the Quality of Central Enterprises' Controlling Listed Companies". We have taken multiple measures to promote the Company's internal quality and external image. We adhere to seeking progress while maintaining stability, and continuously strive for improvement. We actively respond to the requirements of the construction of a new energy system, practically strengthen management and promote development with innovation, and successfully complete the target tasks set at the beginning of the year. In 2023, the Company was awarded the "Top 50 Medium-sized Enterprises", "Enterprise Potential Award", and "Top 10 Total Return Rate" by Hong Kong's Finance Asia, and was named the "Best Hong Kong Stock Connect Company" by Zhitong Caijing. It ranked 48th in the "Central Enterprise ESG • Pioneer 100 Index" comprehensive ranking. We are striving to build a transparent, healthy, compliant, and high-quality development model for listed companies.

A discussion and analysis of the Group's business review, performance, key factors of its results and financial performance, the risk factors and risk management and the prospect for future development during the Year are set out in the Management Discussion and Analysis on pages 11 to 29 of this Annual Report.

BUSINESS REVIEW

A fair review of the businesses of the Group during the Year, a discussion on the Group's business outlook and a description of the principal risks and uncertainties facing the Group are provided in the Chairman's Statement and the Management Discussion and Analysis sections of this Annual Report. Particulars of important events affecting the Group that have occurred since the end of the Year are included in the abovementioned sections and Note 37 to the financial statements. In addition, the financial risk management objectives and policies of the Group are set out in Note 31 to the financial statements.

An analysis of the Group's performance during the Year using financial key performance indicators is provided in the Financial Highlights and Financial Review sections of this Annual Report. Discussions on the Group's environmental policies, including compliance with the relevant laws and regulations that have a significant impact on the Group, and relationships with its key stakeholders are included in the Environmental, Social and Governance Report contained in this Annual Report.

All references herein to other sections or reports in this Annual Report form part of this report.

IV. SOCIAL RESPONSIBILITY

In 2023, the Group recorded annual electricity generation of 31,607,760 MWh, leading to an annual saving of 9.53 million tons of standard coal and reduction in carbon dioxide emissions of 18.0260 million tons, which demonstrated that we have well performed our corporate mission and social responsibilities of energy conservation and emission reduction. During the course of production of green energy, the Group has made an effort to build a Clean Development Mechanism, to promote the ecology environment protection. For more details, please refer to the sections headed Management Discussion and Analysis, Human Resources and Environmental, Social and Governance Report.

V. PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group as at 31 December 2023 are set out in Note 13 to the financial statements.

VI. SHARE CAPITAL

As at 31 December 2023, the total share capital of the Company was RMB7,273,701,000, divided into 7,273,701,000 shares with nominal value of RMB1.00 each. Details of the changes in share capital of the Company during the Year are set out in Note 26 to the financial statements.

VII. PRE-EMPTIVE RIGHTS

As at 31 December 2023, there are no provisions for pre-emptive rights under the Articles of Association or the PRC laws, which require the Company to offer new shares to existing shareholders in proportion to their shareholdings.

VIII. ISSUE OF DEBENTURES

With a view to raise funds to carry on and further improve the liquidity of the Group, the Group has issued certain notes and bonds during the Year, details of which are included in Notes 27 and 25 to the financial statements. The proceeds raised from such notes and bonds have been utilized to repay interest-bearing debts or replace the funds which have already been utilized to repay corporate bonds.

Further details of the issuances of notes and bonds are set out in the chapter headed "Management Discussion and Analysis" of this Annual Report.

IX. RESERVES

Changes in reserves of the Group and of the Company during the Year are set out in consolidated statement of changes in equity and Note 38 to the financial statements.

X. DISTRIBUTABLE RESERVES

Pursuant to the Articles of Association, where there are differences between Accounting Standards for Business Enterprises of the PRC ("CAS") and International Financial Reporting Standards ("IFRSs"), the distributable reserves shall be the lesser of the amounts shown in the two different financial statements. As at 31 December 2023, the distributable reserves of the Company were approximately RMB4,271.30 million according to the Company's financial statements prepared in accordance with CFRSs (31 December 2022: RMB2,412.99 million).

XI. DISTRIBUTION PLAN AND POLICY FOR FINAL DIVIDEND

Final Dividend

The Board has proposed to distribute 2023 final dividend to the domestic shareholders and H shareholders (the Shareholders as a whole) whose names appear on the register of members of the Company on the record date specified in the notice of 2023 annual general meeting to be published by the Company in due course, with a cash dividend of RMB0.07 (before tax) per share (2022: RMB0.05). The 2023 final dividend to be distributed will be denominated and announced in RMB, of which domestic shareholders will be paid in RMB and H shareholders will be paid in HK dollars. The exchange rate of HK dollars will be calculated in accordance with the average of the median price published by the People's Bank of China ("PBOC") of the five business days before the day the dividend distribution announcement is made. Such a final dividend is expected to be distributed before 23 August 2024. The above profit distribution plan is subject to approval at the 2023 annual general meeting of the Company.

There is no arrangement that a shareholder has waived or agreed to waive any dividend.

Withholding and Payment of Final Dividend Income Tax on behalf of Overseas Shareholders

Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-resident Enterprise Shareholders

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules and the requirements under the Notice on the Issues Concerning Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) issued by the State Administration of Taxation (國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes the final dividend to H Shareholders who are overseas non-resident enterprise (including any H Shares of the Company registered in the name of Hong Kong Securities Clearing Company Nominees Limited, but excluding any H Shares of the Company registered in the name of Hong Kong Securities Clearing Company Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee shareholder on behalf of investors who invest in the H Shares of the Company through Shanghai-Hong Kong Stock Connect).

Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholders

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementing rules, the Tax Notice (《稅收通知》), the Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws, regulations and requirements under normative documents, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H Shareholder:

- For individual H Shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H Shareholders in the distribution of the final dividend;

- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will withhold and pay individual income tax on behalf of the individual pursuant to the relevant requirements under the Announcement of the State Administration of Taxation on Promulgating the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers (SAT Announcement [2019] No. 35) (《國家稅務總局關於發佈〈非居民納稅人享受稅收協定待遇管理辦法〉的公告》(國家稅務總局公告2019年第35號));

- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H Shareholders in the distribution of the final dividend; and

- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H Shareholders in the distribution of the final dividend.

Withholding and Payment of Individual Income Tax on behalf of Individual Shareholders through Hong Kong Stock Connect

Pursuant to the relevant requirements of the Notice on the Tax Policies related to the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai-Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on the Tax Policies related to the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen-Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by individual domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the companies of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors.

The Company will withhold payment of the enterprise income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and based on the Company's register of members of H Shares on the record date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding of enterprise income tax. The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

Dividend Policy

We may distribute dividends by cash, stocks or a combination of both. Dividends or other payments payable by the Company to holders of its domestic-invested shares shall be denominated and declared in RMB and paid in RMB within three months from the date of declaration of dividends; Dividends or other payments payable by the Company to holders of foreign-invested shares shall be denominated and declared in RMB and paid in foreign currency within three months from the date of declaration of dividends. The exchange rate adopted for conversion shall be the average closing exchange rate of relevant foreign currency against RMB as quoted by the PBOC for the five business days prior to the declaration date. The foreign currency payable by the Company to holders of foreign-invested shares shall be subject to the relevant regulations on foreign exchange control in the PRC. The Board shall be authorised by way of an ordinary resolution at the general meeting to implement dividend distribution of the Company.

Any proposed distribution of dividends shall be formulated by our Board and will be subject to the shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including our results of operations, cash flow, financial condition, payments by our subsidiaries of cash dividends to us, future prospects and other factors that our Directors may consider important.

According to the PRC laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory surplus reserve equivalent to 10% of our after-tax profit, as determined under PRC GAAP; and
- allocations, if any, to a discretionary reserve fund that are approved by the shareholders in a shareholders' meeting.

The minimum allocations to the statutory funds are 10% of our profit after tax, as determined under the Company Law. When the statutory common reserve fund reaches and is maintained at or above 50% of our registered capital, no further allocations to this statutory fund will be required.

There is no assurance that we will be able to declare dividends of such amount or any amount each year or in any year. In addition, the declaration and/or payment of dividends may be limited by legal restrictions and/or by financing agreements that we may enter into in the future.

XII. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

XIII. ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or Supervisors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

XIV. MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the amount of purchase from the five largest suppliers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 32.01% of that of the Company's total purchase for the Year, in which, the purchase from the largest supplier in aggregate accounted for not more than 13.72% of the total purchase for the Year.

During the Year, the amount of sales to the five largest customers of the Company (as defined in the Listing Rules) in aggregate accounted for not more than 53.19% of the Company's total sales for the Year, in which, the amount of sales to the largest customer in aggregate accounted for not more than 15.37% of the total revenue of the Company for the Year. All of the five largest customers of the Company are subsidiaries of the State Grid Corporation of China.

To the best of the Directors' knowledge, none of the Directors, their close associates or shareholders of the Company (to the best of the Directors' knowledge, who holds more than 5% of the Company's issued capital) have any interest in the five largest suppliers or customers of the Company during the Year.

The Group maintained stable development relationship with each of the suppliers and customers by keep communication with them via regular or irregular visits, telephone, email or other correspondence methods. The operation of the Group has not relied on any individual suppliers. All customers of the Group were the provincial grid companies where the companies under the Group operated in, and those grid companies were owned or controlled, directly or indirectly, by the government of the PRC, and would not have significant affect on the Group.

XV. BANK LOANS AND OTHER BORROWINGS

The details of bank loans and other borrowings of the Group as at 31 December 2023 are set out in Note 25 to the financial statements.

XVI. DONATION

During the Year, the Company had RMB6.33 million of social welfare funds.

XVII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following table sets forth certain information concerning the Directors, Supervisors and senior management of the Company during the Year and up to the Latest Practicable Date.

Name	Position in the Company	Date of appointment
Directors		
Liu Guangming	Former Executive Director and Chairman	1 March 2019 (Appointed as Chairman on 28 June 2021 and resigned as Chairman and Executive Director on 28 December 2023)
Li Kai	Executive Director and Chairman	28 December 2023
Wang Fanghong	Executive Director	28 December 2023
Liu Jianlong	Former Non-Executive Director	25 October 2021 (Resigned on 16 January 2023)
Wang Qiying	Former Non-Executive Director	29 December 2021 (Resigned on 16 January 2023)
Yu Fengwu	Non-Executive Director	29 December 2021
Ye Heyun	Former Non-Executive Director	30 March 2022 (Resigned on 27 April 2023)
Wang Shaoping	Non-Executive Director	27 April 2023
Liu Quancheng	Former Non-Executive Director	16 January 2023 (Resigned on 28 December 2023)
Zhu Mei	Non-Executive Director	16 January 2023
Shi Feng	Non-Executive Director	28 December 2022
Lo Mun Lam, Raymond	Independent Non-Executive Director	20 August 2013
Yu Shunkun	Independent Non-Executive Director	27 March 2015
Qin Haiyan	Independent Non-Executive Director	30 June 2022
Supervisors		
Liu Liming	Chairman of the Supervisory Committee	30 June 2022
Jia Lili	Supervisor	28 December 2022
Bai Xuemei	Employee Representative Supervisor	11 October 2019
Senior Management		
Liu Guangming	Former General Manager	1 March 2019 (Resigned on 28 December 2023)
Wang Fanghong	General Manager	28 December 2023
Wang Haiyan	Chief Accountant	31 March 2020
Bai Xuemei	Secretary of Discipline Inspection Committee and Chairlady of the Trade Union	8 July 2019
Pan Xiaokai	Vice General Manager	25 August 2020
Cui Jian	Vice General Manager	22 April 2022
Zou Min	Joint company secretary	18 October 2022

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that each of the independent non-executive Directors is independent from the Company.

XVIII. CHANGE OF DIRECTORS AND SUPERVISORS

During the Year and as at the Latest Practicable Date, the changes in information of Directors and Supervisors of the Company are set out as follows:

- Due to work adjustment, Mr. Liu Jianlong resigned as a non-executive director of the Company on 16 January 2023, please refer to the announcement of the Company dated 16 January 2023 for details.

- Due to work adjustment, Mr. Wang Qiying resigned as a non-executive director of the Company on 16 January 2023, please refer to the announcement of the Company dated 16 January 2023 for details.

- On 16 January 2023, Mr. Liu Quancheng was appointed as a non-executive director of the Company, please refer to the announcement of the Company dated 16 January 2023 for details.

- On 16 January 2023, Ms. Zhu Mei was appointed as a non-executive director of the Company, please refer to the announcement of the Company dated 16 January 2023 for details.

- Due to work adjustment, Mr. Ye Heyun resigned as a non-executive director of the Company on 27 April 2023, please refer to the announcement of the Company dated 27 April 2023 for details.

- On 27 April 2023, Mr. Wang Shaoping was appointed as a non-executive director of the Company, please refer to the announcement of the Company dated 27 April 2023 for details.

- Due to work adjustment, Mr. Liu Guangming resigned as an executive director and the chairman of the Board of the Company on 28 December 2023, please refer to the announcement of the Company dated 28 December 2023 for details.

- Due to work adjustment, Mr. Liu Quancheng resigned as a non-executive director of the Company on 28 December 2023, please refer to the announcement of the Company dated 28 December 2023 for details.

- On 28 December 2023, Mr. Li Kai was appointed as an executive director and the chairman of the Board of the Company, please refer to the announcement of the Company dated 28 December 2023 for details.

- On 28 December 2023, Mr. Wang Fanghong was appointed as an executive director and the general manager of the Company, please refer to the announcement of the Company dated 28 December 2023 for details.

Save as disclosed above and as disclosed in the chapter headed "Profiles of Directors, Supervisors and Senior Management" of this Annual Report, During the Year and as at the Latest Practicable Date, there were no other changes in the information of the Directors and Supervisors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

XIX. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THEIR FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS

Biographical details of Directors, Supervisors and senior management are set out on pages 153 to 161 of this Annual Report.

There are no relationships (including financial, business, family or other material or relevant relationships) between members of the Board, the Supervisory Committee and the senior management.

XX. SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with each of the Directors for a term of three years commencing from the date of appointment and are subject to termination in accordance with their respective terms.

Each of the Supervisors has entered into a contract with the Company in respect of provisions on compliance with relevant laws and regulations, and observations of the Articles of Association and arbitration.

None of the Directors or Supervisors has entered into a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

XXI. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors, Supervisors and senior management are set out in Note 12 to the financial statements.

XXII. INTERESTS OF DIRECTORS AND SUPERVISORS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Save as the connected transactions and continuing connected transactions disclosed in the section headed "Report of the Board of Directors – XXIX. Connected Transactions" in this Annual Report, during the Year, no other Directors, Supervisors or their associated entities were interested, directly or indirectly, in any transaction, arrangement or contract of significance, to which the Company or any of its subsidiaries was a party, with which the Company's business is connected and which still subsisted during the Year or at the end of the Year.

XXIII. PERMITTED INDEMNITY PROVISIONS

The Company has not arranged appropriate insurance cover for Directors' and senior management's liabilities in respect of possible legal actions against its Directors and senior management arising out of corporate activities during the Year and up to the Latest Practicable Date.

XXIV. SIGNIFICANT SUBSEQUENT EVENT

Details of the significant subsequent event of the Group are set out in Note 37 to the financial statements.

XXV. INTEREST OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the Year and up to the date of this Annual Report, save as disclosed below, none of the Directors or Supervisors or their close associates had any competing interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Company.

XXVI. INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, none of the Directors, Supervisors and senior management of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") stated in Appendix C3 of the Listing Rules.

XXVII. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2023, to the best of the Directors' knowledge after having made all reasonable enquiries, the following persons (other than the Directors, Supervisors or senior management of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept pursuant to Section 336 of the SFO and would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of shareholders	Class of shares	Capacity	No. of shares/ underlying shares held	Percentage of the relevant class of share capital	Percentage of the total share capital
Datang Corporation *(Note 1)*	Domestic shares	Beneficial owner and interest of a controlled corporation	4,772,629,900 (Long position)	100%	65.61%
China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd. *(Note 1)*	Domestic shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%
Baoshan Iron & Steel Co., Ltd. *(Note 2)*	H shares	Interest of a controlled corporation	164,648,000 (Long position)	6.58%	2.26%
Bao-Trans Enterprises Limited *(Note 2)*	H shares	Beneficial owner	164,648,000 (Long position)	6.58%	2.26%
BlackRock Inc. *(Note 3)*	H Shares	Interest of a controlled corporation	223,801,647 (Long position)	8.95%	3.08%
			19,600,000 (Short position)	0.78%	0.27%

Notes:

1. Datang Corporation directly holds 4,173,255,395 domestic shares. As China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd. is a wholly-owned subsidiary of Datang Corporation, Datang Corporation is deemed to hold the 599,374,505 domestic shares held by China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd., thus, Datang Corporation, directly and indirectly, holds 4,772,629,900 domestic shares in total.

2. Baoshan Iron & Steel Co., Ltd. indirectly holds 164,648,000 H shares through its wholly-owned subsidiary, Bao-Trans Enterprises Limited.

3. According to the notices of disclosure of interests on the HKEXnews website of HKEx, BlackRock, Inc. through a series of its controlled corporations, held the relevant interests of long position in 223,801,647 H Shares of the Company, and a short position in 19,600,000 H Shares of the Company.

Save as disclosed above, to the best knowledge of the Directors and Supervisors, as of 31 December 2023, no person (other than the Directors, Supervisors and senior management of the Company) had any interest or short position in the shares and underlying shares of the Company which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO.

XXVIII. MANAGEMENT CONTRACTS

During the Year, the Company did not enter into any contract in respect of the management or administration of the entire or any significant part of the business of the Company nor any such contract subsisted.

XXIX. CONNECTED TRANSACTIONS

Details of the connected transactions of the Group during 2023 are as follows:

(I) Non-exempt One-off Connected Transaction

Capital Increase Agreement

On 13 June 2023, Datang Renewables HK and Datang Yunnan entered into a capital increase agreement in relation to, among other things, the capital contribution by the parties in the sum of RMB172,561,356 to Datang (Dayao) New Energy Development Co., Ltd.* (大唐(大姚)新能源開發有限公司) ("Dayao New Energy") in proportion to their respective shareholdings in Dayao New Energy to meet the needs of Dayao New Energy for the development of Dayao Dapingdi Phase II Photovoltaic Project. Upon completion of the capital increase, the parties' respective shareholding ratios in Dayao New Energy shall remain unchanged.

Pursuant to the capital increase agreement, Datang Renewables HK, a wholly-owned subsidiary of the Company, proposed to make capital contribution in the sum of RMB34,512,271.2 to Dayao New Energy. Upon completion of the capital increase, the shareholding ratio of Datang Renewables HK in Dayao New Energy shall remain unchanged at 20%.

The amount and timing of capital contribution to be in place for the capital increase shall be determined according to the progress of the development and construction of the project, but shall not be made later than 30 June 2024.

Dayao Dapingdi Phase II Photovoltaic Project is located in Chuxiong Prefecture, Yunnan Province, an area characterized by abundant solar resources. It is an important region for the Company's development during the 14th Five-Year Plan period and in the long term. The signing of the capital increase agreement is conducive to promoting the development and construction of Dayao Dapingdi Phase II Photovoltaic Project, as well as facilitating the development of other new energy projects in Chuxiong Prefecture, if any, which is in line with the Company's development strategy, as well as national development objectives of achieving peak carbon emissions and carbon neutrality, and will support the high-quality development of the Company.

Datang Renewables HK is a wholly-owned subsidiary of the Company. Since CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder of the Company as defined under the Listing Rules. Datang Yunnan is a wholly-owned subsidiary of CDC, and thus Datang Yunnan is a connected person of the Company.

For details of the capital increase agreement, please refer to the announcement of the Company dated 13 June 2023.

Joint Venture Agreement

On 11 August 2023, Datang Renewables HK and Datang Yunnan entered into a joint venture agreement in relation to, among others, the establishment of a JV company with joint contribution by the parties to jointly develop Xundian Julongliang Wind Power Project (Phase II) and other clean energy power generation projects as authorised by the shareholders' meeting of the JV company.

Pursuant to the joint venture agreement, the total project investment amounts to approximately RMB656,083,600, and the project capital (i.e. the registered capital of the JV company) accounts for 34% of the total investment, representing an amount of approximately RMB223,068,424, of which Datang Renewables HK will contribute RMB66,920,527.2 in cash, representing 30% of the registered capital; and Datang Yunnan will contribute RMB156,147,896.8 in cash, representing 70% of the registered capital. The difference between the total project investment and the project capital shall be settled by way of project financing.

RMB5,000,000 for the initial capital contribution, which shall be made by both parties in proportion to their shareholding ratio and is scheduled to be completed within one month upon obtaining the approval of the investment in and construction of Xundian Julongliang Wind Power Project (Phase II) and annual investment plan; the subsequent amount of paid-in capital contribution to be made by both parties for the project(s) shall be determined based on the progress of the development and construction of the project(s) but shall not be made later than 31 December 2024 (subject to adjustment based on the actual progress of the project(s)).

Xundian Julongliang Wind Power Project (Phase II) is located in Xundian Hui and Yi Autonomous County, Kunming City, Yunnan Province. The site is rich in wind resources and is one of the key areas for the Company's development during the "14th Five-Year Plan" period and in the long term. The entering into of the joint venture agreement is conducive to promoting the development and construction of Xundian Julongliang Wind Power Project (Phase II), and facilitating the development of the Company's subsequent new energy projects (if any) in Xundian, Yunnan Province, which is in line with the development strategy of the Company, as well as national development objectives of "carbon peaking and carbon neutrality", and contributes to the promotion of the Company's high-quality development.

Datang Renewables HK is a wholly-owned subsidiary of the Company. As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is the controlling shareholder of the Company as defined under the Listing Rules. As Datang Yunnan is a wholly-owned subsidiary of CDC, Datang Yunnan is thus a connected person of the Company.

For details of the joint venture agreement, please refer to the announcement of the Company dated 11 August 2023.

Equity Transfer Agreement and Capital Contribution Agreement

On 16 November 2023, the Company and Datang Hainan entered into an equity transfer agreement, and Dongfang Electric Wind Power Co., Ltd. ("Dongfang Electric Wind Power"), the Company and Datang Hainan entered into a capital contribution agreement, in relation to, among others, (i) Datang Hainan agreed to dispose of, and the Company agreed to acquire 30% equity interest in the target company at nil consideration; and (ii) the Company agreed to make a capital contribution of RMB30 million in cash to the target company, accounting for 30% of the registered capital of the target company. Immediately after the completion of the equity transfer agreement, the Company will hold 30% equity interest in the target company.

Pursuant to the capital contribution agreement, the total investment in the proposed construction project amounts to approximately RMB164.18 million, of which the project capital (i.e. the registered capital of the target company) amounts to RMB100 million. Dongfang Electric Wind Power agreed to make a capital contribution of RMB55 million in cash, accounting for 55% of the registered capital of the target company; the Company agreed to make a capital contribution of RMB30 million in cash, accounting for 30% of the registered capital of the target company; and Datang Hainan agreed to make a capital contribution of RMB15 million in cash, accounting for 15% of the registered capital of the target company. The difference between the total investment in the proposed construction project and the project capital shall be settled by the target company by way of project financing.

Datang Hainan shall issue a receipt for the equity transfer at nil consideration in writing to the Company on the next business day after the equity transfer agreement becomes effective. Pursuant to the capital contribution agreement, the initial capital contributions to be made by Dongfang Electric Wind Power, the Company and Datang Hainan shall amount to RMB34.925 million, RMB19.05 million and RMB9.525 million, respectively, which shall be completed within 15 business days after the industrial and commercial registration of changes in relation to the entering into of the capital contribution agreement. The remaining capital contribution by the parties shall be paid in full by 31 December 2025.

The target company proposes to construct the Hainan Yangpu Offshore Wind Power Industrial Park Project, which is located in Yangpu Economic Development Zone, Danzhou City, Hainan Province. Such area is adjacent to Datang Hainan Danzhou 1.2 Million kW Offshore Wind Power Project, and is one of the important areas for the Company's development of offshore wind power during the "14th Five-Year Plan" period. The entering into of the equity transfer agreement and the capital contribution agreement will be conducive to promoting the development and construction of Datang Hainan Danzhou 1.2 Million kW Offshore Wind Power Project, promoting the development of the Company's subsequent offshore wind power projects in Hainan Province, if any, which are in line with the Company's development strategy, as well as the national development objective of "carbon emission peak and carbon neutrality", and will facilitate the high-quality development of the Company.

As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is the controlling shareholder of the Company as defined under the Listing Rules. As Datang Hainan is a wholly-owned subsidiary of CDC, Datang Hainan is thus a connected person of the Company. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Dongfang Electric Wind Power and its ultimate beneficial owner, being Dongfang Electric Corporation Limited, are both third parties independent of the Company and its connected persons.

For details of the equity transfer agreement and capital contribution agreement, please refer to the announcement of the Company dated 16 November 2023.

Capital Increase Agreement

On 24 November 2023, CDC, CDC Capital Holding, Datang Power, Datang Overseas HK, Datang Renewables HK and Datang Finance Leasing entered into a capital increase agreement, in relation to, among others, (i) CDC agreed to make a capital contribution by way of injection of its 30% equity interest held in Shanghai Leasing Company, at the value of RMB537,668,604, to subscribe for all the additional registered capital of Datang Finance Leasing, and (ii) CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewables HK agreed to waive their pre-emptive rights in respect of the capital increase.

Upon completion of the capital increase, the shareholding ratio of Datang Renewables HK in Datang Finance Leasing will decrease from 20% to 17.25%.

Within 30 days from the effective date of the capital increase agreement, (i) Datang Finance Leasing shall complete the registration procedures for the capital increase with the competent administration for market regulation, with which CDC, CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewables HK shall actively cooperate; and (ii) CDC shall procure Shanghai Leasing Company to change the registration of its 30% equity interest to Datang Finance Leasing, with which Datang Finance Leasing shall actively cooperate.

The introduction of CDC as a direct shareholder of Datang Finance Leasing under the capital increase can improve the capital structure of Datang Finance Leasing, increase the scale of owner's equity, stabilize the scale of business, and significantly enhance the corporate image of Datang Finance Leasing and its influence in the open market, which will be conducive to expanding financing channels of Datang Finance Leasing and increasing its credit facilities, thereby further reducing its debt ratio and financing costs, enhancing the core competitiveness and profitability of Datang Finance Leasing, and creating greater value for its shareholders. Taking into account the comprehensive factors including the business arrangement and actual situation of the Group, Datang Renewables HK proposes to waive its pre-emptive right in respect of the capital increase.

Datang Renewables HK is a wholly-owned subsidiary of the Company. Since CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is the controlling shareholder of the Company as defined under the Listing Rules, and thus the connected person of the Company. CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Finance Leasing are all subsidiaries of CDC, and thus they are also connected persons of the Company.

For details of the capital increase agreement, please refer to the announcement of the Company dated 24 November 2023.

Joint Venture Agreement

On 28 December 2023, CDC, Datang Power, Guiguan Electric Power, the Company, Datang Environment and DEC Institute of Science and Technology Co., Ltd.* (東方電氣集團科學技術研究院有限公司) ("DEC Institute") entered into a joint venture agreement in relation to, among others, the establishment of a JV company with joint contribution by the parties.

Pursuant to the joint venture agreement, the registered capital of the JV company amounts to RMB1 billion, to which CDC will contribute RMB510 million in monetary currency, representing 51% of the registered capital of the JV company; Datang Power will contribute RMB120 million in monetary currency, representing 12% of the registered capital of the JV company; Guiguan Electric Power will contribute RMB120 million in monetary currency, representing 12% of the registered capital of the JV company; the Company will contribute RMB100 million in monetary currency, representing 10% of the registered capital of the JV company; Datang Environment will contribute RMB50 million in monetary currency, representing 5% of the registered capital of the JV company; DEC Institute will contribute RMB100 million in monetary currency, representing 10% of the registered capital of the JV company.

The amounts of capital contribution of the parties shall be made in batches within five years after the incorporation of the JV company, of which: the amount of capital contribution for the first year shall be not less than 30% of the total subscribed capital contribution and shall be paid within 3 months after the incorporation of the JV company; the amount of capital contribution for the second year shall be not less than 20% of the total subscribed capital contribution and shall be paid within 15 months after the incorporation of the JV company; the amount of capital contribution for the third year shall be not less than 20% of the total subscribed capital contribution and shall be paid within 27 months after the incorporation of the JV company; the amount of capital contribution for the fourth year shall be not less than 20% of the total subscribed capital contribution and shall be paid within 39 months after the incorporation of the JV company; and the amount of capital contribution for the fifth year shall be not less than 10% of the total subscribed capital contribution and shall be paid within 51 months after the incorporation of the JV company.

The establishment of the JV company by contribution will be conducive to the technological innovation and sustainable green development of the Company. It is also a concrete measure for actively implementing the national "dual-carbon" strategy and technological innovation strategy. By investing in the establishment of the JV company which will serve as a technological innovation platform in the energy field, it will be conducive to promoting synergistic innovation, extensive aggregation and leveraging on various innovation resources, to jointly undertake major national scientific and technological tasks, achieve deep integration of industry-university-research and application of the whole industrial chain, accelerate the transformation and incubation of high-level scientific and technological innovation achievements, and cultivate the strategic emerging and future industries, achieving high-quality development.

As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is the controlling shareholder of the Company as defined under the Listing Rules, and thus a connected person of the Company. Datang Power, Guiguan Electric Power and Datang Environment are non-wholly-owned subsidiaries of CDC, and thus they are also connected persons of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, DEC Institute and its ultimate beneficial owner Dongfang Electric Corporation Limited are all third parties independent of the Company and its connected persons.

For details of the joint venture agreement, please refer to the announcement of the Company dated 28 December 2023.

Joint Venture Agreement

On 28 December 2023, the Company, Datang Renewables HK and Datang Hainan entered into a joint venture agreement in relation to, among others, the establishment of a JV company with joint contribution by the parties to jointly develop Datang Danzhou potential offshore wind power project.

Pursuant to the joint venture agreement, the registered capital of the JV company amounts to RMB100 million, to which the Company will contribute RMB55 million in cash, representing 55% of the registered capital of the JV company; Datang Renewables HK will contribute RMB10 million in cash, representing 10% of the registered capital of the JV company; Datang Hainan will contribute RMB35 million in cash, representing 35% of the registered capital of the JV company.

The amounts of capital contribution of the parties shall be made by 31 December 2024.

The joint establishment of the JV company will be conducive to promoting the development and construction of offshore wind power projects in Hainan, which is in line with the development strategy of the Company, in line with the national development goal of "carbon emission peaking and carbon neutrality", and conducive to enhancing the economic benefits for the Company, and promoting the high-quality development of the Company.

Datang Renewables HK is a wholly-owned subsidiary of the Company. As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is the controlling shareholder of the Company as defined under the Listing Rules. As Datang Hainan is a wholly owned subsidiary of CDC, Datang Hainan is thus a connected person of the Company.

For details of the joint venture agreement, please refer to the announcement of the Company dated 28 December 2023.

(II) Non-exempt Continuing Connected Transactions

The Group has entered into certain non-exempt continuing connected transactions during the Year.

In terms of the non-exempt continuing connected transactions of categories 1 and 2 as stated below, their respective annual caps for 2022 to 2024 were approved at the 2021 second extraordinary general meeting of the Company held on 29 December 2021. In terms of the non-exempt continuing connected transactions of category 3 as stated below, the annual caps for 2022 to 2024 were approved at the 2021 second extraordinary general meeting held on 29 December 2021. In terms of the non-exempt continuing connected transactions of category 4 as stated below, the annual caps for 2021 to 2023 were approved at the 2020 second extraordinary general meeting held on 7 December 2020. In terms of the non-exempt continuing connected transactions of category 5 as stated below, the annual caps for 2021 to 2023 were approved at the 2020 second extraordinary general meeting held on 7 December 2020.

The table below listed the annual caps and the actual transaction amounts of such continuing connected transactions for 2023:

	Continuing Connected Transaction	Connected Person	Annual Cap for 2023	Actual Transaction Amount for 2023
1.	Provision of products and services by the Group	Datang Corporation	RMB60 million	RMB48 million
2.	Provision of products and services to the Group	Datang Corporation	RMB4,500 million	RMB2,584 million
3.	Provision of factoring business support to the Group	Datang Factoring Company	RMB2,000 million	RMB712 million
4.	Provision of financial services to the Group – Cash depository service	Datang Finance	Daily maximum deposit balance: RMB6,000 million	Daily maximum deposit balance: RMB3,801 million
5.	Provision of financial services to the Group – Financial leasing service	CDC Capital Holding	Annual cap of newly-added direct lease: RMB3,500 million	The total amount of newly-added direct lease: RMB1,485 million
			Annual cap of newly-added sale and lease-back: RMB2,500 million	The total amount of newly-added sale and lease-back: RMB2,491 million

1. Provision of products and services by the Group

As the framework agreement on mutual supply of raw materials, products and services entered into between the Company and Datang Corporation on 23 August 2018 has expired on 31 December 2021, the Company renewed the datang framework agreement on 7 December 2021 (the "Datang Framework Agreement") in relation to provision of agreed products and services to Datang Corporation (and its subsidiaries) by the Group for a term of three years from 1 January 2022. Pursuant to the agreement, the Group provides related products and services to Datang Corporation (and its subsidiaries).

Principal terms of the agreement are set out as follows:

- the Group and Datang Corporation (and its subsidiaries) mutually provide the counterparty with the products, including spare parts, accessories, equipment, transportation (including automobiles and cargo vehicles), water, electricity, gas, thermal energy, raw materials, fuel, minerals and power, etc.;

- the Group and Datang Corporation (and its subsidiaries) mutually provide the counterparty with the services, including design consulting service, operation maintenance service, technical service, construction service, operation and management service, CDM consulting service, carbon transaction service, green certificate transaction service, tendering and bidding service, material management service, insurance underwriting and other financial service, entrusted agency service, sharing service, logistics service, other non-commercial labour services, communication service, property service and other relevant or similar services, etc.;

- if the terms and conditions of similar products and services offered by an independent third party are no better than those offered by one party, the other party shall give priority in sourcing the requisite products and services from such party of the agreement;

- relevant subsidiaries or associated companies of both parties will enter into individual contracts which shall set out the specific scope of services and/or products, terms and conditions of providing such services and/or products according to the principles laid down by the Datang Framework Agreement;

- the pricing of the agreed products will be determined based on the following mechanism: (1) government authorities (such as the National Development and Reform Commission) may from time to time publish prescribed prices or guidance prices on the agreed products, where such prescribed price or guidance price is available, such price will be adopted for the agreed products; (2) where a government-prescribed price or guidance price is not available, a market price as determined through a bidding process will be adopted. The bidding process will adhere to the relevant laws and regulations including the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》); (3) where a prescribed price or government guidance price is not available and there is insufficient number of qualified suppliers participating in bidding with no relevant market price, agreed products will be subject to a price consultation process to determine market prices; and (4) where a prescribed price or government guidance price is not available and there is insufficient number of qualified suppliers participating in bidding with no relevant market price, such prices shall be determined by the parties after arm's length negotiation, provided that the terms and prices shall be no less favourable than those available to the Group from independent third parties for the same or similar products in the PRC (if applicable).

- the pricing of the agreed services will be determined based on the following mechanism: (1) the agreed services will adopt the market price as determined by public tendering or invitational tendering procedures. Tendering procedures shall be in strict compliance with the Tender and Bidding Law of the People's Republic of China, which shall govern the procurement of all agreed services; (2) where there is insufficient number of qualified suppliers participating in bidding, a market price determined through price inquiry procedures will be adopted for the agreed services. A market price shall be determined based on the quotations and details thereof obtained through the price inquiry procedures; and (3) where there is insufficient number of qualified suppliers participating in bidding and no relevant market price is available, such prices shall be determined by the parties after arm's length negotiation, but, if applicable, the terms and prices shall be no less favourable than those available to the Group from independent third parties for the same or similar services in the PRC;

- the agreement is for a term of three years commencing on 1 January 2022 and ending on 31 December 2024. Either party may terminate the agreement upon giving the other party an at least three-month prior written notice.

The transactions under the Datang Framework Agreement will be conducted in the ordinary and usual course of business of the Company on normal commercial terms. These transactions are agreed on an arm's length basis with terms that are fair and reasonable to the Company. As there is a long-term cooperation relationship between the Group and Datang Corporation, it is beneficial to the Company to continue to enter into the transactions under the Datang Framework Agreement as these transactions have facilitated and will continue to facilitate the operation and development of the Group's business and the provision of the agreed products and services to Datang Corporation will generate additional business and sources of revenue to the Group; on the other hand, Datang Corporation is a leading supplier of various agreed products and services and familiar with the Company's requirement on the agreed products and services, and will continue to be able to respond quickly and in a cost efficient manner to any new requirement that the Company may have. As provided in the Datang Framework Agreement, (1) the pricing of the agreed products and services should follow the governmental pricing or the market rate based on arm's length negotiation; and (2) the Company is free to procure or provide the agreed products and services from a third party if such party offers better terms, therefore the Company can ensure that any procurement or provision will be conducted on normal commercial terms or no less favourable than those available to the Company from independent third parties. Given the reasons above, the transactions under the Datang Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company.

During the Year, the annual cap of this continuing connected transaction for 2023 was RMB60 million and the actual transaction amount was RMB48 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 7 December 2021 and 13 December 2021, respectively.

2. Provision of products and services to the Group

As the Framework Agreement on mutual supply of raw materials, products and services entered into between the Company and Datang Corporation on 23 August 2018 has expired on 31 December 2021, the Company renewed the Datang Framework Agreement with Datang Corporation on 7 December 2021 in relation to provision of agreed products and services to the Group by Datang Corporation (and its subsidiaries) for a term of three years commencing on 1 January 2022. Pursuant to the agreement, Datang Corporation (and its subsidiaries) should provide related products and services to the Group.

Please refer to the relevant disclosure of the non-exempt continuing connected transactions of category 1 above for principal terms and conditions of the agreement and reasons and benefits of entering into the transactions.

During the Year, the annual cap of this continuing connected transaction for 2023 was RMB4,500 million and the actual transaction amount was RMB2,584 million.

Details of the Datang Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 7 December 2021 and 13 December 2021, respectively.

3. Provision of factoring business support to the Group

As the factoring business cooperation agreement entered into between the Company and Datang Factoring Company on 20 September 2019 has expired on 31 December 2021, the Company and Datang Factoring Company renewed the factoring business cooperation agreement (the "Factoring Business Cooperation Agreement") on 7 December 2021 for the provision of factoring business support by Datang Factoring Company to the Group, mainly including the factoring business on account receivables with a term commencing from 1 January 2022 to 31 December 2024. Pursuant to the agreement, Datang Factoring Company provides factoring business support, various economic consulting services including the design of account receivables factoring products and the transaction arrangements and relevant services including the design and offer of customised factoring business proposals to the Group.

Principal terms of the agreement are set out as follows:

- Datang Factoring Company shall provide factoring business support (mainly including the factoring business on account receivables) to the Group in respect of the tariff premium for key programs invested and constructed by the Group with no more than RMB2,000 million (including factoring handling fees and factoring facilities interest) for each calender year.

- Leveraging on its professional advantage in the financial business, Datang Factoring Company shall provide the Group with various economic consulting services including the design of account receivables factoring products and the transaction arrangements.

- Datang Factoring Company shall, in accordance with the requirements of the Group and after considering the relevant policies of the state, the supply of and demand for capital in the market as well as the structural features of factoring products, offer comprehensive rates which are the equivalent to or more favourable than those provided by other independent commercial factoring companies in the PRC so as to help the Group to reduce its financial costs and optimise its financial structure.

- Datang Factoring Company shall, upon thorough negotiations with the Group, select appropriate projects and shall design and offer customised factoring business proposals within the scope of the Group's business development and plan.

- The Group will pay comprehensive fees, including factoring handling fees and factoring facilities interest, to Datang Factoring Company in relation to its provision of factoring facility services. Datang Factoring Company shall provide the Group with the most favourable comprehensive rate according to the needs of the Group, taking into account the relevant national policies and regulations, the supply of and demand for capital in the market as well as the structural features of factoring products. While ensuring that the capital needs of the Group are met, the Group has the right to choose the most favourable comprehensive rate to conduct factoring business with Datang Factoring Company, which will help the Group to reduce the finance costs, optimise the financial structure and strive for the maximization of the overall interests.

The relevant arrangements under the Factoring Business Cooperation Agreement are (i) beneficial to the Group to revitalise assets, replenish cash flow in a timely manner and accelerate the capital turnover to continuously support the capital expenditure of the Group; (ii) efficiently and conveniently obtaining financing support and financing services with the comprehensive rates equal to or lower than that in the market by making good use of the resources and business advantages of Datang Factoring Company, so as to lower the Group's overall funding costs and promote the Group's business development; and (iii) conducive to enhancing the Group's bargaining power in carrying out factoring business of the same type with other commercial factoring companies.

The payment of factoring handling fees and factoring facilities interests under the Factoring Business Cooperation Agreement may imply that the Group's profit margin will decrease. However, the factoring handling fees and factoring facilities interests to be paid under the Factoring Business Cooperation Agreement only account for a small part of the Group's profit. On the other hand, as the Group will be able to collect the tariff premium before the original maturity date through factoring business with Datang Factoring Company, which can improve the Group's financial position and create flexibility for management of cash flow, the Company expects that the factoring services under the Factoring Business Cooperation Agreement will have no material effects on the corresponding profit, assets and liabilities.

In addition, the transactions contemplated under the Factoring Business Cooperation Agreement will be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Factoring Company is a subsidiary of Datang Corporation, and is therefore a connected person of the Company.

During the Year, the annual cap of this continuing connected transaction for 2023 was RMB2,000 million and the actual transaction amount was RMB712 million.

Details of the Factoring Business Cooperation Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 7 December 2021 and 13 December 2021, respectively.

4. Provision of financial services to the Group - cash deposit service

As the financial services agreement entered into by and between the Company and Datang Finance on 12 May 2017 expired on 31 December 2020, the financial services agreement (the "Financial Services Agreement") was renewed on 20 October 2020, pursuant to which Datang Finance would provide financial services for the Group. The term for the agreement is from 1 January 2021 to 31 December 2023. According to this agreement, the services to be provided by Datang Finance to the Group include deposits from customers; management of the intra-group entrusted loans; management of the consultation and agency businesses in relation to finance and financing advisers, guarantee trust and others; assistance in the receipt and payment of transaction proceeds; approved insurance agency business; provision of guarantee; management of the bill acceptance and discount services; management of the intra-group transfer and relevant settlement and settlement scheme design; management of the financial services including loans and finance lease; provision of underwriting advisory services concerning the issuance of corporate bonds by enterprises.

Principal terms and conditions of the Financial Services Agreement are set out as follows:

- Datang Finance shall ensure the safe operation of fund management system to safeguard the fund, and to control the credit risk so as to satisfy the payments needs of the Group.

- In respect of the provision of the loan services under the Financial Services Agreement, Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for the years ended/ending 31 December 2021, 2022 and 2023, respectively.

- In respect of the provision of the deposit services under the Financial Services Agreement, the amount of the highest daily deposit balance (including any interest accrued thereon) for the Group's deposits with Datang Finance was amended to RMB6 billion for the years ended/ending 31 December 2021, 2022 and 2023, respectively.

- Datang Finance has undertaken to provide the aforementioned financial services to the Group based on the following pricing policies: (1) within the range for the floating deposit interests rates published by the PBOC and by reference to the benchmark deposit interest rate published by the PBOC, the deposit interest rate provided by Datang Finance to the Group shall not be lower than the equivalent deposit interest rate as offered by the independent domestic commercial banks in the PRC; (2) within the range for the floating loan interests rates published by the PBOC and by reference to the benchmark loan interest rate published by the PBOC, the loan interest rate granted by Datang Finance to the Group shall not be higher than the equivalent loan interest rate for the same type of loan service to members of Datang Corporation as charged by the independent domestic commercial banks in the PRC; (3) the fees charged by Datang Finance for its provision of other financial services to the Group should not be higher than the rates charged by the other independent domestic financial institutions in the PRC for the services of the same or similar kind; and (4) the settlement expenses resulting from the funds settlement services provided by Datang Finance to the Group shall be borne by Datang Finance.

- The term of the Financial Services Agreement shall commence from 1 January 2021 and end on 31 December 2023.

By entering into the Financial Services Agreement with Datang Finance, the Group is able to secure loans and other financing services at interest rates not higher than those offered by domestic commercial banks in the PRC under the same conditions during the same period, which assists in improving the overall standard of fund operation of the Company and enhancing the Group's bargaining power of external financing. The entering into the Financial Services Agreement can also enable the Company to secure interest rates for deposits not lower than those offered by domestic commercial banks in the PRC under the same conditions during the same period and enjoy payment and settlement services with no handling fee, thereby increasing interest income on deposits and saving e-settlement costs. Due to the long-term relationship between the Group and Datang Finance, the Group expects that it will benefit from Datang Finance, which is familiar with the industry and operation of the Group. Through cooperation between each other for many years, Datang Finance is familiar with the capital structure, business operation, financing needs, mode of cash flow and cash management of the Group, as well as the Group's entire financial management system so it will be an advantage to provide the Group with more appropriate, effective and flexible services when compared with the independent domestic commercial banks.

Furthermore, these transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Finance is a subsidiary of Datang Corporation, and is therefore a connected person of the Company.

During the Year, the annual cap of the daily deposit balance of deposit service of this continuing connected transaction for 2023 was RMB6,000 million and the actual maximum amount of daily deposit balance was RMB3,801 million.

Details of the Financial Services Agreement are set out in the announcement of the Company dated 20 October 2020, and the circular of the Company dated 13 November 2020, respectively.

Given the expiry of the Financial Services Agreement and the annual caps on 31 December 2023, the Company and Datang Finance have renewed the Financial Services Agreement on 21 November 2023 and determined the annual caps for the three years ending 31 December 2024, 2025 and 2026. Such renewed Financial Services Agreement and such caps have been approved at the third extraordinary general meeting of the Company for the year 2023 held on 28 December 2023.

5. Provision of financial services to the Group – financial leasing service

As the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement entered into between the Company and Datang Financial Leasing and Shanghai Leasing Company on 29 September 2017, respectively, expired on 31 December 2020, and taking into account that the terms and conditions of such continuing connected transaction agreements were the same, the Company and CDC Capital Holding (both Datang Financial Leasing and Shanghai Leasing Company are its subsidiaries) entered into the finance lease business framework agreement (the "Finance Lease Business Framework Agreement") on 20 October 2020 to agree on the provision of the finance lease services by Datang Financial Leasing and Shanghai Leasing Company, subsidiaries of CDC Capital Holding (collectively referred to as the "Lessors") to members of the Group (collectively referred to as the "Lessees") with a term from 1 January 2021 to 31 December 2023. With respect to each Finance Lease, the relevant Lessors and Lessees will enter into separate specific written agreement(s) (the "Specific Agreement(s)") subject to the provisions of the finance lease Business Framework Agreement.

Principal terms and conditions of the agreement are set out as follows:

- the term for Finance Lease Business Framework Agreement is from 1 January 2021 to 31 December 2023;

- the lease methods include sale and lease-back, which means that the Lessors shall purchase the leased assets from the Lessees and lease them back to the Lessees based on the Lessees' choice; and direct lease, which refers to the purchase by the Lessors and the provision of the leased assets to the Lessees as per the specifications and requirements of the Lessees;

- the lease period for each finance lease will be determined by the following factors, including but not limited to, the useful life of the relevant leasing equipment, the financial needs of the Lessee and the funding availability of the Lessor, which in general should not exceed the useful life of such leasing equipment;

- the lease payments charged by the Lessor will include the purchase price (in respect of direct lease) or the value of (in respect of sale and leaseback) the leasing equipment and interest thereon charged on defined terms no less favourable to the Lessee than those offered by independent third parties and at a rate determined by reference to the benchmark lending rates published by PBOC from time to time or, if no such rate is available, by reference to, among other factors, the rate charged by the other major financial institutions for the same or similar types of services. If the PBOC adjusts the RMB loan benchmark annual interest rates during the term of relevant finance lease agreements, the lease interest rates will be adjusted accordingly and may be adjusted on a quarterly basis;

- a one-off non-refundable handling fee may be charged on defined terms no less favourable to the Lessee than those offered by independent third parties by the Lessor and payable by the Lessee when Specific Agreement(s) is (are) entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant Specific Agreement(s);

- the legal title and all rights of the leasing equipment shall vest to the Lessor throughout the lease period; and

- subject to the Lessee having performed all its obligations under, and upon the expiry of the lease period of the Specific Agreement(s), the Lessee shall have an option to purchase the relevant leasing equipment at a nominal price.

The transactions under Finance Lease Business Framework Agreement are beneficial to the Company as they will enable the Company to (1) broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and the interest rates of bank financing stay high; and (2) facilitate the smooth development and operation of the Group's business. Such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Since Datang Corporation directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules, and thus a connected person of the Company. CDC Capital Holding is a subsidiary of Datang Corporation, and thus a connected person of the Company.

During the Year, in regards to the continuing connected transaction, the annual cap of newly-added direct lease was RMB3,500 million in 2023, and the annual cap of the newly-added sale and lease-back was RMB2,500 million in 2023. However, the actual transaction amount regarding the newly-added direct lease was RMB1,485 million and the actual transaction amount of the newly-added sale and lease-back was RMB2,491 million.

Details of the Finance Lease Business Framework Agreement and the transactions thereunder are set out in the announcement and the circular of the Company dated 20 October 2020 and 13 November 2020, respectively.

Given the expiry of the Finance Lease Business Framework Agreement and the annual caps on 31 December 2023, the Company and CDC Capital Holding have renewed the Finance Lease Business Framework Agreement on 21 November 2023 and determined the annual caps for the three years ending 31 December 2024, 2025 and 2026. Such renewed Finance Lease Business Framework Agreement and such caps have been approved at the third extraordinary general meeting of the Company for the year 2023 held on 28 December 2023.

The independent non-executive Directors of the Company have reviewed each of the above mentioned continuing connected transactions and confirmed that the transactions and the proposed annual caps have been:

(1) generated from the ordinary business operation, and would facilitate the normal development of the business and bring about certain benefit for the Company;

(2) in accordance with normal commercial terms, being fair and reasonable; and

(3) according to the agreement governing them, and on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain procedures in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their conclusion to the Board, stating that:

(1) Nothing has come to the auditor's attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board.

(2) For transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

(3) Nothing has come to the auditors' attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

(4) With respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have exceeded the maximum annual caps of each of the above disclosed continuing connected transactions set by the Company.

Please refer to Note 29 to the financial statements prepared in accordance with the International Financial Reporting Standards for details of the significant related party transactions entered into by the Group during the Year. The non-exempt connected transactions and continuing connected transactions under the Listing Rules are set out in this section. Save as the connected transactions and continuing connected transactions disclosed in this section, none of the related party transactions as disclosed in Note 29 to the financial statements constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules which were required to comply with the disclosure requirements under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

XXX. COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company entered into the Non-Competition Agreement with Datang Corporation on 30 July 2010. Under the agreement, Datang Corporation has undertaken to the Company that except in certain limited circumstances, for so long as the agreement remains effective, it shall not, and shall procure its associates (excluding the Company) not to, directly or indirectly and in whatever manner, engage, participate or be interested in, or provide support to, any business or activity which competes or is likely to compete with wind, solar and biomass power business of the Company. Datang Corporation has also granted the Company an option and pre-emptive right to acquire certain interests retained by Datang Corporation following the reorganization and certain future businesses.

Pursuant to the agreement, the independent non-executive Directors of the Company are responsible for reviewing and considering whether or not to exercise such options and pre-emptive rights and are entitled, on behalf of the Company, to review the implementation of the undertakings under the agreement on an annual basis. During the Year, the independent non-executive Directors of the Company have reviewed the implementation of the Non-Competition Agreement and confirmed that Datang Corporation has been in full compliance with the agreement and there was no breach by Datang Corporation.

XXXI. RETIREMENT AND EMPLOYEES BENEFIT SCHEME

Details of the Company's retirement and employees benefit scheme are set out in Note 6 to the financial statements.

For the supplementary defined contribution retirement scheme, provided that employees are dismissed or cancelled the employment contract due to the violation of laws or disciplines, unvested contributions by the Company will be transferred back to the Company's account for the supplementary retirement scheme. The amount of forfeited contributions is not material.

XXXII. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Main Board of the Hong Kong Stock Exchange, the Company strives to maintain a high standard of corporate governance practices. The Company has complied with most of the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Please refer to the Corporate Governance Report as set out on pages 66 to 91 of this Annual Report for details.

XXXIII. PUBLIC FLOAT

Based on information publicly available to the Company and so far as the Directors are aware, not less than 25% of the issued share capital of the Company was held by the public as at the Latest Practicable Date prior to the publication of this Annual Report, which was in compliance with the requirements under the Listing Rules.

XXXIV. MATERIAL LITIGATION

During the Year, the Group was not involved in any material litigation or arbitration. So far as the Directors are aware, no such litigation or claims are pending or threatened against the Group.

XXXV. AUDIT COMMITTEE

The Company's 2023 annual results and the financial statements for the year ended 31 December 2023 prepared in accordance with the International Financial Reporting Standards have been reviewed by the Audit Committee of the Board of the Company.

XXXVI. AUDITOR

Pursuant to the relevant provisions on the number of years of audit by accounting firms as stipulated in the "Measures for the Administration of the Final Account Reports of Central Enterprises" (《中央企業財務決算報告管理辦法》) and the "Notice on Strengthening the Auditing of Final Accounts of Central Enterprises" (《關於加強中央企業財務決算審計工作的通知》) issued by the State-owned Assets Supervision and Administration Commission of the State Council, on 30 June 2022, Ernst & Young Hua Ming LLP and Ernst & Young retired as the domestic and overseas auditors of the Company. On the same day, Moore CPA Limited & Da Hua Certified Public Accountants (Special General Partnership) were appointed as the domestic and overseas auditors respectively for 2022 of the Company at the annual general meeting of 2021 of the Company, with a term until the next annual general meeting of the Company. Moore CPA Limited & Da Hua Certified Public Accountants (Special General Partnership) were re-appointed as the domestic and overseas auditors respectively for 2023 of the Company at the annual general meeting of 2022 of the Company, with a term until the next annual general meeting of the Company. Save as disclosed above, the Company did not change its auditors in the past three years.

XXXVII. FIVE–YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 9 to 10 of this Annual Report.

XXXVIII. CHANGES IN ACCOUNTING POLICIES

Details of the changes in accounting policies are set out in Note 2 to the financial statements.

XXXIX. MATERIAL CONTRACTS

Save as disclosed in the section headed "Report of the Board of Directors – XXIX. Connected Transactions" of this Annual Report, none of the Company or any of its subsidiaries entered into material contracts with the controlling shareholder or any of its subsidiaries other than the Group, nor was there any material contract between the Group and the controlling shareholder or any of its subsidiaries other than the Group in relation to provision of services.

By order of the Board
Li Kai
Chairman

Beijing, the PRC, 26 March 2024

Corporate Governance Report

I. CORPORATE GOVERNANCE PRACTICES

The Company has always been committed to improving corporate governance since its establishment. According to provisions of the Corporate Governance Code (the "Code") set out in Appendix C1 to the Listing Rules, it has established a modern corporate governance structure comprised of a number of independently operated bodies including the general meeting, the Board, the Supervisory Committee and the senior management in order to provide an effective check and balance. Meanwhile, the Company and the Board have always attached great importance to the establishment of corporate culture. For details, please refer to the section headed "Environmental, Social and Governance Report – 2. Deepening Governance Reform to Drive High-quality Development – 2.2 Corporate Culture" in this Annual Report.

The Company has adopted the Code as its own corporate governance practices. For the Year, the Company has been in strict compliance with the principles and code provisions set out in the Code, except for the deviation from code provision C.1.8 and code provision C.2.1 of the Code which is explained in "Directors' liability insurance" and "Chairman and General Manager" below.

Corporate governance practices adopted by the Company are outlined as follows:

1. Board

The Board carries out its duties and exercises its powers in accordance with the Articles of Association and in the best interests of the Company and its shareholders. It reports the work and is held accountable to the general meeting, and implements the resolutions thereof.

(1) Composition of the Board

As at the Latest Practicable Date, the Board consisted of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors.

The biographical details of the Directors are set out on pages 153 to 158 of this Annual Report. The structure of the Board is well balanced, with each Director equipped with profound knowledge, experience and expertise relevant to the Company's business operation and development. All Directors are well aware of their joint and individual responsibilities toward the shareholders.

The Chairman had met with the independent non-executive Directors without the presence of other Directors during the Year.

Current members of the Board are listed in the following table:

Name	Age	Position	Date of appointment
Li Kai	57	Chairman and Executive Director	28 December 2023
Wang Fanghong	51	Executive Director	28 December 2023
Yu Fengwu	60	Non-executive Director	29 December 2021
Zhu Mei	57	Non-executive Director	16 January 2023
Wang Shaoping	46	Non-executive Director	27 April 2023
Shi Feng	53	Non-executive Director	28 December 2022
Lo Mun Lam, Raymond	71	Independent Non-executive Director	20 August 2013
Yu Shunkun	61	Independent Non-executive Director	27 March 2015
Qin Haiyan	54	Independent Non-executive Director	30 June 2022

(2) Board meetings

According to the Articles of Association, the Board is required to hold Board meetings at least four times each year to be convened by the Chairman of the Board.

Notices of regular Board meetings shall be dispatched at least fourteen days in advance, stating the time, venue and the means to be adopted by the meeting.

Except where a Board meeting is convened to consider connected transactions as provided in the Articles of Association, a quorum for the Board meeting shall be formed by more than half of the Directors. Directors may attend the Board meeting in person or appoint another Director as his proxy in writing. The secretary of the Board is responsible for preparing and keeping minutes of Board meetings, and making sure that such minutes are available for reference by any Director.

In 2023, the Board held twelve meetings, and the record of Directors' attendance is set out as follows:

Name	Position	Number of attendance/ required number of attendance	Attendance rate
Li Kai (Note 1)	Chairman of the Board and Executive Director	1/1	100%
Wang Fanghong (Note 2)	General Manager and Executive Director	1/1	100%
Liu Guangming (Note 3)	Former Chairman of the Board, General Manager and Executive Director	11/11	100%
Liu Jianlong (Note 4)	Former Non-executive Director	0/0	–
Wang Qiying (Note 5)	Former Non-executive Director	0/0	–
Yu Fengwu	Non-executive Director	12/12	100%
Ye Heyun (Note 6)	Former Non-executive Director	1/1	100%
Liu Quancheng (Note 7)	Former Non-executive Director	11/12	91.67%
Zhu Mei (Note 8)	Non-executive Director	12/12	100%
Wang Shaoping (Note 9)	Non-executive Director	10/10	100%
Shi Feng	Non-executive Director	12/12	100%
Lo Mun Lam, Raymond	Independent Non-executive Director	12/12	100%
Yu Shunkun	Independent Non-executive Director	12/12	100%
Qin Haiyan	Independent Non-executive Director	12/12	100%

Notes:

1. Mr. Li Kai has been appointed as the chairman of the Board and an executive Director of the Company with effect from 28 December 2023.

2. Mr. Wang Fanghong has been appointed as the general manager and an executive Director of the Company with effect from 28 December 2023.

3. Mr. Liu Guangming resigned as the chairman of the Board, general manager and an executive Director of the Company with effect from 28 December 2023.

4. Mr. Liu Jianlong resigned as a non-executive Director of the Company with effect from 16 January 2023.

5. Mr. Wang Qiying resigned as a non-executive Director of the Company with effect from 16 January 2023.

6. Mr. Ye Heyun resigned as a non-executive Director of the Company with effect from 27 April 2023.

7. Mr. Liu Quancheng has been appointed as a non-executive Director of the Company with effect from 16 January 2023 and resigned as a non-executive Director of the Company with effect from 28 December 2023.

8. Ms. Zhu Mei has been appointed as a non-executive Director of the Company with effect from 16 January 2023.

9. Mr. Wang Shaoping has been appointed as a non-executive Director of the Company with effect from 27 April 2023.

(3) Powers and responsibilities of the Board and the management

The powers and responsibilities of the Board and the management are specified in the Articles of Association, providing a sufficient restrained and balanced mechanism for corporate governance and internal controls. The Company has formulated its corporate governance policy pursuant to the requirements of Appendix C1 to the Listing Rules. During the Year, the Board has performed its duties according to the corporate governance policy of the Company.

The Board is responsible for deciding on the Company's business and investment plans, deciding on establishment of the Company's internal management structure, deciding on other material business and administrative matters of the Company and monitoring the performance of the management.

The Board is responsible for the Company's corporate governance function as set out in the Code Provision A.2.1 of the Code. During the Year, the Board has reviewed and supervised the Company's corporate governance policy and practices and make recommendations (if applicable); reviewed and supervised the training and continuous professional development of Directors and senior management; reviewed and supervised the Company's policy and practices in respect of compliance with laws and regulations, the code of conduct and compliance manual for employees and Directors; and reviewed the Company's compliance with the Code and the disclosures made in the Corporate Governance Report.

The management of the Company, led by the general manager (who is also an executive Director), is responsible for implementing all the resolutions issued by the Board and organising management of the Company's day-to-day operation.

(4) Mechanism for the Board to obtain independent views and opinions

The Company has a number of mechanisms in place to ensure that independent views and opinions are available to the Board. At board meetings, Directors can express their opinions freely, and major decisions are made only after thorough discussions. Directors may also engage independent professional institutions at the Company's expense after going through due procedures, if they deem it necessary to get independent professional opinions. If any Director has interests in a proposal to be considered by the Board, he or she should abstain from discussion and voting on the relevant proposal, and will not be counted in the quorum of the relevant proposal. In addition, when reviewing the structure, size and composition of the Board, the Nomination Committee puts emphasis on whether the composition of executive and non-executive Directors (including independent non-executive Directors) is balanced and ensures that there is a strong independent element on the Board. The independent non-executive Directors should be of sufficient calibre and number and should be expected to express objective and impartial independent views on matters under discussion by the Company and to exercise the influence of their independent views. The independent non-executive Directors of the Company do not hold any position in the Company other than Director, have no relationship with the Company and its controlling shareholder that may affect their independent and objective judgment and have no business or financial interest in the Company and its subsidiaries. During the year, the Board has reviewed the implementation of the above mechanism and considered it to be effective.

(5) Chairman and General Manager

Under code provision C.2.1 of the Code, the roles of chairman and general manager should be separate and should not be performed by the same individual. During the period from 1 January 2023 to 28 December 2023, Mr. Liu Guangming served as both the chairman of the Board and the general manager of the Company. The Company considered that it was appropriate and in the best interests of the Company for Mr. Liu Guangming to hold the two positions concurrently, which was conducive to the continuity of the Company's policies as well as the stability and profitability of the Company's operations; furthermore, the Board met regularly to review the operations of the Company under the leadership of Mr. Liu Guangming, and therefore the Board considered that such arrangement would not have any impact on the balance of power and authority between the Board and the management of the Company. During the period from 28 December 2023 to the Latest Practicable Date, Mr. Li Kai assumed the position of the chairman of the Board and Mr. Wang Fanghong assumed the position of the general manager of the Company, and the Company has complied with the code provision C.2.1 which provides that the roles of chairman and general manager should be separated and performed by different persons.

(6) Appointment and Re-election of Directors

As provided in the Articles of Association, Directors are elected by general meetings for a term of no more than three years and are eligible for re-appointment. The Company has implemented a set of effective procedures regarding the appointment of new Directors. The nomination of new Directors is firstly discussed by the Nomination Committee which then submits its recommendation to the Board, and is subject to approval via the election in general meeting. For details of criteria and procedures for nominating Directors, please refer to the section headed "Corporate Governance Report – I. Corporate Governance Practices – 2. Four Professional Committees under the Board – (2) Nomination Committee".

The Company has entered into service contracts with all its Directors (including non-executive Directors) for a term commencing from the date of appointment to the date of expiry of the term of this session of the Board and subject to termination in accordance with the terms under respective service contracts.

(7) Remuneration of Directors

For executive Directors who only hold position(s) in the Company, the Company will pay remuneration (mainly including salaries, allowances and benefits in kind, discretionary bonuses and pension scheme contributions) based on their actual position(s) held in the Company in accordance with relevant regulations, and will not pay any separate director's fee; such remuneration will be paid based on the assessment results of the Company's operating performance and the assessment results of the operating performance of the management members, and the Remuneration and Assessment Committee will review the work performance and remuneration levels and submit to the Board for consideration. No remuneration or director's fee will be paid to non-executive Directors who do not hold any actual positions in the Company and executive Directors who hold positions in shareholder's entities. For independent non-executive Directors, the Company will pay them a fixed annual allowance, the standard of which shall be determined by reference to the average market rate and taking into account the actual situation of the Company.

(8) Training for Directors and Joint Company Secretaries

(A) Training for Directors

All Directors always attend to the Directors' duties and achieve personal integrity for business activities and developments of the Company. The Company provides Directors with the latest developments in the Listing Rules and other applicable regulatory regulation from time to time to refresh their knowledge and skills.

All newly-appointed Director(s) will be provided with necessary introduction package designed for him, including meeting with senior management, so that he will have a deep understanding of the Group's businesses, strategies, major risks and problems and future development plans.

During the Year, the Company has provided induction materials for Mr. Li Kai, Mr. Wang Fanghong, Mr. Liu Quancheng, Ms. Zhu Mei and Mr. Wang Shaoping, who were newly appointed as Directors. In addition, the Company carried out various trainings for the Directors and management of the Company on the following topics:

1. Internal business consultation; and

2. the Code and latest amendments to the Listing Rules.

All Directors have participated in continuous professional development program in 2023 to develop and refresh their knowledge and skills with a view to ensure that they continue contributing to the Board with complete information and as needed. All Directors provided the Company with a record of the training they received during the Year.

Trainings received by all Directors during the Year are as follows:

Name	Position	Training topics
Li Kai (Note 1)	Chairman of the Board and Executive Director	Business management and corporate governance
Wang Fanghong (Note 2)	General Manager and Executive Director	Business management and corporate governance
Liu Guangming (Note 3)	Former Chairman of the Board, General Manager and Executive Director	Business management and corporate governance
Liu Jianlong (Note 4)	Former Non-executive Director	Business management and corporate governance
Wang Qiying (Note 5)	Former Non-executive Director	Business management and corporate governance
Yu Fengwu	Non-executive Director	Business management and corporate governance
Ye Heyun (Note 6)	Former Non-executive Director	Business management and corporate governance
Liu Quancheng (Note 7)	Former Non-executive Director	Business management and corporate governance
Zhu Mei (Note 8)	Non-executive Director	Business management and corporate governance
Wang Shaoping (Note 9)	Non-executive Director	Business management and corporate governance
Shi Feng	Non-executive Director	Business management and corporate governance
Lo Mun Lam, Raymond	Independent Non-executive Director	Business management and corporate governance
Yu Shunkun	Independent Non-executive Director	Business management and corporate governance
Qin Haiyan	Independent Non-executive Director	Business management and corporate governance

Notes:

1. Mr. Li Kai has been appointed as the chairman of the Board and an executive Director of the Company with effect from 28 December 2023.

2. Mr. Wang Fanghong has been appointed as the general manager and an executive Director of the Company with effect from 28 December 2023.

3. Mr. Liu Guangming resigned as the chairman of the Board, general manager and an executive Director of the Company with effect from 28 December 2023.

4. Mr. Liu Jianlong resigned as a non-executive Director of the Company with effect from 16 January 2023.

5. Mr. Wang Qiying resigned as a non-executive Director of the Company with effect from 16 January 2023.

6. Mr. Ye Heyun resigned as a non-executive Director of the Company with effect from 27 April 2023.

7. Mr. Liu Quancheng has been appointed as a non-executive Director of the Company with effect from 16 January 2023 and resigned as a non-executive Director of the Company with effect from 28 December 2023.

8. Ms. Zhu Mei has been appointed as a non-executive Director of the Company with effect from 16 January 2023.

9. Mr. Wang Shaoping has been appointed as a non-executive Director of the Company with effect from 27 April 2023.

(B) Training for joint company secretaries

Ms. Zou Min has been appointed as a joint company secretary of the Company on 18 October 2022.

Ms. Kwong Yin Ping Yvonne, the director of SWCS Corporate Services Group (Hong Kong) Limited, is another joint company secretary of the Company since 12 July 2015 and up to the Latest Practicable Date. Nevertheless, she served as the sole company secretary of the Company during the period from 11 January 2017 to 16 March 2017.

During the Year, each of Ms. Zou Min and Ms. Kwong Yin Ping Yvonne have taken not less than 15 hours of relevant professional training in compliance with the requirements under Rule 3.29 of the Listing Rules.

During the Year, the primary contact of Ms. Kwong Yin Ping Yvonne in respect of company secretarial matters was Ms. Zou Min.

(9) Directors' liability insurance

The Company has always been in strict compliance with the principles and requirements of the Listing Rules. Pursuant to Code Provision C.1.8 of the Code, an issuer should arrange appropriate insurance cover in respect of legal action against its Directors. During the Year, the Company had not involved in any material litigation liable by any Director. Each Director of the Company has the necessary qualification and experience required for performing his/her duty in the Company. The Company estimates that in the reasonably foreseeable future, there is little risk that there would be any event for which any Directors shall take responsibility. Therefore, the Company had not arranged for appropriate insurance cover for the Directors. Accordingly, the Company had deviated from Code Provision C.1.8 of the Code during the Year.

2. Four Professional Committees under the Board

There are four professional committees under the Board, including the Audit Committee, Nomination Committee, Remuneration and Assessment Committee and Strategic Committee.

(1) Audit Committee

The Company has established an Audit Committee which currently consists of three Directors, namely, Mr. Lo Mun Lam, Raymond (independent non-executive Director) who is the chairman of the Audit Committee, Mr. Shi Feng (non-executive Director) and Mr. Yu Shunkun (independent non-executive Director).

The primary responsibilities of the Audit Committee are to review and monitor our financial reporting system and internal control systems, which include, among other things:

- ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget and expenditure of the Company's accounting, internal audit and financial reporting functions;

- assessing whether there exists significant control mistakes or weakness in the Company's internal control; reviewing and monitoring the scope, effectiveness and results of internal audit and risk management functions to ensure that the internal audit function is independent, that the internal and external auditors are well coordinated, and that the internal audit function has sufficient resources and is well-positioned within the Group;

- assessing the changes, since the last annual review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;

- discussing with the management about the risk management and internal control systems to ensure the management's fulfillment of duties in establishing such systems. The content to be discussed shall include: the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

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

- establishing procedures for the treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, potential violations of law and suspicious accounting or auditing improprieties, and ensuring that proper arrangements are in place for the fair and independent investigation of these matters and appropriate follow-up action by the Company.

During the Year, the Audit Committee held five meetings, details of which are set out as follows:

- The fourth meeting of the fourth session of the Audit Committee of the Board was held on 28 March 2023, for the main purpose of considering and approving the resolution on the provision for assets impairment, the 2022 annual results announcement and annual report, the 2022 final financial report, the profit distribution plan for 2022, and the 2022 report on internal control.

- The fifth meeting of the fourth session of the Audit Committee of the Board was held on 27 April 2023, for the main purpose of considering and approving the first quarterly results of the Company for 2023.

- The sixth meeting of the fourth session of the Audit Committee of the Board was held on 29 August 2023, for the main purpose of considering and approving the 2023 interim results announcement and interim report of the Company.

- The seventh meeting of the fourth session of the Audit Committee of the Board was held on 31 October 2023, for the main purpose of considering and approving the third quarterly results of the Company for 2023.

- The eighth meeting of the fourth session of the Audit Committee of the Board was held on 30 November 2023, for the main purpose of considering and approving the resolution on the provision for assets impairment of the Company.

The record of attendance is set out as follows:

Member	**Number of attendance/ required number of attendance**
Lo Mun Lam, Raymond *(Chairman of the committee)*	5/5
Shi Feng	5/5
Yu Shunkun	5/5

The Audit Committee had met with the external auditor without the presence of management and discussed about the interim financial report, its annual audit of the consolidated financial statements and key audit issues.

(2) Nomination Committee

The Nomination Committee of the Company currently consists of three Directors, namely, Mr. Li Kai (executive Director) who is the chairman of the Nomination Committee, Mr. Lo Mun Lam, Raymond (independent non-executive Director) and Mr. Qin Haiyan (independent non-executive Director).

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, formulating the criteria and procedures for selection of candidates for Directors and senior management, making recommendations to the Board on the appointment of and succession planning for Directors and to conduct preliminary review of the qualifications of the candidates for Directors and senior management.

In respect of nomination of candidates for Directors, the Nomination Committee is obliged to widely seek shareholders' opinions and proposal on nomination and examine whether the candidates are equipped with professional knowledge, working experience for performance of duties and his/her qualifications are in compliance with the Company Law and relevant laws, administrative regulations and departmental rules. Upon passing the review, the results shall be proposed to the Board for consideration before the submission thereby to the general meeting for approval in the form of proposal. The Nomination Committee mainly considers the professional knowledge, work experience of the candidates for directorship and their capability to contribute to the Company as the selection and recommendation criteria, with taking into consideration the Board diversity policy (including gender diversity).

The Company believes that increasing diversity at the board level is one of the essential elements in supporting the attainment of its strategic objectives and its sustainable development. Therefore, the Company has formulated the Board Diversity Policy in August 2014, pursuant to which, when determining the composition of the Board, the Company shall consider the diversity of the Board from various perspectives, including but not limited to gender, age, cultural and educational background, professional experiences, skills, knowledge and service terms, and finally make decisions based on the value of candidates and contributions they can bring to the Board. All proposals brought by the Board shall comply with the principle of appointment based on merits and fully take into account objective conditions and benefits of diversity of the Board while considering candidates.

The Nomination Committee of the Company reports to the Board at a diversity level in the Annual Report in each year. It supervises the implementation of the Board Diversity Policy and review the policy when appropriate to ensure its effectiveness. The Nomination Committee will discuss any amendments to the Board Diversity Policy when necessary and propose such amendments to the Board for approval. The Nomination Committee will discuss and review the necessity to set any measurable objectives for implementing the Board diversity policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

During the Year, the actual implementation of the Board Diversity Policy is as follows:

1. The Board consisted of nine Directors, three of whom were independent non-executive Directors and hence the Company has complied with Rules 3.10(1) and 3.10A of the Listing Rules which required that "At least one third of members of the board of directors shall be independent non-executive directors".

2. At least one of the independent non-executive Directors have obtained financial qualifications in compliance with Rule 3.10(2) of the Listing Rules, and other Directors have knowledge and experience in law, finance and business management.

3. Members of the Board had different education backgrounds, including master's degree in engineer and doctor's degree in law and management, with age band from 51 to 71.

During the Year, the Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness, and was of the opinion that the Board members were diversified to a certain extent.

Ms. Zhu Mei was appointed as a non-executive Director of the Company on 16 January 2023. Therefore, as at the Latest Practicable Date, there was one female Director on the Board and the composition of the Board is in compliance with the gender diversity requirement of the Board under the Listing Rules. In the future, the Company will continue to identify and appoint female Directors with appropriate qualifications and experience in accordance with shareholders' expectations and recommended best practices, with a view to further enhancing the gender diversity of the Board. In addition to the Board level, the Company also values diversity across all levels of its employees (including gender diversity). Please refer to the chapter headed "Human Resources" in this Annual Report for the details (including gender ratio, etc.) of all employees (including senior management).

During the Year, the Nomination Committee held two meetings, details of which are set out as follows:

- The third meeting of the fourth session of the Nomination Committee of the Board was held on 28 March 2023, for the main purpose of reviewing the resolution on the nomination of the Directors of the Company.

- The fourth meeting of the fourth session of the Nomination Committee of the Board was held on 8 December 2023, for the main purpose of reviewing the resolution on the nomination of the Directors and general manager of the Company.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Li Kai *(Chairman of the committee) (appointed on 28 December 2023)*	–
Ye Heyun *(resigned on 27 April 2023)*	1/1
Wang Shaoping *(appointed on 27 April 2023 and resigned on 28 December 2023)*	1/1
Lo Mun Lam, Raymond	2/2
Qin Haiyan *(changed from chairman to member of the committee on 28 December 2023)*	2/2

(3) Remuneration and Assessment Committee

The Remuneration and Assessment Committee of the Company currently consists of three Directors, namely, Mr. Yu Shunkun (independent non-executive Director) who is the chairman of this committee, Ms. Zhu Mei (non-executive Director) and Mr. Qin Haiyan (independent non-executive Director).

The Remuneration and Assessment Committee is responsible for formulating the standards for the evaluation of the Directors and senior management and conduct such evaluation, promulgating the remuneration schemes for the Directors and senior management and making recommendations to the Board in respect thereof, including, among other things:

- drawing up and making recommendation on the overall remuneration package for the Directors and senior management, evaluating the performance of the senior management and approving the remuneration to be paid to the senior management;
- reviewing the Directors' remuneration and making recommendations to the Board in respect thereof; and
- reviewing the remuneration schemes of Directors and senior management and making recommendations to the Board in respect thereof.

During the Year, the Remuneration and Assessment Committee held one meeting, details of which are set out as follows:

- The first meeting of the fourth session of the Remuneration and Assessment Committee of the Board was held on 28 March 2023, for the main purpose of considering the resolution on remuneration of operation management team of the Company in 2022.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Yu Shunkun *(Chairman of the committee)*	1/1
Liu Jianlong *(resigned on 16 January 2023)*	–
Liu Quancheng *(appointed on 16 January 2023 and resigned on 28 December 2023)*	1/1
Zhu Mei *(appointed on 28 December 2023)*	–
Qin Haiyan	1/1

(4) Strategic Committee

The Strategic Committee of the Company currently consists of Mr. Li Kai (executive Director) who is the chairman of this committee, Mr. Wang Fanghong (executive Director) and Mr. Yu Fengwu (non-executive Director).

The Strategic Committee is responsible for formulating our overall development plans and investment decision-making procedures, including, among other things:

- reviewing the Company's long-term development strategies;
- reviewing the Company's strategic planning and implementation reports; and
- reviewing significant capital expenditure.

During the Year, the Strategic Committee held six meetings, details of which are set out as follows:

- The third meeting of the fourth session of the Strategic Committee of the Board was held on 28 March 2023, for the main purpose of considering the resolution on the operation and investment plan report of the Company for 2023.
- The fourth meeting of the fourth session of the Strategic Committee of the Board was held on 27 April 2023, for the main purpose of considering the resolution on Investment in Yunnan Dayao Dapingdi Project of the Company.
- The fifth meeting of the fourth session of the Strategic Committee of the Board was held on 14 July 2023, for the main purpose of considering the resolution on relevant investment and development project of the Company.
- The six meeting of the fourth session of the Strategic Committee of the Board was held on 11 August 2023, for the main purpose of considering the resolution on relevant investment and development project of the Company.
- The seventh meeting of the fourth session of the Strategic Committee of the Board was held on 16 November 2023, for the main purpose of considering the resolution on relevant investment and development project of the Company.
- The eighth meeting of the fourth session of the Strategic Committee of the Board was held 28 December 2023, for the main purpose of considering the resolution on Investment in Datang Danzhou Offshore Wind Power Project of the Company.

The record of attendance is set out as follows:

Member	Number of attendance/ required number of attendance
Li Kai *(Chairman of the committee) (appointed on 28 December 2023)*	–
Wang Fanghong *(appointed on 28 December 2023)*	–
Liu Guangming *(Chairman of the committee) (resigned on 28 December 2023)*	5/5
Wang Qiying *(resigned on 16 January 2023)*	–
Yu Fengwu	6/6
Zhu Mei *(appointed on 16 January 2023 and resigned on 28 December 2023)*	5/5

3. Directors' Responsibility for the Financial Statements

The Board has acknowledged its responsibility for preparing the financial statements of the Group for the Year. The Board is responsible for presenting a balanced, clear and understandable assessment of the annual and interim reports, inside information, sensitive information of equity price and other discloseable information as required under the Listing Rules and other applicable statutory and regulatory requirements. The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the financial state of the Group, and of results and cash flow for the period. In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made prudent and reasonable judgments and estimates by adapting appropriate International Financial Reporting Standards and have prepared the financial statements on a going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner. The management has provided such explanation and information to the Board as necessary to enable the Board to make an assessment of the financial information and status of the Group as well as giving consideration and approval. The Board have obtained the monthly updated information relating to the performance, state of affairs and prospects of the Company. The Group is not exposed to any material uncertainty that may exert significant impact on the Group's ability to continue as a going concern.

4. Compliance with the Model Code for Dealing in the Securities of the Company by Its Directors, Supervisors and Relevant Employees

The Group has adopted the Model Code as the code of conduct for dealing in the securities of the Company by its Directors, Supervisors and relevant employees (as defined in the Code). According to the specific enquiries of all Directors and Supervisors, each Director and Supervisor confirmed that she/he had strictly complied with the standards set out in the Model Code during the Year.

The Board will examine the corporate governance practices and operation of the Group from time to time to ensure that the Group is in compliance with relevant requirements under the Listing Rules and that the shareholders' interests are safeguarded.

5. Risk Management and Internal Control

The Board is responsible for the risk management, internal control and compliance management of the Company and ensures the review of effectiveness of these systems has been conducted at least annually.

The purpose of the internal control and risk management systems is to manage rather than eliminate the risks of failure to fulfill work objectives. The said systems can only provide reasonable but not absolute assurance against any material misstatement or loss.

The Company has exerted greater efforts to the establishment of the internal control and risk systems and a sound corporate structure, and has formed the scientific system for decision-making and effective control. The Company standardizes corporate actions to guarantee the operation and management of the Company are in compliance with the laws and regulations. The Company improves corporate operation efficiency aiming to push forward the achievement of the corporate development strategies. In addition, the Company has established a favourable information exchange mechanism to guarantee the truthfulness, accuracy and completeness of relevant information disclosure.

When establishing and implementing the internal control and risk management systems, the Company has taken into comprehensive account the five fundamental elements, i.e., the internal environment, risk assessment, control endeavors, information and communication as well as internal monitoring. Attaching importance to the internal environmental governance, the Company unremittingly optimises the corporate organizational structure and improves management efficiency.

In light of the business characteristics, the Company has established functional departments including Comprehensive Department (Human Resources Department and Party Construction Department), Investment and Development Department, Financial Management Department, Securities Capital Department, Legal Risk Control Department, Discipline and Inspection Office (Audit Department) and Production Safety Department. in the headquarters Office. The functional departments condition and superintend within their respective specific terms of reference. Besides, the Company has set up an auditor authority to specifically carry out routine monitoring and inspection over the truthfulness of the assets, liabilities as well as gains and losses of the Company, the compliance of financial revenues and expenditures, profitability of material investments, material connected transactions of the Company, and the corporate internal control so as to ensure the implementation of the internal control systems and the normal production and operation of the Company.

In consistent response to the development needs, the Company further establishes and consummates the comprehensive responsibility management systems in addition to the work target-related accountability system. The Company has formulated the performance standards stressing on both motivations and regulations, with subdivided work assignments and specified performance target for each post, so as to evaluate the performance of the staff impersonally and accurately, and inspire the potentials and passions for work of the staff.

In 2023, the Company further deepened the risk control, and guaranteed effective risk control over management of organizational decisions, strategic investments, production and operation, finance and accounting, human resources, securities matters and legal affairs.

The Audit Committee under the Board is responsible for reviewing the internal control of the Company, supervising the effective execution of internal control and the self-assessment of internal control, and coordinating the audit of internal control and other relevant matters. The Company has formulated the Measures on Internal Control (《內部控制管理辦法》) to pinpoint the terms of reference of Functional Departments in internal supervision, and to standardize the procedures, methods and requirements of internal supervision. In 2023, the Company timely precluded risks by way of close supervision and inspection, and gave play to internal audit in the supervision and inspection of internal control. Thanks to effective internal supervision, the Company made progress in compliance operation and standard management, and achieved ongoing increase in vigilance against risks and market competitiveness, thus ensuring the safe operation and sound development of the operation and management of the Company.

In terms of organizational structure, the Company has been equipped with adequate staff to take charge of specific jobs including finance operation and monitoring, risk management, internal audit, anti-fraud, etc. In addition, the Company has allocated reasonable budget for provision of training courses to personnel performing functions such as corporate finance, risk management and internal audit in the Company and its subsidiaries on a regular basis, to ensure sufficient qualifications and experience for them to fulfil relevant functions.

All departments are under direct leadership of the general manager of the Company, who is thereby able to report instantly to the Board on the operations of each department and problems received. Any significant matter (if subject to disclosure to the market) identified by the staff could be reported to the management in a timely, accurate and effective manner and the decisions of the management of the Company could be implemented accurately and timely under supervision.

In terms of inside information disclosure, the Company has established standard control procedures for the collection, classification, reviewing and disclosure of information. The Company guarantees the absolute confidentiality of relevant information prior to full disclosure to the public. The Company will make corresponding information disclosure timely with regard to information that is unlikely to maintain confidentiality, so as to ensure effective protection of the rights and interests of investors and stakeholders.

In view of the foregoing, in regard of internal control and risk management, the Company has developed a well-balanced internal corporate business environment and normative production and operation order, improved the Company's capability in fending against various risks, and guaranteed the normal operation and management of the Company. Besides, the internal control and risk management of the Company has also exerted effective effects on the supervision, control and instruction of the production and operation of the Company and laid a solid foundation for the healthy development of the Company in the long run. The Company has conducted the self-assessment on the effectiveness and implementation of the internal control systems of the Company for the Year, according to which, the Company opined that the internal control of the Company has covered each aspect and each component of the operation and management of the Company.

During the Year, the Board assessed the internal control systems of the Company and its subsidiaries such as financial control, operation control, compliance control and risk management systems and was not aware of any material problems or any material mistakes thereon. The Company recorded full coverage and effective implementation of internal control and risk management and was not aware of any material defects regarding the design or implementation of internal control of the Company. Accordingly the internal control and risk management systems were deemed as adequate and effective. The Board believes that the current monitoring system of the Company is effective, and that the accounting and financial reporting functions, the qualifications and experience of the staff and the training programmes for employees as well as the experiences and resources for setting the budget of the Company are adequate.

6. Auditor's Remuneration

Moore CPA Limited & Da Hua Certified Public Accountants (Special General Partnership) (collectively, "External Auditors") were appointed as international and domestic auditors to audit the financial statements for the Year prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises, respectively. Aggregate remuneration in respect of audit and audit-related services provided by the External Auditors payable by the Company during the Year was RMB6.52 million.

During the year, fees charged by the External Auditors for their non-audit services provided to the Company in respect of corporate bonds issuance amounted to RMB390,000.

7. Remuneration of Directors and Senior Management

A formal and transparent procedure for fixing the remuneration packages of individual Directors and senior management is in place. Details of the remuneration for Directors and top five persons in respect of remuneration are set out in Note 12 to the financial statements of this Annual Report. During the Year, the scope of remuneration for the senior management of the Company is set out below:

Scope of remuneration *(RMB'000)*	Number of members of senior management
0–500	5
500–1,000	2
1,000–1,500	1

Note: Numbers disclosed above include the senior management of the Company, those who are executive Directors and those who have resigned but received remuneration from the Company during the Year according to the relevant remuneration policy of the Company.

8. Change of Constitutional Documents

There was no changes to the Articles of Association of the Company during the Year.

9. Shareholders' General Meeting

During the Year, the Company held four shareholders' general meetings in total with attendance of Directors as follows:

Name	Position	Number of attendance/ required number of attendance	Attendance rate
Li Kai (Note 1)	Chairman of the Board and Executive Director	–	–
Wang Fanghong (Note 2)	General Manager and Executive Director	–	–
Liu Guangming (Note 3)	Former Chairman of the Board, General Manager and Executive Director	3/4	75%
Liu Jianlong (Note 4)	Former Non-executive Director	0/1	0%
Wang Qiying (Note 5)	Former Non-executive Director	0/1	0%
Yu Fengwu	Non-executive Director	3/4	75%
Ye Heyun (Note 6)	Former Non-executive Director	1/2	50%
Liu Quancheng (Note 7)	Former Non-executive Director	1/3	33.33%
Zhu Mei (Note 8)	Non-executive Director	3/3	100%
Wang Shaoping (Note 9)	Non-executive Director	2/2	100%
Shi Feng	Non-executive Director	4/4	100%
Lo Mun Lam, Raymond	Independent non-executive Director	4/4	100%
Yu Shunkun	Independent non-executive Director	3/4	75%
Qin Haiyan	Independent non-executive Director	2/4	50%

Notes:

1. Mr. Li Kai has been appointed as the chairman of the Board and executive Director of the Company with effect from 28 December 2023.

2. Mr. Wang Fanghong has been appointed as the general manager and executive Director of the Company with effect from 28 December 2023.

3. Mr. Liu Guangming resigned as the chairman of the Board, general manager and executive Director of the Company with effect from 28 December 2023.

4. Mr. Liu Jianlong resigned as a non-executive Director of the Company with effect from 16 January 2023.

5. Mr. Wang Qiying resigned as a non-executive Director of the Company with effect from 16 January 2023.

6. Mr. Ye Heyun resigned as a non-executive Director of the Company with effect from 27 April 2023.

7. Mr. Liu Quancheng has been appointed as a non-executive Director of the Company with effect from 16 January 2023 and resigned as a non-executive Director of the Company with effect from 28 December 2023.

8. Ms. Zhu Mei has been appointed as a non-executive Director of the Company with effect from 16 January 2023.

9. Mr. Wang Shaoping has been appointed as a non-executive Director of the Company with effect from 27 April 2023.

10. Communication with Shareholders

The Company highly appreciates shareholders' opinions and advice, formulates relatively sound rules and regulations including the Investor Relations Management System (the "Shareholder Communication Policy"), and establishes a number of communication channels including on-site meeting, telephone and internet. The Company proactively strengthens interactive exchange with the capital market through a number of communication methods including results briefings, domestic road shows, acceptance of investors' research and attendance of the meetings of brokers and through communication platforms including the website of the Company, investor hotline and email, actively organises various investor relations activities to maintain connections with shareholders and makes timely responses to the reasonable requests of shareholders. For details of investor relations activities during the Year, please refer to the chapter headed "Investor Relations" of this Annual Report. The Board reviews the Shareholder Communication Policy at least once a year to ensure its effectiveness. Having reviewed the different channels of communication with shareholders, the Board is of the view that the Shareholder Communication Policy has been properly implemented and effective during the Year.

(1) Shareholders' rights

The Board is committed to communicating with shareholders, and makes disclosure in due course about the Company's major developments to shareholders and investors. The general meeting of the Company provides shareholders and the Board with good communication opportunities. Notices on convening shareholders' general meetings are dispatched to all shareholders at least 15 clear days prior to the meeting.

The Company's shareholders' general meetings include annual general meetings and extraordinary general meetings, which are held once each year within 6 months of the end of the previous accounting year, and extraordinary general meetings, which are convened in compliance with the Articles of Association and whenever the Board considers appropriate. Shareholders individually or jointly holding a total of more than 10% (inclusive) of the Company's outstanding shares carrying voting rights on the date of submitting a request are entitled to, by sending the Board or the company secretary a written requisition, ask the Board at any time to convene an extraordinary general meeting to deal with matters specified in the requisition. And such meeting shall be held within two months after the requisition is presented.

Shareholders who wish to put forward suggestions during the shareholders' general meeting may raise their hands and speak in order of registration at any time after the resolutions to be considered at the meeting are announced. The Directors, Supervisors and senior management shall respond to the questions and suggestions from shareholders.

The Chairman of the Board and the Chairmen of all committees under the Board (or, in whose absence, other members of the committees) will answer any question(s) at the annual general meetings. Pursuant to the Listing Rules, any vote of shareholders at a shareholders' general meeting must be taken by poll. Poll results are deemed resolutions of the meeting.

The Board encourages shareholders to attend annual general meetings to communicate directly about any concern(s) they may have with the Board or the management. Shareholders holding 3% or more of the Company's shares with voting right have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such shareholders' general meeting if they are matters falling within the functions and powers of general meeting. The ad hoc proposals raised by shareholders shall satisfy the following requirements: (i) free of conflicts with the provisions of laws and regulations, and fall into the business scope of the Company and the terms of reference of the general meeting; (ii) with definite topics to discuss and specific matters to resolve; and (iii) submitted or served to the Board in writing ten days prior to the date of the shareholders' general meeting.

In 2023, the Company held the 2022 annual general meeting, the 2023 first extraordinary general meeting, the 2023 second extraordinary general meeting and the 2023 third extraordinary general meeting.

Detailed voting procedures and resolutions being voted on by way of poll are contained in the circulars dispatched to shareholders.

(2) Shareholders' inquiries

If you have any query in connection with your shareholdings, including shares transfer, change of address or wish to report loss of shares or dividend warrant, please write to or contact the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at:

Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2862-8628
Fax: (852) 2865-0990, (852) 2529-6087
Website: www.computershare.com.hk

(3) Investor relations and communications

The Company has set up a website at www.cdt-re.com, as a channel to promote effective communications, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner.

Report of the Supervisory Committee

In 2023, all members of the Supervisory Committee of the Company have earnestly performed their supervisory functions to safeguard the rights and interests of the Group and the shareholders in accordance with the Company Law of the PRC, the Articles of Association, the Rules of Procedures of the Supervisory Committee and the relevant provisions in the Listing Rules.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

1. On 28 March 2023, the Company held the fourth meeting of the fourth session of the Supervisory Committee, at which the following proposals were reviewed: the Report of the Supervisory Committee of the Company for 2022, Annual Results Announcement and Annual Report of the Company for 2022, Resolution on impairment charges by the Company, the Final Financial Report of the Company for 2022, the Financial Budget Plan of the Company for 2023 and the Profit Distribution Plan of the Company for 2022.

2. On 27 April 2023, the Company held the fifth meeting of the fourth session of the Supervisory Committee, at which the Proposal regarding the 2023 First Quarterly Results of the Company was reviewed.

3. On 29 August 2023, the Company held the sixth meeting of the fourth session of the Supervisory Committee, at which the Proposal regarding the 2023 Interim Results Announcement and Interim Report of the Company was reviewed.

4. On 31 October 2023, the Company held the seventh meeting of the fourth session of the Supervisory Committee, at which the Proposal regarding the 2023 Third Quarterly Results of the Company was reviewed.

II. PRINCIPAL INSPECTION AND SUPERVISION WORK OF THE SUPERVISORY COMMITTEE IN 2023

1. Members of the Supervisory Committee carried out supervision and inspection of the financial position of the Company and its internal control systems such as the financial management system, including regular inspections of the financial reports and budgets and irregular reviews of accounting documents and books of the Company.

2. Members of the Supervisory Committee present the 2022 annual general meeting and the 2023 first, second and third extraordinary general meetings, and the eighth meeting of the fourth session of the Board and the twelfth meeting of the fourth session of the Board as non-voting attendees, exercising supervision in respect of the lawfulness and compliance of the procedures of the matters considered by the Board meetings.

3. The Supervisory Committee made no objection to the reports and motions tabled at the shareholders' general meetings and were convinced that the Board had faithfully implemented the resolutions approved by the general meeting.

III. INDEPENDENT OPINIONS ISSUED BY THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS

1. Operation and Management of the Company

During the Year, the management of Company further implemented the new energy security strategy featuring "Four Revolutions and One Collaboration" grasped the new situation, strived to promote the high-quality development of new energy companies, and maintained steady development in all aspects of operations and management, safe production and legal compliance. The management of the Company faithfully fulfilled its duties and responsibilities as stipulated in the Articles of Association and earnestly implemented the resolutions approved by the Board.

2. Financial Matters of the Company

Members of the Supervisory Committee monitored and examined the financial management system and the financial condition and reviewed relevant financial information of the Company. Upon examination, the Supervisory Committee concluded that the Company had strictly complied with the relevant financial laws, regulations and financial policies, and that the financial management system was sound and implemented effectively; the accounting treatment was in line with the consistency principles; and the Company's financial reports gave an objective and fair view of the financial position and operating results of the Company.

The Supervisory Committee reviewed the standard unqualified audit opinion issued by Moore CPA Limited and Da Hua Certified Public Accountants (Special General Partnership) in respect of the consolidated financial statements of the Group for the year ended 31 December 2023 prepared in accordance with International Financial Reporting Standards and China Accounting Standards for Business Enterprises respectively, and raised no objection to such reports.

3. Connected Transactions

The Supervisory Committee reviewed the connected transactions between the Group and its respective connected persons during the Year, and was of the opinion that all the connected transactions complied with the relevant requirements of the Hong Kong Stock Exchange, and that the pricing of the connected transactions was reasonable, open and fair and there was not any matter prejudicial to the interests of the Company or shareholders.

4. Implementation of the Resolutions of Shareholders' General Meetings

The Supervisory Committee considered that the Board earnestly implemented the resolutions approved by the general meeting.

In 2024, the Supervisory Committee will continue carrying out its fiduciary duties to implement effective supervision on the Company, its Directors and senior management in accordance with the relevant provisions of the Company Law of the PRC, the Articles of Association, the Rules of Procedure of the Supervisory Committee and the Listing Rules; pay close attention to the production, operation and management status of the Company as well as any significant move of the Company; and continue strengthening the supervision on procedures of the Company's investment projects, so as to facilitate the profit growth of the Company and to dutifully protect the interests of all shareholders and the Company.

By order of the Supervisory Committee
Liu Liming
Chairman of the Supervisory Committee

Beijing, the PRC, 26 March 2024

Environmental, Social and Governance Report

1. ABOUT THE REPORT

China Datang Corporation Renewable Power Co., Limited ("the Company", "DRP", or collectively "the Group" or "We" with its subsidiaries), has consistently produced Environmental, Social, and Governance (ESG) Reports since 2017. This ESG Report, the seventh published by the Group, seeks to update stakeholders on the latest developments and management philosophies in ESG work. We recommend reading alongside the "Corporate Governance Report" in the annual report for a complete overview of corporate governance.

Reporting Principles

The ESG Report is prepared in line with Appendix C2 *Environmental, Social and Governance Reporting Guide* ("the Guide") to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited released by the Stock Exchange of Hong Kong Limited* ("SEHK"). In the preparation process, the principles of Materiality, Quantitative, Balance, and Consistency outlined in the Guide have been followed, with reference to the *Guidelines on Central Enterprises' Performance of Social Responsibilities* published by the State-owned Assets Supervision and Administration Commission of the State Council ("the SASAC"). Upon review and approval by the Group's Board of Directors, the ESG Report is available in both Traditional Chinese and English. In instances of discrepancy, the Traditional Chinese version will prevail.

Materiality: Through a materiality assessment process, the Group gauges the impacts of ESG topics on internal and external stakeholders, the Board of Directors decides on ESG topics, and the management guides and scrutinizes the identification and prioritization of topics by materiality;

Quantitative: Standards, methodologies, assumptions, and calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption are disclosed; KPIs in respect of historical data are measurable, and the performance of ESG policies and management systems can be evaluated and validated;

Balance: In addition to positive performance, the Report also discloses some negative indicators, and avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader;

Consistency: Any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison are disclosed.

Coverage Period

The ESG Report covers the period from January 1, 2023, to December 31, 2023 ("the Reporting Period"), encompassing the Group's headquarters, branches, and subsidiaries, unless otherwise noted. During the Reporting Period, the Group improved its ESG data collection work. Environmental KPIs included span 19 branches and all wholly-owned and controlled subsidiaries, maintaining consistency with the previous coverage period.

Note on Data

Data presented in the ESG Report is sourced from the Company's official documents, statistical reports, and compiled, aggregated, and audited environmental, social, and governance information. Historical data cited is final statistical data. Any financial data discrepancies with the annual report should default to the latter. Unless indicated otherwise, all financial figures in the ESG Report are presented in Renminbi (RMB).

Report Feedback

The Group is keen to engage with stakeholders and welcomes all constructive feedback on the ESG Report. Please reach out to us via:

Tel: (86) 10-83750601
Fax: (86) 10-83750600
Email: dtrir@china-cdt.com

2. DEEPENING GOVERNANCE REFORM TO DRIVE HIGH-QUALITY DEVELOPMENT

In 2023, committed to the core philosophy of high-quality development, we maintained an upward trajectory. As a frontrunner in China's new energy power sector, we operate green, low-carbon, and clean energy generation as our core business. Focused on comprehensive corporate governance and raising efficiency and quality, we strive to deliver safe, high-quality, and stable clean energy supplies across the society. Acknowledging the vital interests of our shareholders, employees, communities, and suppliers, we keep refining our ESG governance structure and disclosure system while developing the new energy business, thus driving group-wide sustainability.

During the Reporting Period, the Group witnessed ESG governance onto a new level within the industry, earning a 48th spot on "Central SOE ESG Pioneer 100 Index". Moving forward, we will stay committed to deepening ESG work, meeting stakeholder expectations with a prudent, rigorous, and rational attitude. Taking a firm stance, the Group will contribute to the sustainable development of society.


大唐新能源：融入ESG 蓄势新动能

来源：集团公司总部　日期：2023-11-02 15:57

被寄予厚望的新能源产业，正成为我国经济增长的“新引擎”。风电及光伏发电装机超1400万千瓦、资产总额近千亿元、项目遍布全国25个省区市的中国大唐集团新能源股份有限公司，因其“新能源”的鲜明特性，近年来逐渐受到投资者们的高度关注。

2023年9月23日，“央企ESG·先锋100指数”公布，大唐新能源成功上榜。这项以441家中央企业控股上市公司为评价对象的专项活动，对于推动央企控股上市公司治理能力、价值创造能力的提高极具意义。作为ESG理念的积极践行者，大唐新能源持续推动低碳转型发展，在高质量坚守主责主业中，坚定向绿而行。

DRP's ESG governance level remained in the forefront among listed central companies

2.1 ESG Governance

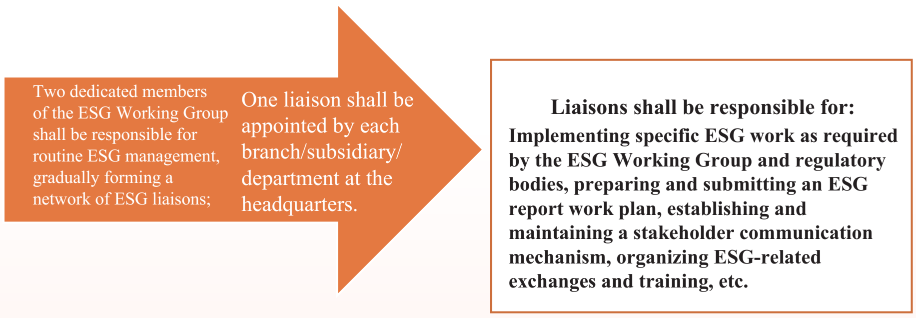
The Group persistently embeds ESG principles into management and routine operations. By refining our ESG information disclosure management system, we have developed a well-organized, data-driven ESG management structure with assurance and assessment, forming an ESG disclosure system unique to DRP. The Group will continue to enhance governance across corporate operation, energy supply, products and services, technological innovation, and supply chain management. By proactively practicing the sustainability strategy, we seek to progress further.

ESG Governance Structure

To steadily advance ESG work, the Group follows the guidelines published by institutions such as the SEHK and refers to excellent practices in the industry at home and abroad. Combining these with our corporate governance structure and supervision process, the Group has set up the Environmental, Social, and Governance Working Group to guide, supervise, and promote the compliance and implementation of ESG work according to the Group's *Measures for the Management of the Environmental, Social, and Governance Working Group.*

The ESG governance structure by December 31, 2023 is as follows

Routine mechanism of the ESG Working Group as follow:



Recognizing the importance of risk management, the Group has developed the *Measures for Overall Risk Management* to promptly identify and assess potential risks that may significantly impact the Group, including ESG risks. The Board of Directors and functional departments will formulate reasonable preventive and responsive strategies based on risk assessment results, ensuring the Group's robust operations.

Board Statement

To boost the efficiency of ESG-related decision-making and implementation, the Group has appointed the Board of Directors as the central authority for sustainability affairs. The Board assumes full responsibility for the overarching planning and advancement of ESG management, leveraging the execution capabilities of the management team and the dedication of the ESG Working Group to secure substantial progress in realizing ESG goals, spotting and managing risks, and identifying ESG materiality topics. We are also committed to continuous oversight of them to deeply embed ESG principles into our corporate strategy, thereby propelling the Company towards a more stable and sustainable future.

During the Reporting Period, the management and the ESG Working Group performed the following duties:

Management

- Developed and reviewed the Company's ESG responsibilities, vision, strategy, framework, principles, and policies, and refined the materiality assessment process to ensure ongoing execution of the Board-approved ESG policies;
- Supervised the Company's stakeholder communication channels and methods;
- Examined major ESG trends along with associated risks and opportunities, and updated ESG policies when necessary to ensure compliance with applicable laws, regulations, and regulatory requirements;
- Supervised the assessment on the environmental and social impacts of the Company's business and proposed advice to the Board;
- Reviewed and submitted the Company's annual ESG report to the Board for approval, together with proposed actions or decisions, to maintain the integrity of the ESG report.

ESG Working Group	• Regularly reported on ESG policies and data to the management, and effectively assessed the Group's ESG-related risks and opportunities; • Proposed the strategies and principles for preparing the ESG report; • Developed guidelines for ESG management, promoted their relevance to business, and improved ESG risk management and the internal monitoring system; • Made overall planning for the Group's social responsibility management, and devised both medium to long-term and annual social responsibility plans; • Established and maintained robust stakeholder communication, and conducted materiality analysis; • Promoted adherence to the latest regulatory policies within the Group; • Supervised and guided the Group's formulation of job responsibilities, working mechanisms, and approval process, reviewed the annual ESG work plan, and evaluated priority projects; • Took charge of the Group's other social responsibility tasks.

2.2 Corporate Culture

Corporate culture is pivotal to the cohesion and sustained development of our Group. In this new era, the fundamental framework of the Group's corporate culture – "Culture of Excellence" conceptual system is "4+5+1".

The "4" represents four core values of Corporate Mission, Corporate Vision, Corporate Values and Corporate Spirit: Corporate Mission is "Provide Clean Energy to Light up a Better Life"; Corporate Vision is to be a world-class energy supplier featured by "Green and Low-Carbon Development, Multi-Energy Complementarity, Efficient Synergy, and Digital Intelligence" and a leading enterprise in building a Beautiful China; Corporate Values is "Truth Seeking, Innovation, Co-creation and Sharing"; and Corporate Spirit is "Unified Efforts Toward Excellence".

The "5" is five special cultural concepts represented by Business Philosophy, Management Philosophy, Talent Philosophy, Safety Philosophy and Integrity Philosophy: Business Philosophy is "Value First, Green Growth, Innovation and Win-Win Cooperation"; Management Philosophy is "Group-based Governance, Industrialized Operation, Lean Management and Continuous Improvement"; Talent Philosophy is "Empowering Those Who Strive for Excellence"; Safety Philosophy is "Life and Safety Above All"; and Integrity Philosophy is "Practicing Integrity in All Aspects".

The "1" means the employee code of conduct: "Patriotism and Corporate Loyalty, Legal Compliance, Professional Dedication, and Efficient Synergy".

2.3 Stakeholder Communication

The Group steadfastly adheres to a transparent and open communication policy, having established robust channels for consistent engagement with both internal and external stakeholders. Through in-depth dialogue, we embrace a broad spectrum of opinions and advice, weaving these requirements and expectations into our daily management and operational processes. This approach not only drives our sustainability but also bolsters the trust and understanding stakeholders place in DRP.

During the Reporting Period, the Group held 84 investor meetings, received 507 visits from investors and analysts, conducted 25 online roadshows, and attracted participation from 209 investors and analysts across 170 institutions in our 2022 annual performance and 2023 semi-annual performance announcements.

In 2023, the Group identified internal and external stakeholders based on business and operational characteristics, including governments and regulatory bodies, shareholders, customers and partners, employees, communities and the public, and media. During the Reporting Period, the Group's stakeholder communication is presented as below:

Overview of Stakeholder Concerns and Communication Channels

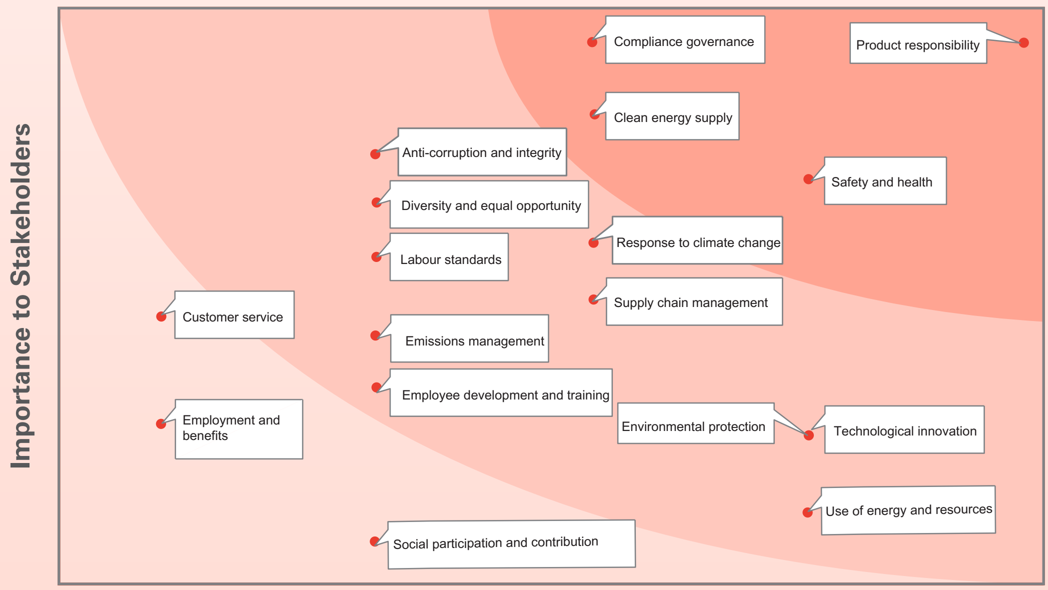
Stakeholder	Expectations and Requirements	Communication Channel
Governments and regulatory bodies	Implementing national policies, laws, and regulations Ensuring power supply Promoting local economic development Expanding employment and contributing to the society Driving industry development	Work report Regular report Policy research Cooperation negotiation
Shareholders	Return on investment Compliant operation Work safety Information disclosure transparency	Company announcement Field visit Shareholders' General Meeting
Customers and partners	Performance according to law Integrity management High-quality products and services Fair and equitable cooperation	Business communication Customer feedback Exchange and discussion
Employees	Safeguarding legitimate rights and interests Guaranteeing wages and benefits Improving communication mechanism Offering career development channels Enriching education and training	Workers' Congress Labor contract Democratic employee review Corporate culture building Employee training

Stakeholder	Expectations and Requirements	Communication Channel
Communities and the public	Improving community environment Participating in public welfare Open and transparent information	Company website Company announcement Interview Public welfare activity
Media	Prompt information disclosure Maintaining positive media relations Conveying accurate and transparent information	Press release Report preparation Proactive media dialogue

2.4 Materiality Assessment

Following the latest guidelines revised by the SEHK, the Group engaged a professional consulting firm to refine our materiality pool based on previous lists, combined with the latest developments, stakeholder concerns, global sustainability trends, and benchmarks against leading peers. Finally, 17 materiality topics for 2023 were determined by the management and the ESG Working Group. The materiality matrix for this year is illustrated as below:

Datang Renewable 2023 ESG Material Issues Matrix



Note: High materiality topics

High materiality topics and corresponding sections in the ESG Report are as below:

Aspect	Materiality Topic	Section
Environmental	Response to climate change Environmental protection Use of energy and resources Emissions management	4. Focusing on Governance to Empower a Green Economy
Social	Clean energy supply Safety and health Product responsibility Diversity and equal opportunity Labor standards Supply chain management Employee development and training Technological innovation Customer service Employment and employee benefits Social participation and contribution	3. Pursuing Compliant Operation to Spur Clean Energy Innovation 5. Regulating Employment to Support Staff Growth
Governance	Compliant governance Anti-corruption and integrity	3. Pursuing Compliant Operation to Spur Clean Energy Innovation

3. PURSUING COMPLIANT OPERATION TO SPUR CLEAN ENERGY INNOVATION

In 2023, championing the foundational goal and guiding principle of "building a world-class energy corporation", the Group was committed to developing a sound governance system and driving technological innovation. We remained unwavering in integrity, grounding our work on compliant operation and clean work style, disclosing information to the society, and responsibly ensuring stable and sustained clean energy supply.

During the Reporting Period, clean energy supply continued to grow, reaching an all-time high with a generation of 31.60776 TWh, up 9.80% from 2022, including 29.185365 TWh from wind power, up 7.44% from 2022, and 2.422395 TWh from photovoltaic power, up 49.22% from 2022. Looking ahead, the Group will further enhance the governance ability and operational system, intensify investor and stakeholder communication, and share sustained and robust growth benefits with our shareholders, the society, and employees.

3.1 Compliant and Honest Operation

In accordance with the relevant laws, regulations, and listing rules such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies of the People's Republic of China*, and the Code on *Corporate Governance Practices*, the Group keeps improving internal management to ensure managerial and operational standardization. We adhere to compliance requirements strictly with the goal of driving the Group's new energy industry towards high-quality development, relentlessly pursuing sustainability and maintaining industry leadership.

Standardized Governance System

The Group has charted the development direction according to the 14th Five-Year Plan and delved into capital operation planning to continually enhance corporate governance. We diligently implement the six responsibilities of the Board, assuming the duty of strategy formulation, execution, and risk prevention. For major project arrangements and investment decisions, we engage Directors in discussions, and fully respect and absorb their wisdom and advice. We also conduct primary-level surveys with Directors, ensuring our decision-making is lawful, scientifically sound, rational, and democratic.

The Group intensifies the procedural management of "Three Meetings and One Lecture" by scrutinizing the equity structures and "Three Meetings and One Lecture" operations in primary-level companies, and releasing a number of management measures for effective oversight. A regular reporting mechanism has also been established for Directors of our branches and subsidiaries to collect and analyze their information on this year's equity, "Three Meetings and One Lecture", and the Board and Supervisors, finally forming a summary report. During the Reporting Period, the Group rigorously followed all relevant laws and regulations, with no instances of non-compliance observed.

Comprehensive Internal Control System

The Group keeps enhancing the functions and roles of legal bodies such as the Law-based Corporate Governance Leading Group, the Compliance Management Committee, the Policy Formulation Management Committee, and the Audit Committee, ensuring a five-prolonged law-based corporate governance system that integrates internal control, risk, compliance, regulation, and policy. Therefore, we have established an internal control management network that functions in an efficient and orderly manner. Each department is staffed with dedicated personnel in charge of management policy, ensuring the full spectrum of management and the lifecycle of monitoring in internal control, risk, and compliance affairs, forming a well-coordinated internal risk prevention and control network that significantly boosts operational efficiency.

The Group has been committed to embedding compliance awareness and law-based measures into every facet of management, constantly ensuring thorough implementation of law-based governance in business operation. During the Reporting Period, the Group further refined its legal information system, continuously ensuring the digitization of our management policies and contracts. While providing employees with easy access to online inquiries and statistics, the system ensures standardized, efficient contract management through a scientific contract circulation procedure. These endeavors are a testament to DRP's steadfast dedication to compliance and rule of law, while also providing solid support for continual improvements to the Group's management mechanism.

Reasonable Information Disclosure

The Group constantly elevates the quality of voluntary information disclosures in accordance with relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, the *Administrative Measures for Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market*, and the *Rules for Information Disclosure on Debt Financing Instruments of Non-Financial Enterprises in the Inter-Bank Bond Market*. We have prepared the *Measures for the Management of Insider Information*, incorporating confidentiality management into our information disclosure system to enhance law-based governance of information disclosures.

In 2023, we issued 228 bilingual announcements on corporate performance, financial statements, monthly electricity outputs, changes in board composition, ongoing related party transactions, bond issuances, amendments to the Articles of Association, and notices for shareholders' meetings, without any breach of disclosure regulations.

By diligently implementing the requirements mandated by regulatory bodies such as the SEHK, the Group is committed to enhancing compliance management levels, ensuring standardized operations as a listed company, and strengthening management of related party transactions. In strict accordance with the regulations of the SEHK, the Shanghai Stock Exchange, and the National Association of Financial Market Institutional Investors, we timely release reports, optimize our modern enterprise system tailored to Chinese characteristics, and proactively manage risks, striving to elevate our strategic decision-making and governance capabilities.

In 2023, the Group organized compliance training sessions across multiple levels and fields at both the headquarters and all branches and subsidiaries. Leveraging rich cases, we interpreted the latest guidelines on related party transactions and information disclosure issued by regulatory bodies such as the SEHK. These sessions have significantly broadened the knowledge of ordinary employees, boosting their compliance management awareness.

In-depth Integrity and Party Governance

The Group strictly abides by relevant laws and regulations such as the *Supervision Law of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Regulations on Disciplinary Punishments of the Communist Party of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Anti-Corruption Law of the People's Republic of China*, and the Group's *Implementing Measures for Party Conduct and Integrity Accountability System* and *Implementing Measures for Employment Management of Close Relatives*. We deepen integrity and anti-corruption work and enhance supervision over integrity implementation at all levels, encouraging a high-spirited mental attitude among our workforce.

To effectively strengthen integrity and anti-corruption work, the Group abides strictly by the *Regulations of the Communist Party of China on Internal Oversight* and the *Work Rules on Supervision and Enforcement of Discipline by Disciplinary Inspection Organs of the Communist Party of China*. We have developed internal policies including the *Implementing Measures for Party Conduct and Integrity Accountability System*, the *Implementing Opinions on Intensifying Supervisory Duties*, and the *List of Supervisory Duties for the Full and Strict Governance of the Party*.

Resolutely upholding the "two responsibilities", the Group prioritizes the full and strict governance of the CPC in daily work. We have developed a list of responsibilities for full and strict governance of the CPC and further promoted effective execution of nine tasks. Meanwhile, we hold regular meetings to study and promote Party building work, and maintain a long-term mechanism for planning, deliberation, and oversight. We also conduct the primary-level Party work debriefing assessments on secretaries of the Party organizations, and link the results to performance evaluations. With enhanced capability to make sure that officials do not dare to, are unable to, and have no desire to commit corruption, we ensure synchronized progress in Party building and business development.

An Integrity and Anti-Corruption Coordination Team headed by each departmental leader has been set up, aiming to assist the Party Committee in deepening Party building, promote full and strict governance of the CPC, and organize anti-corruption work. Through regular meetings, the team adequately discusses progress, promptly identifies and addresses critical issues, and proposes feasible advice for improvements. By harnessing both internal and external professional resources and oversight capacities, the team provides holistic support to functional departments in their supervisory, disciplinary, and accountability functions. During the Reporting Period, the Group strictly observed the laws and regulations on bribery, extortion, fraud, and money laundering that may significantly impact the Group, with no instances of corruption litigation, ensuring honest and compliant operations.

To enhance anti-corruption awareness among the management and employees, the headquarters, branches, and subsidiaries have organized various anti-corruption training and promotional campaigns. Among which, the headquarters conducted an analysis of typical violation cases, watched a thematic warning education video, and visited legal education bases. Branches and subsidiaries rolled out series events, including the Integrity Culture Promotion Month and the warning education activity, in order to fully implement the guiding principles of the 20th CPC National Congress, the plenary sessions of the 20th Central Committee, and the Second Plenary Session of the 20th Central Commission for Discipline Inspection. During the Reporting Period, 16 anti-corruption training sessions were conducted, including one for the Board of Directors, eight for executive Directors, and seven for employees.

Case: DRP holds the 2023 "Constitution Promotion Week" activity

During this activity, the Group mandated the headquarters, branches, and subsidiaries to organize a variety of time-intensive and highly-engaging promotional activities to enhance study and promotion of the Constitution and laws and regulations closely related to production and operations.

Coverage of DRP's Constitution series promotional activity

Case: DRP Shanxi Branch organizes an anti-corruption warning education event in Taiyuan First Prison

To deepen integrity culture in this new era, enhance integrity and self-discipline awareness of officials, and fortify the ideological foundation of having no desire to be corrupt, on the afternoon of August 24, 2023, DRP Shanxi Branch organized officials and employees to conduct an integrity warning education activity in Taiyuan First Prison. Led by Mr. Zhang Zili, the Company's Party Committee Secretary and executive Director, this event involved nearly 50 participants, including leaders of branches, mid-level officials, and staff in critical roles.

DRP Shanxi Branch's anti-corruption warning education event

3.2 Safe Energy Supply

Providing safe and reliable clean energy services is the fundamental mission of DRP. To advance work safety, we optimize work safety policies and systems, ensuring effective performance of work safety responsibilities. Proactive steps are taken to enhance safety awareness of our workforce, guaranteeing their health and security while maintaining efficient energy supply. DRP steadfastly adheres to this pledge, contributing to the well-being of both the society and our workforce.

Compliant Work Safety

In strict accordance with laws and regulations such as the *Production Safety Law of the People's Republic of China*, the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and the *Emergency Response Law of the People's Republic of China*, and the Group's *Regulations on Work Safety* and *Measures for Emergency Management*, we diligently execute our quality and efficiency enhancement plan, ensuring effective implementation of various work safety policies.

Supervision and Management System

The Group has instituted the *Measures for the Management of Work Safety Accountability System*. Adhering to the principle that "industry overseers, business overseers, and production and operation overseers must oversee safety", we fully catalyze the effectiveness of our work safety assurance and supervision system. Responsibilities for all levels of leaders, management, engineering technicians, and departments in work safety are precisely defined, with thorough evaluations and summaries on their duty performance. In a move to bolster safety management, the Group has initiated a comprehensive inspection and rectification campaign, with a focus on enhancing the dual prevention system of controlling risks and identifying and addressing hazards, ensuring swift identification and prevention of safety risks. Weaving safety philosophy into all aspects of our work, we break down responsibilities to personnel and roles, while seeking and performing holistic oversight and active management of asset safety within our operational purview.

The Group exercises stringent supervision over safety risk assessment, evaluation, and technical monitoring in branches and subsidiaries. To ensure effective rectifications, we have introduced targeted solutions and established a hazard identification and addressing mechanism, aiming to foster a sound system that identifies, assesses, prevents, and addresses hazards. A system of listing major safety hazards for supervision has also been established to ensure problems are promptly resolved. To strengthen safety and environmental protection responsibilities, we have formulated the *Measures for Safety and Environmental Protection Accountability*, and upheld the principles of truthfulness, responsibility-based punishment, and meticulous investigation of any negligence level by level, ensuring leaders at all levels earnestly perform the requirement for "one post with two responsibilities". Furthermore, leveraging the new energy big data platform, we conduct an in-depth analysis of equipment malfunctions and employ graded control by materiality for comprehensive surveillance over critical links like facilities, wind turbines, and devices. Once a problem is identified, we can assure swift formulation and execution of solutions to maintain safe operations.

Safety Responsibility Performance

The Group has meticulously organized a number of policy revisions, risk identification, and study and promotional activities, taking into account the important aspects of the actual work of the Group. These initiatives are designed to strictly and diligently assume work safety responsibilities and promote execution of safety and anti-accident measures across the board, thus constantly improving our safety level. We will ensure effective execution of these measures with a serious and diligent mindset, contributing to our work safety.

Guided by a commitment to safety, we encourage diverse activities like the Work Safety Month and the Work Safety Journey to heighten organizational awareness and emphasis on work safety. We adopted specific measures such as employing all-staff work safety exams, educational films, and case study analyses to elevate safety responsibility consciousness across our workforce. These initiatives are aimed at fostering a secure and conducive working environment for our sound and sustainable development.

3.3 Responsible Products and Services

Embracing a "Quality First" philosophy, DRP consistently supplies society with safe and efficient clean energy. The Group adheres strictly to laws and regulations relating to renewable energy, such as the *Product Quality Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, and the *Renewable Energy Law of the People's Republic of China*, and those relating to advertising, such as the *Advertising Law* and the *Anti-Unfair Competition Law of the People's Republic of China.* We uphold stringent quality controls over energy supply and disclose accurate and transparent information about our products and services, safeguarding customers' right to know and rejecting misleading advertising. During the Reporting Period, no complaints were reported about the energy and services.

The Group observe strictly laws and regulations such as the *Copyright Law of the People's Republic of China*, the *Regulation on the Implementation of the Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Regulation on the Implementation of the Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Regulation on the Implementation of the Trademark Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, the *Law on Promoting the Transformation of Scientific and Technological Achievements of the People's Republic of China*, and the *Regulations on the Protection of Computer Software*. We bolster independent innovation, recognize intellectual resources as our foremost asset, and encourage innovation to boost our core competitiveness and sustainability capabilities.

Meanwhile, the Group resolutely safeguards customer privacy and our trade secrets. To maintain confidential security without compromising operational efficiency, we have adopted comprehensive confidential strategies, covering critical links such as internal networks, communications systems, archive management, promotion management, and external exchanges and cooperation. Particularly, the Group has conducted cybersecurity offensive and defensive drills, continuously monitored the operations of situational awareness, cloud defense, and other protective systems, fine-tuned the configurations of servers and office computing terminals, and maintained an on-duty and zero reporting system. During the Reporting Period, the Group adhered strictly to laws and regulations concerning advertising and labeling of products and services, customer privacy, among others, thereby maintaining a record of zero cybersecurity incidents.

3.4 Technological Innovation

We ardently believes that technological innovation is the cornerstone propelling us forward. To guarantee the compliance of technological innovation activities, the Company strictly abides by laws and regulations like the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. We have also developed the Measures for Intellectual Property Management, aiming to regulate the management of technological innovation outcomes, bolster our capabilities in independent R&D and innovation, and provide robust IPR support for our long-term growth.

We maintain a vigilant eye on the pulse of cutting-edge technology, actively engaging in the exploration and research of new business areas. Leveraging our dominant position in the new energy sector, we have designed and implemented a series of pilot projects, aimed at solving technological challenges and transitioning technological achievements into practical applications.

Additionally, we harness our expertise in managing new energy assets by organizing symposiums and workshops to address common equipment issues, demonstrating our strength and value as a specialized new energy producer. Such endeavors not only boost our operational efficiency but also propel the development and progress of the new energy industry forward.

By the end of the Reporting Period, the Group had reaped substantial innovation achievements, securing 116 patent applications and 112 patent authorizations.

Patent Certificates of DRP Gansu Branch, and Yunnan Branch

3.5 Sustainable Supply Chain Management

Our standardized procurement management mechanism is central to the Group's safe and stable clean energy and services. To prevent procurement risks and boost efficiency, the Group rigorously complies with laws and regulations such as the *Bidding Law of the People's Republic of China*, and have formulated internal policies such as the *Procurement Management Regulations*, the *Measures for Supplier Management*, and the *Measures for Bidding Management*. These guidelines aim to stringently manage the procurement process, forming a beneficial cooperative relationship.

The Group operates under "centralized management with three-level review" for procurement activities. This approach ensures authorization at all three levels through unified planning, procedures, and platforms. Furthermore, we enforce strict evaluations and penalties for internal procurement activities, with measures taken against entities and individuals responsible for losses or adverse impacts. Entities found liable are required to rectify within a prescribe time limit, with their actions factored into performance appraisals according to our standards.

In managing all suppliers, we adhere to principles of "openness, fairness, and impartiality", along with "honesty, centralized oversight, tiered execution, continuous assessment, and the promotion of excellence while eliminating substandard performers". To ensure the quality and reliability of suppliers, we conduct stringent access evaluations on their basic conditions, qualifications, reputation, service capability, and performance capability according to our actual procurement needs.

Following a "user-responsible evaluation" principle, the Group conducts regular and dynamic comprehensive assessments of supplier performance. In this process, should any supplier exhibit issues such as lack of integrity, quality concerns, delays, insufficient service, or other violations, we meticulously evaluate the severity of the misconduct and implement appropriate measures. Such suppliers must then assume responsibility for their breaches, collaborate in detailed investigations to identify root causes, and develop and execute corrective plans.

In addition, the Group attaches great importance to suppliers' social responsibility and environmental impact, enforcing strict standards for their management and selection. We encourage our suppliers to adopt eco-friendly services and products, thereby promoting sustainability.

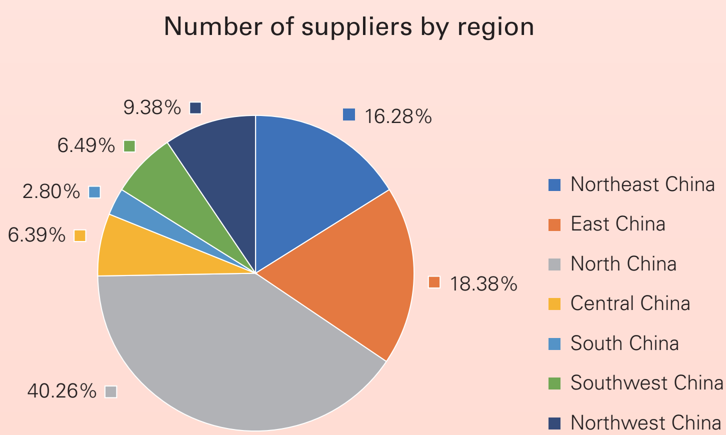
- A holistic approach to strengthen supplier management in the procurement process: We enforce stringent supplier management across the procurement process through completeness and authenticity reviews of supplier registration information, thorough analyses of our existing supplier database, rigorous oversight in the bidding review process, and comprehensive evaluations of supplier performance capabilities prior to selection.

- Regular comprehensive supplier evaluations to ensure supply chain stability and efficiency: Leveraging our management platform, we systematically create and maintain supplier profiles to ensure their accuracy and completeness. We regularly organize dynamic assessments of supplier performance, with opinions and feedback from procurers taken into account, including participation in procurement activities and contractual performance. Such assessments cover diverse dimensions, including delivery timeliness, service satisfaction, operational efficiency, and response speed, all to uphold the objectivity and fairness of our evaluations.

- Ongoing improvements in supplier non-compliance management: Through a special campaign on supplier scrutiny and governance, we take strict action against suppliers found engaging in bid rigging, colluded bidding, falsification, or other actions that disturb the procurement order according to laws and regulations, serving as a deterrent and a means to create a cleaner marketplace.

By the end of the Reporting Period, the Group had boasted 1,001 suppliers, all up to our standards. Here is the breakdown of suppliers by region for 2023:

Number of suppliers by region	2023
Northeast China	163
East China	184
North China	403
Central China	64
South China	28
Southwest China	65
Northwest China	94



4. FOCUSING ON GOVERNANCE TO EMPOWER A GREEN ECONOMY

The Group steadfastly champions green, low-carbon, clean energy generation as its core business, aligning closely with the 14th Five-Year Plan and our commitment to high-quality development. We contribute positively to the national carbon peak and carbon neutrality goals, keenly seizing market opportunities and taking initiative to drive new breakthroughs in our independent development projects.

In partnership with various regions, the Group scientifically plans and implements clean energy projects such as transforming deserts, Gobi, and wastelands, large-scale bases, and offshore wind farms. We continually optimize resource distribution and intensify early-stage efforts to ensure these projects progress smoothly. Our investment decisions are made with precision and efficiency, leading to the careful organization of investment plans and cooperative programs. This approach not only improves our comprehensive governance but also enhances the quality and efficiency of our operations, thereby increasing the competitiveness of our core business.

As a forerunner and leader in the clean energy sector, the Group remains committed to ecological civilization and green development. We are keen on spreading energy-saving and carbon-reducing knowledge to foster a sustainable, low-carbon future. Moving forward, we will capitalize on our strengths to firmly support for the realization of carbon peak and carbon neutrality goals, aiding the Group in achieving its vision to become a world-class energy supplier featured by green and low-carbon development, multi-energy integration, efficient synergy and digital intelligence.

4.1 Response to Climate Change

The Group is well aware of the potential impacts of climate change on business operations. During the Reporting Period, we continued to use the TCFD[1] framework to conduct an in-depth review and analysis of climate-related risks and opportunities within our business operations. This involved refining our governance structure, adjusting strategies, strengthening risk management, and setting key indicators and objectives. Upon adequate identification and analysis, we have proactively developed a suite of policies aimed at effectively navigating the challenges presented by climate change, while capitalizing on the opportunities to enhance our enterprise value.

➢ Governance

As the central decision-making body for ESG management, the Board places a high priority on climate change. To proactively manage the potential risks it poses to operations, the Board has authorized the ESG Working Group to conduct an extensive identification and analysis of climate risks. Tasked with crafting strategies for adaptation, establishing clear objectives, and creating a framework for risk management, this working group presents its recommendations to the Board for review. To guarantee successful execution, the ESG Working Group regularly monitors progress towards these goals, making timely adjustments to align with evolving regulatory landscapes and international norms. In addition, the ESG Working Group coordinates departments to ensure effective execution of climate-related policies and objectives, and regularly reports on overall progress to the Board.

1 The full name of the TCFD is Task Force on Climate-Related Financial Disclosures.

➢ Strategy

As a leader in the clean energy sector, the Group diligently implements the national strategies for achieving carbon peak and carbon neutrality. We proactively align with the *14th Five-Year Plan for Modern Energy System* issued by the National Development and Reform Commission and the National Energy Administration. Tasked with addressing climate change in daily operations, we seize the swift expansion opportunities in clean energy like wind and solar power. Through ongoing optimization of our asset structure, we are committed to green and sustainable operation, fostering high-quality development and contributing to the establishment of a modern energy system that is clean, low-carbon, safe, and efficient.

Embracing a diversified strategy to secure more resources, the Group enhances grasp of project resources through various channels such as regional cooperation, independent development, and M&A plans. The Group keeps a vigilant eye on the 14th Five-Year plan for new energy across provinces and regions to guarantee a seamless integration with national policies and collaboration with primary-level companies for a smooth access to project resources in early stages. Furthermore, our active participation in selecting and competing for offshore bases is geared towards catalyzing breakthroughs and growth in the development of offshore wind power projects.

Our commitment extends to advancing cutting-edge and forward-looking planning and research. In light of the swift technological evolution and innovation in the new energy sector, we focus on the growth of emerging areas such as far-reaching offshore wind farms, floating photovoltaics, energy storage technology, smart energy, urban integrated energy, and hydrogen energy. Our new energy subsidiaries stay at the vanguard of technological trends and deepens planning and research into new business forms. Leveraging our industrial strength, we plan and propel the development of pilot projects. Through these endeavors, we boost the Group's capabilities in technological breakthroughs and commercialization of technological achievements.

Our initiatives encompass:

- Creating a sound security supervision and risk prevention system, implementing safety responsibilities for all staff, setting up a three-level security supervision network, and conducting regular checks and remediations for hazards;

- Boosting the engagement of all employees in electricity marketing, sustaining grid-based" marketing, and actively seeking new customers and transactions;

- Intensifying management, optimizing control efficiency, and increasing the effectiveness of spot market transactions;

- Implementing measures to enhance the quality and efficiency of wind turbines, reinforcing equipment management, boosting turbine health, and effectively minimizing downtime-related power losses;

- Gaining a comprehensive understanding of operational development, making plans in advance, actively expanding resource reserves, and embracing growth in both wind and photovoltaic power;

- Enhancing funds management, widening financing channels, innovating financing methods, and slashing costs associated with financing and financial operations through short-term and long-term measures;

- Investigating and conducting carbon asset trading and management, low-carbon system building, energy-saving and carbon reduction, low-carbon investment, and green finance;

- Driving technological innovation and breakthroughs in the new energy sector, and bolstering digital operations and control with cutting-edge technology.

➢ Risk Management

The Group abides by laws and regulations such as the *Work Safety Law*, the *Emergency Response Law of the People's Republic of China*, the *Measures for the Administration of Contingency Plans for Work Safety Accidents of the People's Republic of China,* the *Guide for Production and Operation Entities to Make Emergency Response Plans for Work Safety Incidents,* the *Guide for Power Enterprises to Make Emergency Response Plans*, and the *Guiding Opinions on Integrating and Strengthening Efforts in Climate Action and Ecological and Environmental Protection*, and administrative measures such as the *Measures for the Administration of Contingency Plans for Emergencies*, the *Overall State Emergency Response Plans*, and the *Procedures for Reporting and Investigating Production Safety Accidents and Environmental Incidents*. Combined with geographical and climatic characteristics of our project sites, we have identified potential risks related to climate change, formulated a list of potential risks and various emergency response plans, and increased investments in security equipment and measures, safeguarding our employees and equipment amid climate change-related risks.

Case: DRP Beijing-Tianjin-Hebei Branch organizes work safety training for employees

To regular the work safety training, elevate safety qualities and skills of all staff, enhance their safety awareness and protective ability, mitigate occupational hazards, and prevent accident injuries, DRP Beijing-Tianjin-Hebei Branch organized regular work safety training for employees in 2023. Through training, employees have become well-acquainted with the Company's work safety regulations and equipped with essential occupational skills and work safety knowledge, raising their accident prevention and emergency response capabilities and overall safety proficiency.

All-staff work safety training at DRP Beijing-Tianjin-Hebei Branch

Case: DRP Inner Mongolia Branch conducts an emergency drill for flood and severe convective weather

Background: At the Taihe Wind Farm, torrential rains caused substantial water buildup at the booster station, flooding the 35kV cable trench. Wells and ditches were overwhelmed, resulting in waterlogging from the accumulating rainwater.

Purpose: To swiftly and effectively manage incidents such as transmission line damage, short circuits, tower or house collapses, and water infiltration caused by high winds, heavy rain, and severe convective storms, to avoid unit shutdowns and personal injuries caused by above reasons, refrain from or minimize economic and social impacts from heavy rain, and safeguarding personnel, equipment, and the power grid.

Outcome: Upon a timely, thorough, and precise grasp of the situation, this drill instructed the involved entity to manage flood and severe convective weather and enhance employee awareness on disaster prevention and mitigation.

Disaster weather drill at DRP Inner Mongolia Branch

➢ Directive and Objective

As a responsible energy supplier, the Group is focused on promoting high-quality clean energy supply and continuously improving internal management to achieve energy-saving and consumption reduction, while minimizing our environmental and climate impact. In the face of escalating climate change and sudden natural disasters, taking into account local climate and geographical characteristics, our branches and subsidiaries have crafted feasible emergency plans to bolster emergency response and handling capabilities, thus minimizing losses caused by climate-related disasters on personnel and assets.

By the end of the Reporting Period, the Group's controlled installed capacity stood at 15.41872 GW, marking a year-on-year increase of 1.22535 GW. New energy represented 100% of our generation mix, with 31.60776 GWh produced during the Reporting Period, up 2.820732 GWh from the previous year, equivalent to saving 9.53 million tons of standard coal and reducing 18.026 million tons of carbon dioxide emissions[2].

Hebei Shandianhe Wind Farm

Beijing Qinghuiling Wind Farm

[2] Calculation based on the electricity emission factor of 0.5703t/MWh for CO_2 according to the *Notice on Doing a Good Job in 2023 – 2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises* issued by the Ministry of Ecology and Environment of China on 7 February 2023.

4.2 Environmental Protection

The Group abides by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Water and Soil Conservation Law of the People's Republic of China*, the *Law on Conserving Energy of the People's Republic of China*, the *Law on Prevention and Control of Pollution From Environmental Noise of the People's Republic of China*, the *Law on Environmental Impact Assessment of the People's Republic of China*, the *Volume Limit for Noise in Construction Site*, the *Administrative Measures for Ecological and Environmental Protection*, and the *Procedures for Reporting and Investigating Production Safety Accidents and Environmental Incidents*. We rigorously oversee the enhancement of risk management for ecological and environmental protection across the Group. This includes establishing and refining a mechanism for identifying and addressing hazards that operates effectively, and making clear major risks and hazards in ecological and environmental protection to prevent, coordinate, and address major ecological and environmental and their impacts.

With a profound understanding of national and industry-specific environmental protection policies and strict compliance with relevant legal requirements, the Group conducts a thorough review and optimizes internal systems, plans, objectives, and measures. We are dedicated to improving our ecological and environmental management mechanism and clearly defining responsibilities to ensure effective execution of all initiatives. Meanwhile, we actively build a scientific and efficient system for ecological and environmental protection management, motivating our branches and subsidiaries at all levels to better perform their environmental stewardship duties.

Upon receiving annual environmental directives and key tasks from the headquarters, our branches and subsidiaries at all levels demonstrate a high degree of responsibility and execution, diligently following established requirements to advance their work. To ensure our employees are well-versed in environmental regulations, we have developed a detailed annual environmental training plan and conduct regular training sessions, keeping our staff updated on the latest environmental regulations for implementation.

The Group places a premium on environmental information reporting, mandating timely, accurate, and comprehensive reporting of essential details like time, location, course of event, response action, and outcome. This effort is intended to bolster environmental oversight and the formulation of countermeasures for environmental protection. In addition, we link environmental incidents to the assessments of responsible entities, ensuring they take concrete responsibility, which in turn helps continuously elevate the Group's overall environmental protection capability.

Case: DRP Yunnan Branch organizes volunteer tree planting

DRP Yunnan Branch launched a "Volunteer Tree Planting for a Low-Carbon Future" event in Wenbishan Wind Farm. Through this activity, while applying the philosophy that "lucid waters and lush mountains are invaluable assets", DRP Yunnan Branch bolstered mental cultural and practical competencies of the young staff. By achieving the dual objective of helping others and fostering personal growth, the branch has empowered youth development with volunteerism and instilled a vibrant culture of volunteering.

Volunteer tree planting event at DRP Yunnan Branch

4.3 Emissions Management

The Group strictly complies with laws, regulations, and policies such as the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Water Pollution Prevention and Control Law of the People's Republic of China*. Throughout our production and operational processes, we rigorously control the generation and emission of various pollutants, employing diverse strategies to effectively minimize emissions. This ensures that our emissions are efficient and compliant, producing the least possible impact on the environment.

Dedicated to providing society with clean energy, the Group embraces 100% new energy generation, primarily from wind power. Wind power, a clean energy source, operates without generating pollutants such as wastewater, exhaust, or dust, thereby eliminating pollution to the air and environment at project locations and adverse effects on local water resources, such as surface and groundwater. Although minimal emissions arise during our operations, these are predominantly linked to routine activities. To address this, we have established and strictly enforced policies targeting a reduction in the emission intensity of exhaust gases, greenhouse gases, and waste. Our continuous efforts aim to diminish the production of emissions and uphold our steadfast dedication to environmental stewardship.

Exhaust Emissions

During the Reporting Period, the Group's primary sources of air pollution stemmed from exhaust of vehicles on official duties, containing nitrogen oxides, sulfur dioxide, and other pollutants. To effectively mitigate the emission of these air pollutants, we have adopted the following measures:

1. During construction, we adopt nationally recommended energy-saving machinery and transport vehicles to diminish exhaust emissions. For the purpose of environmental stewardship, we bolster maintenance and servicing of these vehicles, strictly prohibiting the use of any malfunctioning construction machinery or transport vehicles. In addition, for equipment that emits a significant amount of exhaust and pollutants, we install exhaust purification devices to lower the concentration of pollutants, ensuring our construction activities are eco-friendly and sustainable.

2. To further enhance the management of our vehicles on official duties, we enforce a mothballing monitoring system. Relevant departments are mandated to intensify their mothballing management during holidays, followed by thorough inspections post-holiday afterward to ensure precise mothballing. Moreover, we maintain a log of vehicle mileage to better monitor the usage of these vehicles. Through these measures, we aim to ensure the rational use and effective management of vehicles on official duties.

Vehicle pollutant emissions	Unit	2023	2022
Nitrogen oxides	Ton	**11.84**	5.93
Sulfur oxides	Ton	**0.03**	0.04
Carbon monoxide	Ton	**17.77**	20.02
PM2.5	Ton	**0.31**	0.10
PM10	Ton	**0.35**	0.10

GHG Emissions

The Group specializes in clean energy generation, an eco-friendly process without consuming fossil fuels. GHG emissions during the Reporting Period stemmed primarily from vehicle exhaust and the use of outsourced electricity in production.

GHG emissions	Unit	2023	2022
Total amount of Scope 1 GHG emissions	Ton	**7,103.47**	6,589.80
Intensity of Scope 1 GHG emissions	Ton/RMB million	**0.55**	0.53
Total amount of Scope 2 GHG emissions	Ton	**102,757.83**	91,360.98
Intensity of Scope 2 GHG emissions	Ton/RMB million	**8.03**	7.31
Intensity of Scope 1 & 2 GHG emissions	Ton/RMB million	**8.58**	7.84

Waste Emissions

The Group puts a high priority on the management of waste emissions to prevent environmental pollution, abiding by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Land and Resource Protection Law of the People's Republic of China*, the *Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, the *Emergency Response Law of the People's Republic of China*, the *Measures for the Management of Duplicate Forms for the Transfer of Hazardous Wastes*, the *Water Pollution Prevention Law of the People's Republic of China*, and the *Law on the Prevention and Control of Soil Pollution of the People's Republic of China*. We have also issued the *Notice on Strengthening the Management of Unorganized Emissions* and the *Notice on Further Enhancing the Management of Emergency Environmental Protection Management*. By thoroughly identifying and addressing hazards in safety and environmental protection, we ensure safety measures are effectively implemented. To bolster waste management, we have devised detailed plans and clearly defined responsibilities at all levels, ensuring waste is managed in a compliant and orderly fashion. We are committed to minimizing environmental impact and advancing our environmental protection to new heights.

In all our wind farm and photovoltaic station projects, we conduct thorough monitoring and assessments to ensure their environmental protection facilities are fully functional and their emissions comply with national legal and regulatory standards. During the Reporting Period, we adhered to all important regulations related to pollutant emissions, without any violations. We are committed to maintaining environmental safety and promoting sustainability as part of our long-term social responsibility.

The waste generated through our construction projects and daily operations is categorized into non-hazardous domestic waste, which is environmentally benign post-disposal, and hazardous waste, including waste oil, used filters, waste oil drums, spent lead-acid batteries, and hazardous construction materials.

To properly treat hazardous waste, the Group has devised an emergency response plan for hazardous waste and conducted regular drills to enhance our emergency responses. Additionally, we have established and organized an annual training plan for hazardous waste management to improve our staff's professional quality and response capabilities in managing hazardous waste.

The following measures are adopted in waste treatment:

Non-hazardous waste:

1. Each branch or subsidiary must treat domestic waste in a centralized, classification-based, and proper manner as required by the local environmental protection authority,

2. Solid waste must be stored strictly as required, and storage facilities shall be well-equipped to prevent exposure to rain, leaks, dispersion, and loss, ensuring environmental safety.

3. Each project department must establish a sound management ledger for solid waste and perform regular checks to ensure rigorous oversight and warehousing. The Safety Supervision Department oversees the warehousing and inspection of solid waste for adherence to regulations. The Planning and Marketing Department is responsible for auctioning off used materials for proper disposal.

4. Storage facilities for solid waste must meet fire safety standards, including the mandatory installation of fire extinguishers and other firefighting resources, to prevent from fires and other accidents. For hazardous waste, special precautions are in place to keep away from any harm to the environment or public health.

Hazardous waste:

1. Each facility shall appoint designated personnel to prepare hazardous waste policy, training materials, ledger statements, and other related documents, and create a sound management ledger for hazardous waste.

2. Such ledger shall detail hazardous waste by name, type, and quantity, ensuring consistency with actual inventory in our hazardous waste facility and monthly data reported to the environmental protection department's hazardous waste management platform.

3. All wind farms and photovoltaic power stations shall rigorously follow the hazardous waste transfer plan, fill in the paper duplicate form of hazardous waste transfer, and report relevant data on the environmental protection department's hazardous waste management platform, ensuring data precision and uniformity.

Wastewater pollutants:

1. For proper wastewater disposal at all facilities, we must accurately identify the sources generated from production and cleaning processes and ensure they are directed into designated sewage pipes in compliance with regulations. High-concentration waste liquids are stored in designated areas and disposed by a qualified agency to ensure environmental safety.

2. Unauthorized wastewater pipe flushing is strictly prohibited, with necessary operations requiring prior approval from the higher authority, accompanied by essential environmental safeguards, to prevent adverse environmental impact.

3. Regular monitoring and maintenance of sewage facilities are required at each facility to ensure they operate normally at adequate capacities. Excessive wastewater accumulation that compromises drainage must be reported immediately to a professional sewage treatment agency for emergency disposal to avoid sewage overflow from environmental contamination.

4. Waste like used oil and leftover food is banned strictly from being poured into sewage pipes, aiming to preserve both smooth pipes and environmental hygiene. Additionally, the use of phosphorus-based cleaning agents for washing dishes is prohibited to minimize aquatic pollution.

5. Prompt disposal of domestic waste is also an important measure in preventing water pollution. Each facility shall enhance domestic waste management to ensure proper treatment, preventing runoff pollution into waterways.

6. Regular inspections and assessments at all sites ensure the effective operation of our water and soil conservation and environmental protection facilities. Mismanagement resulting in facility damage or pollution is addressed according to the safety and production reward and punishment system of each branch or subsidiary, aiming to uphold dour commitment to environmental stewardship and sustainability.

Waste emission indicator	Unit	2023	2022
Sewage discharge			
Compliant industrial wastewater discharge	Ton	**7,099.39**	6,312.00
Amount of non-hazardous waste generated			
Total amount of general industrial solid waste	Ton	**51.65**	45.92
Domestic waste	Ton	**395.44**	351.58
Other non-hazardous waste	Ton	**32.66**	29.04
Total amount of non-hazardous waste generated	Ton	**428.09**	426.53
Intensity of non-hazardous waste	kg/RMB million	**35.43**	34.12
Amount of hazardous waste generated			
Total amount of hazardous waste generated	Ton	**170.56**	135.31
Intensity of hazardous waste	kg/RMB million	**14.12**	11.64

4.4 Use of Resources

The Group strictly complies with laws and regulations such as the *Energy Conservation Law*, the Water Law, and the *Clean Production Promotion Law*, contributing to our vision to become a world-class energy supplier featured by green and low-carbon development, multi-energy integration, efficient synergy and digital intelligence, and a leading enterprise in building a beautiful China. During the Reporting Period, we successfully sourced operational water via municipal networks without any challenge. Further, no packaging materials were used in our products and services. Following an in-depth internal review, we have fine-tuned our resource utilization efficiencies to ensure both efficient energy utilization and minimal waste.

The Group prioritizes daily management in office spaces. Through upgrades in energy-saving technologies and operational devices, we boost energy efficiency. The Group has developed policies such as the *Energy-Saving Management System* and the *Standards for Monitoring Energy-Saving Technologies* to urge and guide employees in rational use of energy and resources during daily office activities. To implement our green development philosophy, we have adopted the following measures:

1. Energy-saving and consumption reduction: Practical steps are required to minimize energy consumption. Firstly, we reduce use frequencies of air conditioning, maintain indoor temperature no less than 26℃, and refrain from operating air conditioning with open doors or windows. Secondly, we advocate for energy-efficient lighting and make sure lights are off when premises are vacated. Thirdly, we regulate temperature settings in office and rest areas, standardize the use of electric heaters, and develop energy-saving policies. Lastly, we configure computers to auto sleep or standby mode and perform shutdown checks after business hours. Through these initiatives, we contribute to saving energy and reducing emissions.

2. Waste paper recycling: We champion duplex printing, paperless digital office, and the use of electronic documents and emails to streamline processes, enhance efficiency, and cut down on resource waste.

3. Water conservation: To ensure rational water use and minimize waste, we enforce strict checks for leaking faucets and encourage staff to use personal bottles, lessening reliance on disposable cups. We recommend selecting efficient settings on water heaters to conserve energy. These initiatives contribute to our goal of fostering an energy-saving and eco-friendly enterprise.

4. Awareness of frugality: We implement the "Clear Your Plate" campaign and promote the "Civilized Dining Table" philosophy. Resolutely eliminating food waste, we advocate for healthy and civilized eating habits, working together to cultivate a sustainable and green dining culture.

5. Repair and repurpose: We mainly repair critical equipment such as wind turbine UPS, motors, and IGBTs and repurpose materials replaced during technological upgrades to save energy, reduce emissions, cut down production costs, and bolster our workforce's professional technical abilities.

2022–2023 Use of Resources and Energy[3, 4]

Indicator for use of resources and energy	Unit	2023	2022
Gasoline	L	**2,887,102.41**	2,566,894
Diesel	L	**258,457.19**	229,792
LNG	m^3	**37,584.21**	33,415.75
Total direct energy consumption	MWh	**29,874.37**	26,560.86
Intensity of total direct energy consumption	MWh/RMB million	**2.33**	2.12
Outsourced electricity	MWh	**105,424.08**	104,305.98
Electricity consumed by power plants	MWh	**56,067.19**	55,892.12
Total indirect energy consumption	MWh	**161,491.27**	160,198.10
Intensity of total indirect energy consumption	MWh/RMB million	**12.61**	12.81
Total water consumption (municipal supply)	Ton	**189,249.87**	168,260.20
Intensity of total water consumption	Ton/RMB million	**14.78**	13.46

3 The statistical caliber of the use of resources and energy for the year is the Group and all branches, which is consistent with the statistical caliber of 2022. The parameters used for the calculation of direct energy consumption are based on the Guidelines for the Compilation of Provincial Greenhouse Gas Inventories issued by the Department of climate change under the National Development and Reform Commission and the China Greenhouse Gas Inventory Research issued by the office of the National Climate Change Coordination Group and the Energy Research Institute under the National Development and Reform Commission.

4 The Group's business characteristics are not applicable to the disclosure of packaging materials in the Hong Kong Stock Exchange A2.5, so no relevant disclosure is made.

5. REGULATING EMPLOYMENT TO SUPPORT STAFF GROWTH

The Group is acutely aware of talent as the cornerstone for high-speed development. Embracing a people-first ethos, we implement the strategy of development with talent, and ensure fairness and justice in recruitment. With a high premium on the safety and health of employees, we provide a comprehensive training mechanism and focus on their growth and development. We are dedicated to fostering an equitable, just, and compassionate workplace for all.

5.1 Equal and Compliant Employment

The Group regulates the management in recruitment, dismissal, promotion, working hours, holidays, and benefits in strict accordance with laws and regulations such as the Labor Law, the Labor Contract Law, the *Labor Dispute Mediation and Arbitration Law*, and the *Employment Promotion Law*, while also combining with internal administrative measures such as the *Administrative Measures for Labor Contract*, the *Administrative Measures for Employee Rewards and Punishments*, the *Administrative Measures for Attendance of Employee*s, the *Measures for Wage Payment*, and the *Administrative Measures for Social Insurance Premiums and Housing Accumulation Funds*. Adopting a practical approach, we scientifically streamline the recruitment process for efficiency and standardization. We uphold labor discipline seriously, safeguarding the legitimate rights and interests of our employees. Moreover, we have instituted a binding and effective reward and punishment system to ensure smooth production and operational workflows.

The Group values the allocation of human resources and continually seek to enhance the efficiency and effectiveness of our recruitment process. Following a "recruitment by need, evaluation at entry" philosophy, we ensure stringent selection and evaluation of every new hire. This precision, aligned with our development and labor plans, guarantees the quality and suitability of our recruits. Throughout this process, we prioritize matching individuals to roles where they can best apply their strengths, thereby contributing to our development. Our recruitment policy, grounded in fairness, equity, and meritocracy, not only attracts external talent but also fully mobilizes internal talent, maximizing overall talent utilization. We aim to forge an effective, professional, and stable team that forms a robust foundation for sustained growth.

The Group rigorously abides by laws and regulations such as the *Law on the Protection of Minors* and the *Provisions on the Prohibition of Using Child Labor*. Should there be any cases of failure to follow procedures and lax control in the recruitment process, relevant entities and personnel shall be held accountable, thereby strictly prohibiting child and forced labor.

The Group also complies with laws and regulations such as the *Law on the Protection of Women's Rights and Interests* and the *Law on the Protection of Disabled Persons*. In the recruitment process, we ensure all links are equitable, just, and transparent, and free from discrimination based on gender, race, or belief. We champion the rights and equal opportunities of our female employees and are committed to cultivating a respectful and inclusive work environment.

By the end of the Reporting Period, the Group had hired 4,184 employees, a 0.24% increase from 4,174 in 2022, with a breakdown by gender, employment type, age, and region[5] presented below:

Total	2023
By gender	
Male employees	3,479
Female employees	705
By age	
30 or below	1,435
31 – 40	1,645
41 – 50	537
51 or above	567
By region	
Northeast China	827
North China	1,666
East China	446
Central China	109
South China	143
Southwest China	429
Northwest China	564

5 The classification is based on the method of the National Bureau of Statistics of the People's Republic of China for dividing China's economic regions into eastern, western, central and northeastern regions.

During the Reporting Period, the Group lost a total of 76 employees. The employee turnover rate[6] with a breakdown by gender, age, and region presented below:

Turnover rate	2023
By gender	
Male employees *(%)*	70
Female employees *(%)*	6
By age	
30 or below *(%)*	64
31 – 40 *(%)*	28
41 – 50 *(%)*	5
51 or above *(%)*	3
By region	
Northeast China *(%)*	7
North China *(%)*	46
East China *(%)*	21
Central China *(%)*	1
South China *(%)*	4
Southwest China *(%)*	7
Northwest China *(%)*	14

5.2 Care for Employee Health

The Group always prioritizes the physical safety and health of our employees. We strictly abides by laws and regulations such as the *Labor Law of the People's Republic of China*, the *Law on the Prevention and Control of Occupational Diseases of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*, and have developed internal measures like the *Measures for Safety Management*, the *Measures for the Prevention and Control of Occupational Diseases*, and the *Measures for the Management of Regular Employee Physical Examinations*, aiming to regulate the management of occupational safety and health.

6 Employee turnover rate: Employees in the specified category leaving employment/number of employees in the specified category at the end of the Reporting Period.

Recognizing the critical importance of their health and related rights and interests, the Group has developed the *Measures for the Management of Workplace Occupational Health*, aiming to prevent, control, and eliminate occupational disease hazards. To ensure measures are effectively implemented, we build a comprehensive and systematic framework for occupational health management, actively conducting educational and training sessions on occupational health. Meanwhile, we effectively ensure adequate funding for the prevention and control of occupational diseases, guaranteeing smooth execution of preventative actions. If insufficient funding results in adverse effects, the principal responsible person will be held accountable.

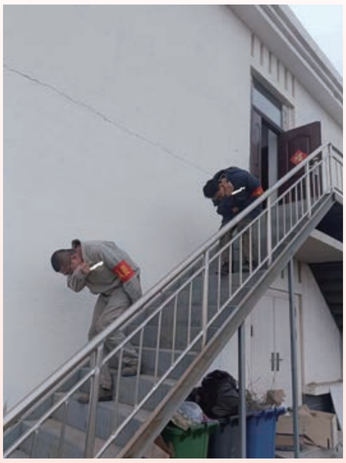
During the "Work Safety Month" campaign, the Group mobilized employee representatives in thorough safety inspections, with a focus on issues most relevant to our workforce. Employing a multifaceted approach that includes safety inspections, exchanges and consultations, and ledger checks, we further identify safety hazards at primary-level facilities. During inspections, we offered targeted recommendations for improvement and pledged to maintain vigilant follow-up, ensuring that all issues are addressed properly.

The Group prioritizes the physical and mental well-being of our employees, actively aligning with their health management needs and communications to continually enhance and broaden physical examination items. Beyond maintaining standard health screenings, we have bolstered the prevention and detection of high-risk illnesses. Furthermore, we have established a mental health counseling room and the Labor Union Chairman Reception Day. These initiatives facilitate direct engagement with our employees, promote knowledge on the prevention and control of occupational diseases, and provide psychological support. We care for their occupational health across the board, aiding employees in effectively navigating work-related stress and improving the sense of satisfaction and happiness.

Annually, we perform comprehensive audits of onsite protective facilities for occupational disease hazards and form a list. Regular inspections and maintenance of these facilities and personal protective supplies are conducted. Occupational health training is offered to principal responsible and managerial personnel involved in the prevention and control of occupational diseases. Regular training sessions are held for active employees, covering the *Law on the Prevention and Control of Occupational Diseases*, occupational hazards, the use of personal protective supplies, and emergency response knowledge, all aimed at enhancing their awareness of occupational health and safety. During the Reporting Period, we proudly achieved a 100% rate in conducting health examinations and maintaining health achieves for employees, whether they were joining, currently employed, or leaving. Notably, this year, there were no violations of any health and safety regulations that could significantly impact the Group, nor were any work-related fatalities.

During the Reporting Period, there were no violations of any health and safety regulations that could significantly impact the Group, no lost workdays due to work injuries, and no safety or health incidents, or fatalities among our workforce.

Annual figure	2023	2022	2021
Number of work-related fatalities	**0**	0	0
Percentage of work-related fatalities *(%)*	**0**	0	0

Fire extinguisher use and emergency evacuation drill

Case: DRP Beijing-Tianjin-Hebei Branch conducts occupational health training for employees

The Safety Supervision Department conducted the 2023 occupational health training for all employees via a netmeeting. Through promotional education on knowledge about the prevention and control of occupational diseases, this session aimed to heighten all-staff understanding in this domain.

Occupational health training for employees at DRP Beijing-Tianjin-Hebei Branch

5.3 Talent Development

Adopting a strategy that prioritizes talent development, the Group has developed policies such as the *Measures for the Management of Education and Training*, establishing the pivotal role of education and training in nurturing our talent pool. Following a guideline of "unified planning, uniform standards, hierarchical management, tiered responsibility", we focus on role-based training to forge a high-caliber workforce and advance training across the board. We place immense value on sustainability, conducting ESG training and promoting ESG management principles among our staff. This ensures ESG philosophy is woven into our corporate culture.

To refine our talent development mechanism, we have launched a number of talent development programs. By formulating internal policies such as the *Implementing Rules for the Management of Series of Professional Positions*, the *Measures for the Management of Experts and Talents*, the *Measures for the Management of Ranks of Employee Positions at the Headquarters*, and the *Measures for the Performance Evaluation of Employees at the Headquarters*, the Group is moving towards a more systematic, scientific, and normalized approach to talent management.

To bolster career development, the Group endeavors to offer a more scientifically grounded and rational promotion mechanism. We concentrate on developing leadership skills across all age groups, with particular attention to the nurturing of primary-level and young employees. Through the creation of an environment that is fair, transparent, and competitive, we lay the groundwork for the selection and appointment of top-tier talent.

A sound all-staff performance management and assessment system is also in place, aimed to spark their enthusiasm and creativity through effective incentives and constraints. This system allows for a more precise evaluation of individual contributions and offers accurate feedback, helping boost the Group's operational efficiency and competitiveness.

To sum up, the Group remains committed to improving both talent development and employee promotion mechanisms. By crafting an environment that is fair, transparent, and competitive, we can better manage the selection and appointment of exceptional talent. Through improvements to the all-staff performance management and assessment system, we are set on unlocking the latent potential of our employees, elevating overall performance, and solidifying the foundation for our sustained growth.

Onboarding training at DRP Guangdong Branch

Case: DRP Anhui Branch holds the "Datang Cup" Skills Competition – Skills Competition for PV Power Generation O&M Operators

In September 2023, according to its labor competition activity plan based on actual work needs, DRP Anhui Branch Labor Union held the "Datang Cup" Skills Competition – Skills Competition for PV Power Generation O&M Operators in close collaboration with professional departments. This event comprises two parts: "theoretical knowledge exam" and "skills team challenge". Through this activity, DRP Anhui Branch elevated operational proficiency of its staff, standardized the use, operation, and repair of safety instruments, enhanced employees' skills, and spurred their enthusiasm and creative potential.

"Datang Cup" Skills Competition – Skills Competition for PV Power Generation O&M Operators at DRP Anhui Branch

During the Report Period, both on-the-job and new employees achieved a 100% training participation.

Employee training participation	2023	2022
Percentage by gender		
Male employees	83%	84%
Female employees	17%	16%
Percentage by rank		
Senior management	3%	3%
Departmental heads	11%	11%
Other office workers	14%	14%
Ordinary workers and technicians	72%	72%

Average training hours	2023	2022
Average training hours by gender		
Male employees	75.02	74.18
Female employees	67.00	67.00
Average training hours by rank		
Senior management	112.00	110.00
Departmental heads	60.00	60.00
Other office workers	60.00	60.00
Ordinary workers and technicians	77.00	76.00

5.4 Employee Communication and Care

Holding fast to a people-first philosophy, the Group keeps refining the operating mechanism and regulations of the Workers' Congress, ensuring its roles are thoroughly executed. We respect and harness the role of each worker representative, protecting employee rights across the board. Moreover, democratic and integrity evaluations of specific leadership personnel are conducted to foster our sustained, healthy growth.

Championing communication with employees, the Group collects their opinions and advice via multiple channels and forms. In advancing the "Labor Union Bringing Tangible Benefits to People" campaign, we encourage specialized, constructive advice from our workforce. Utilizing discussions, surveys, and dialogues, we focus on developing a "Home for Workers" to fully understand and address practical issues for employees, creating a conducive environment.

To enrich the work and life of employees, we organize various activities to bolster team unity, including the "Strive for a Strong Start" labor competition, the "Entrepreneurship Cup" accounting challenge, and quizzes in work safety, cybersecurity, and Constitution, to broaden engagement and foster a positive culture of learning and surpassing. Sporting events like badminton and rope skipping contests solidify team cohesion and morale. Cultural initiatives, including New Year blessings and book-sharing, provide enriching experiences that satiate the employees' aspirations for a fulfilling cultural and intellectual life.

The Group applies an employee support mechanism, organizing care activities for primary-level employees during significant holidays. Special attention is paid during festivals, employee birthdays, retirements, and the passing of immediate family members. We also extend care to female employees, highlighted by the inclusion of the "H-share Listed Company Women's Innovation Workshop" in the fifth round of the Group's Employee Technical Innovation Workshops, and the "Second Entrepreneurship" exhibitions.

Case: DRP Chongqing Branch organizes cultural and sport activities

Combining with the characteristics of projects in the Business Division, DRP Chongqing Branch carried out cultural activities led by the Labor Union. This year, "Dragon Boat Festival with a Touch of Poetry", "Empowering Women" on Women's Day, "Six Ones" May 4th Youth Day, and Mid-Autumn Festival events were held. Other divisions conducted an array of engaging activities like basketball games and National Day celebrations, enriching the cultural and recreational life of our employees and strengthening their sense of unity.

Cultural and sport activities at DRP Chongqing Branch

Case: DRP Ningxia Branch holds the Women's Day special activity

On March 6, 2023, DRP Ningxia Branch hosted a special activity for female employees to celebrate the International Women's Day. The event featured three projects: "Care for Female Health" lecture, onsite visit, and fun picking, each imbued with profound significance. This event not only solidified the bond among female employees but also deepened collective appreciation of their professional and personal contributions.

Women's Day special activity at DRP Ningxia Branch

6. FULFILLING RESPONSIBILITY TO SHOW CARE FOR THE PUBLIC GOOD

In 2023, the Group steadfastly upheld its commitment to social responsibility. While fulfilling the growing energy demands with a consistent supply of clean energy, we actively responded to the national call for engaging in public welfare and consolidating the strides made in poverty alleviation. This dedication underscores our contribution towards fostering a harmonious society. We acknowledge the indispensable role of societal support and trust in our success and remain dedicated to our social responsibilities, further contributing to the prosperity and development of society.

6.1 Social Welfare

The Group strictly abides by laws and regulations such as the *Law on Donations for Public Welfare* and the *Circular of the Ministry of Finance on Strengthening the Financial Administration of the Donations Made by Enterprises*, and DRP's policies such as the *Measures for the Management of Donations*. The comprehensive oversight of fund flows is a critical part of preventing and mitigating operational risks to ensure the standardization and accuracy of our donations. During the Reporting Period, the Group allocated RMB6.33 million to public welfare.

Elderly home activity by DRP Chongqing Branch

Care for left-behind children by DRP Chongqing Branch

Case: DRP Yunnan Branch launches "Morning Star Classroom"

On June 4, 2023, DRP Yunnan Branch invited employees and their families from Qujing Dispatch Center of the Southern Power Grid to the Low-Carbon Company Open Day & Datang Morning Star Classroom activity in Langmushan Wind Farm. Volunteers showcased life-saving CPR techniques and how to use fire extinguishers, and imparted essential electrical safety tips. Through well-crafted PPT and models, students learned the principles of wind energy generation, together with electricity production, routine electricity saving tips, and safety and environmental protection knowledge. This activity has bolstered DRP's responsible, competent, and reliable image.

"Morning Star Classroom" by DRP Yunnan Branch

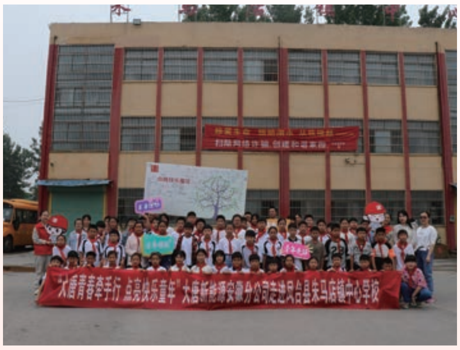
Case: DRP Inner Mongolia Branch supports the disabled students

For 13 years since 2011, DRP Inner Mongolia Branch has engaged over 2,300 employees in supporting the disabled in schooling, with donations over RMB150,000. Significant contributions of books, water purifiers, and necessities have been made, directly benefiting over 1,800 students. Volunteers from the New Energy Division of DRP Inner Mongolia Branch have promoted the spirit of Lei Feng and the ethos of supporting the disabled, embodying a central enterprise's duty and solidifying the Datang brand. A banner celebrating 13 years of committed support for the school and its disabled students was awarded to the New Energy Division.

Supporting the disabled students by DRP Inner Mongolia Branch

Case: DRP Anhui Branch initiates the “Datang Youth Hand-in-Hand” volunteer activity

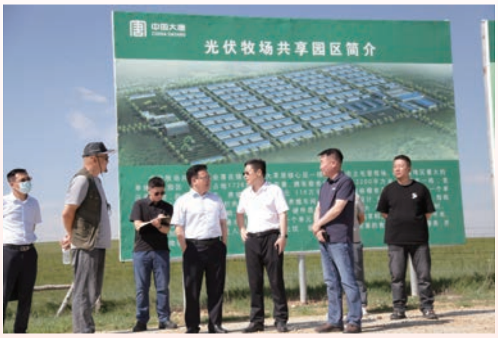
On May 30, 2023, the Youth League Committee of DRP Anhui Branch mobilized its members to conduct the “Datang Youth Hand-in-Hand” volunteer activity. All young employees engaged with teachers and students of Zhumadian Town Central School in Fengtai County in voluntary labor. They, actively serving enterprises, society, and others, emerged as a vibrant force within volunteer activities.



“Datang Youth Hand-in-Hand” volunteer activity by DRP Anhui Branch

6.2 Rural Revitalization

2023 marked the first year to faithfully implement the guiding principles of the 20th CPC National Congress. It also unveiled our faster move to build up China's strength in agriculture. This year, in active response to the national policy, we promoted our revolutionary culture, refined our distinctive assistance system, provided support for rural revitalization across the board, and fulfilled our corporate responsibility, contributing to the advancement of societal harmony.



DRP Inner Mongolia branch's zero-carbon solar farm building activity

Poverty alleviation assistance through consumption by DRP Liaoning Branch

Rooted in integrity, the Group is dedicated to responsibility and continuous innovation, steadily supplying clean energy sources to society. We are proactive in adopting energy-saving measures and rigorously fulfill our duty to environmental protection. Through compliant and efficient management, we foster a harmonious and supportive work climate, giving back to the society with our manpower and material resources. Moving forward, our commitment to social responsibility will deepen, allowing Datang's strength to further propel societal development.

7. APPENDIX

SEHK ESG Index

A. Environmental

General Disclosures and KPIs	Description		Sections
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		4.3 Emissions Management
KPIs	A1.1	The types of emissions and respective emissions data.	4. Focusing on Governance to Empower a Green Economy
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Emissions Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Emissions Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.3 Emissions Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	4.3 Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.3 Emissions Management

General Disclosures and KPIs	Description	Sections

Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		4.4 Use of Resources
KPIs	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.4 Use of Resources
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.4 Use of Resources
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.4 Use of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.4 Use of Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company's business does not apply to packaging material used for finished products
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.		4.2 Environmental Protection
KPIs	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.2 Environmental Protection
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		4.1 Response to Climate Change
KPIs	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.1 Response to Climate Change

B. Social

General Disclosures and KPIs	Description		Sections
Aspect B1: Employment			
General Disclosure	Information on:		5.1 Equal and Compliant Employment
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
KPIs	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Equal and Compliant Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Equal and Compliant Employment
Aspect B2: Health and Safety			
General Disclosure	Information on:		5.2 Care for Employee Health
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
KPIs	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2 Care for Employee Health 3.2 Safe Energy Supply
	B2.2	Lost days due to work injury.	5.2 Care for Employee Health 3.2 Safe Energy Supply
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.2 Care for Employee Health 3.2 Safe Energy Supply

General Disclosures and KPIs	Description		Sections
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		5.3 Talent Development
KPIs	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.3 Talent Development
	B3.2	The average training hours completed per employee by gender and employee category.	5.3 Talent Development
Aspect B4: Labor Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		5. Regulating Employment to Support Staff Growth
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labor.	5.1 Equal and Compliant Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Equal and Compliant Employment

General Disclosures and KPIs	Description		Sections
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.		3.5 Sustainable Supply Chain Management
KPIs	B5.1	Number of suppliers by geographical region.	3.5 Sustainable Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.5 Sustainable Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.5 Sustainable Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.5 Sustainable Supply Chain Management

General Disclosures and KPIs		Description	Sections
Aspect B6: Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1 Compliant and Honest Operation 3.3 Responsible Products and Services
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company's business does not apply to the number of products sold or shipped subject to recalls for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Compliant and Honest Operation 3.3 Responsible Products and Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.4 Technological Innovation 3.3 Responsible Products and Services
	B6.4	Description of quality assurance process and recall procedures.	The Company's business does not apply to the number of products sold or shipped subject to recalls for safety and health reasons
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.3 Responsible Products and Services

General Disclosures and KPIs	Description		Sections
Aspect B7: Anti-corruption			
General Disclosure	Information on:		3.1 Compliant and Honest Operation
	(a)	the policies; and	
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	3.1 Compliant and Honest Operation
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.1 Compliant and Honest Operation
	B7.3	Description of anti-corruption training provided to directors and staff.	3.1 Compliant and Honest Operation
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		6.1 Public Welfare 6.2 Rural Revitalization
KPIs	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	6.1 Public Welfare 6.2 Rural Revitalization
	B8.2	Resources contributed (e.g. money or time) to the focus area.	6.1 Public Welfare 6.2 Rural Revitalization

Investor Relations

I. EVENTS RELATING TO INVESTOR RELATIONS IN 2023

1. Investors' Routine Visits

During the Year, the Group always gave detailed answers to the queries raised by investors and analysts in compliance with the information disclosure rules. The Company had adequate communications and exchange of ideas with investors and analysts from a number of institutions via meetings, telephone calls, emails and WeChat. As of the end of 2023, it held 84 investor's conferences, which were attended by a total of 507 investors.

2. Results Briefings

During the Year, the Group actively organized and held online conferences for the 2022 annual results and 2023 interim results, with a cumulative attendance of 170 institutions and 209 investors and analysts. We communicated about industry development, business planning, production and operation, and other aspects.

II. OUTLOOK FOR MANAGEMENT OF INVESTOR RELATIONS IN 2024

In 2024, the Group will actively implement the State-owned Assets Supervision and Administration Commission's deployment requirements for improving the quality of central enterprises' controlling listed companies and take proactive actions to comprehensively promote investor relations management. We will continue to build multi-level communication channels with investors, closely monitor changes in shareholder structure, and establish comprehensive communication paths for both domestic and foreign investors. We will also ensure the smooth holding of regular performance release meetings and promote high-quality meetings. We will actively participate in major securities firms' summits, strategy meetings, and timely conduct roadshows and reverse roadshows. We will closely follow important policies in the new energy industry and new trends in the capital market. Based on the careful performance of regular announcement release work, we will strive to improve the information disclosure standards and continuously strengthen positive and proactive communication with the capital market. We will deepen the visibility and recognition in the capital market, increase the stock's activity, and promote the simultaneous growth of intrinsic value and market value, forming a virtuous cycle of high-quality development.

Profile of Directors, Supervisors and Senior Management

I. EXECUTIVE DIRECTORS

Mr. Li Kai, aged 57, has been an executive Director and the chairman of the Board of the Company since December 2023. Mr. Li Kai successively served as the deputy general manager and a member of the Party Committee of Jiangsu Xutang Power Generation Co., Ltd. (江蘇徐塘發電有限責任公司); the deputy director of the safety production department and the deputy director of the engineering management department, and the director of the safety production department and the director of the engineering management department of Jiangsu Branch of CDC; the head of Datang Nanjing Xiaguan Power Plant (大唐南京下關發電廠); the head of Datang Nanjing Power Plant (大唐南京發電廠); the deputy general manager and a member of the Party Group of Jiangsu Branch of CDC; the deputy director of the human resources department of CDC; the general manager and the deputy secretary of the Party Group of Guangxi Branch of CDC, Guiguan Electric Power and Longtan Hydro Power Development Co., Ltd. (龍灘水電開發有限公司); the general manager and the deputy secretary of the Party Committee of Guangxi Branch of CDC and Guiguan Electric Power, the general manager of Longtan Hydro Power Development Co., Ltd., and the director of Guangxi Planning and Development Center of CDC; the chairman, secretary of the Party Committee and the general manager of Guiguan Electric Power. Mr. Li Kai graduated from the School of Economics and Management at Nanjing University of Science & Technology, majoring in business administration, and obtained a master's degree in management. He is currently a professorate senior engineer.

Mr. Wang Fanghong, aged 51, has been an executive Director and the general manager of the Company since December 2023. Mr. Wang Fanghong successively served as the secretary to the Party Committee office of North China Electric Power University (Baoding); a staff member of the administration section of the human resources department of State Power Corporation of China (國家電力公司) and the deputy director of the development section of the human resources department of State Grid Corporation of China; the secretary to the general manager's work department and first-level staff member of the office of State Grid Corporation of China; the secretary to the general manager's work department of CDC; the deputy general manager, a member of the Party Group, the discipline inspection team leader and the chairman of the labor union of Datang Power Fuel Co., Ltd. (大唐電力燃料有限公司); the secretary of the Party Group, deputy general manager and the discipline inspection team leader of Datang Power Fuel Co., Ltd.; the chairman, the secretary of the Party Committee and the deputy general manager of Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司); the secretary of the Party Committee and the deputy general manager of Datang Shanxi Power Generation Co., Ltd. (大唐山西發電有限公司); a director, the general manager and deputy secretary of the Party Committee of Datang Shanxi Power Generation Co., Ltd.. Mr. Wang Fanghong graduated from the Department of Power Engineering of North China Electric Power College, majoring in production process automation, and obtained a bachelor's degree in engineering. He is currently a senior engineer.

II. NON-EXECUTIVE DIRECTORS

Mr. Yu Fengwu, aged 60, has been a non-executive Director of the Company since December 2021. Mr. Yu Fengwu currently serves as an appointed full-time director of a subsidiary of CDC as well as the director of Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司) (a company listed on the SSE, stock code: 600236). Mr. Yu Fengwu started his career in March 1982, served successively as the secretary of the general branch of the Youth League of Beijing Shijingshan General Power Plant, Jingxi Power Plant (北京石景山發電總廠京西電廠); secretary of the General Office of the Department of Energy (能源部); secretary of the General Office, chief staff member and deputy director of the Minister's Office of the Ministry of Electric Power Industry (電力工業部); deputy chief of the Secretariat of the General Office, deputy chief and office clerk (division-level) of the Secretariat of the General Manager's Work Department of State Power Corporation (國家電力公司); director of the Secretariat of the General Manager's Work Department of CDC; member of the Party group and deputy general manager of Datang Environmental Technology & Engineering Company Limited (大唐環境科技工程有限公司); deputy general manager, member of the Party group and chairman of the labor union of Datang Technology Industry Group Co., Ltd. (大唐科技產業集團有限公司); deputy general manager, member of the Party group and chairman of the labor union of Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (a company listed on the Stock Exchange, stock code: 1272); secretary of the Party group, secretary of the Party committee, deputy general manager, general manager and chairman of Datang Guizhou Power Generation Company Limited (大唐貴州發電有限公司); general manager and deputy secretary of the Party committee of China Datang Techno-Economic Research Institute Co., Ltd. (中國大唐集團技術經濟研究院有限責任公司); dean, and director of the educational department of the Party School of CDC Cadre Training College (大唐集團幹部培訓學院); general manager, secretary of the Party committee and executive director of Beijing Datang Xingyuan Property Management Co., Ltd. (北京大唐興源物業管理有限公司). Mr. Yu Fengwu graduated from the School of Business Administration of North China Electric Power University, majoring in technical economy and management, and obtained a master's degree in management. He currently serves as a senior economist.

Ms. Zhu Mei, aged 57, has been a non-executive Director of the Company since January 2023. Ms. Zhu Mei is currently a full-time director assigned to subsidiaries of CDC. Ms. Zhu Mei started her career since August 1988, and successively served as a teacher at North China Power Administration Bureau University for Staff* (華北電管局職工大學); an economist of comprehensive planning department of North China Power Group Company* (華北電力集團公司); the head of the capital market department of Beijing Datang Power Generation Co., Ltd.* (北京大唐發電股份有限公司); an investment planning director of the comprehensive planning department of North China Grid Company Limited* (華北電網有限公司); a staff member of the capital operation office of the development and planning department of CDC; a staff member and the deputy director of the capital operation office of the planning, investment and financing department of CDC; the deputy director and director of the capital operation office and the director of securities finance first office of capital operation and assets management department of CDC; deputy general manager, secretary of the board of directors, joint company secretary and authorised representative of Datang Environment Industry Group Co., Ltd.* (大唐環境產業集團股份有限公司) (a company listed on the Stock Exchange, stock code: 1272); and the deputy general manager of China Datang Corporation Capital Holding Co. Limited (中國大唐集團資本控股有限公司). Ms. Zhu Mei graduated from the investment department of Renmin University of China, majoring in investment economics, and obtained a master's degree in economics; and then graduated from the faculty of engineering of University of Waterloo in Canada, majoring in information system management, and obtained a master's degree in applied science. She is currently a senior economist.

Mr. Wang Shaoping, aged 46, has been a non-executive Director of the Company since April 2023. Mr. Wang Shaoping is currently the deputy director of Financial Department of CDC. Mr. Wang Shaoping started his career in March 2008, and successively served as the assistant of plant manager and director of financial department, the chief accountant of Datang Weihe Thermal Power Plant (大唐渭河熱電廠); the deputy general manager of Datang Binchang Power Generation LLC (大唐彬長發電有限責任公司); the secretary of Party Committee and the plant manager of Datang Weihe Thermal Power Plant; the secretary of Party Committee and the deputy general manager of Datang Binchang Power Generation LLC; a member of the preparation group of China Datang Corporation Intelligent Energy Industry Co., Ltd. (中國大唐集團智慧能源產業有限公司); the deputy director of Yunnan-Guizhou Development Planning Centre of CDC, a member of the Party Committee of Datang Yunnan Power Generation Co., Ltd. (大唐雲南發電有限公司) and a member of the Party Committee of Datang Guizhou Power Generation Company Limited (大唐貴州發電有限公司); the deputy general manager and a member of the Party Committee of Datang Yunnan Power Generation Co., Ltd.; the chief account and a member of the Party Committee of China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd. (中國水利電力物資集團有限公司); and the chief accountant and a member of the Party Committee of China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd. (International Trading Corporation) (中國水利電力物資集團有限公司(國際貿易公司)). Mr. Wang Shaoping graduated from the School of Economics and Finance of Xi'an Jiaotong University and majored in money and banking, and obtained a bachelor's degree in economics. He is currently a senior economist.

Mr. Shi Feng, aged 53, has been a non-executive Director of the Company since December 2022. Mr. Shi Feng is currently the chief accountant and a member of the Party Committee of China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.* (中國水利電力物資集團有限公司); the chief accountant and a member of the Party Committee of China Datang International Trading Corporation* (中國大唐集團國際貿易有限公司). Mr. Shi Feng started his career in July 1993, and successively served as a staff member of the second division of the audit bureau of the Ministry of Electric Industry* (電力工業部審計局二處); a staff member of the infrastructure division of the audit bureau of the Ministry of Electricity Industry under the National Audit Office* (審計署駐電力工業部審計局基建處); a staff member, a staff member of the third division of the audit department and a first-class staff member of the infrastructure division of the audit bureau of the State Power Corporation of China* (國家電力公司); a first-class staff member, the deputy director and director of the second division of the audit department of China Datang Corporation Ltd.* (中國大唐集團有限公司); the director of the supervision and audit department of Datang International Power Generation Co., Ltd. (a company listed on the Stock Exchange (stock code: 0991), the SSE (stock code: 601991) and the London Stock Exchange (stock code: DAT)); the chief accountant and a member of the Party Committee of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd.* (中國大唐集團新能源科學技術研究院有限公司)*; the chief accountant and a member of the Party Committee of China Datang Group Science and Technology Research Institute Co., Ltd.* (中國大唐集團科學技術研究院有限公司); and the director of Shanghai Audit Center, director of Shanghai Legal Affairs Center and director of Nanjing Audit Center of China Datang Corporation Ltd.* (中國大唐集團有限公司). Mr. Shi Feng graduated from the financial accounting from Zhongnan University of Economics and Law, and obtained a bachelor's degree in economics. He is currently a senior auditor.

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lo Mun Lam, Raymond, aged 71, has been an independent non-executive Director since August 2013. Mr. Lo is currently an executive director of Amasse Capital Holdings Limited (a company listed on the Stock Exchange, stock code: 8168), an independent non-executive director of Multifield International Holdings Limited (a company listed on the Stock Exchange, stock code: 0898) and an independent non-executive director of Oriental Explorer Holdings Limited (a company listed on the Stock Exchange, stock code: 0430). Mr. Lo, served as an executive director and co-managing partner of South Asian Investment Management Company and served as an executive director and the licensee of SPDB International Holdings Limited, an investment bank of Shanghai Pudong Development Bank. Mr. Lo is licensed as a Responsible Officer by the Securities and Futures Commission of Hong Kong for providing Type 1 and 6 (advising on corporate finance) regulated activities advisory. He held directorate level and strategist positions with multinational financial and emerging companies internationally. He served as former chairman of the board of directors and an independent non-executive director (retired in August 2013) of Luk Fook Holdings (International) Limited (a company listed on the Stock Exchange, stock code: 00590), the former vice chairman and a non-executive director of Asian Capital Resources (Holdings) Limited (a company listed on the Stock Exchange, stock code: 08025), a former non-executive director and the chairman of audit committee (retired in 2014) of Guangshen Railway Co., Ltd. (a company listed on the Stock Exchange, stock code: 00525), and a former independent non-executive director of Shanghai Zendai Property Limited (a company listed on the Stock Exchange, stock code: 00755) (retired in June 2015). Mr. Lo graduated from the University of Wisconsin-Madison and obtained a bachelor's degree in business administration; obtained a master's degree in law from the University of Hong Kong; and also completed the post-graduate certificate in sustainable business (PCSB) from the University of Cambridge and achieved certification of independent non-executive director qualified by the SSE. Mr. Lo is a Chartered Accountant and Corporate Finance designate of the ICAEW (FCA/CF), a Chartered Accountant of Ontario, Canada, a Chartered Surveyor (FRICS), a Chartered Arbitrator (FCIArb.), a Trust & Estate Practitioner (TEP) and the member of International Bar Association.

Mr. Yu Shunkun, aged 61, has been an independent non-executive Director of the Company since March 2015. Mr. Yu holds a doctorate in management from the School of Economics and Management of North China Electric Power University. He has been a professor and doctoral supervisor with the School of Economics and Management of North China Electric Power University since July 1991. From September 1983 to July 1991, Mr. Yu was a teacher with the Department of Business Administration of Communication University of China. Being long engaged in the teaching administration in human resources management major, Mr. Yu was one of the "First Batch Trans-century Academic Leader Candidates of the Electric Power Ministry of China" (電力部首批跨世紀學術帶頭人培養對象) and "Excellent Backbone Youth Teachers of Beijing" (北京市優秀青年骨幹教師). Mr. Yu has a considerable academic standing and influence in his expertise filed and holds various social positions, mainly including: the visiting professor of various universities such as Tsinghua University, Peking University and Zhejiang University and the visiting research fellow of Chinese Academy of Personnel Science (中國人事科學研究院客座研究員).

Mr. Qin Haiyan, aged 54, has been an independent non-executive Director of the Company since June 2022. Mr. Qin is currently serves as the secretary general of the Chinese Wind Energy Association under China Renewable Energy Society (中國可再生能源學會風能專業委員會), an independent director of Shenergy Company Limited (a company listed on the SSE, stock code: 600642), an independent director of Nyocor Company Limited (a company listed on the SSE, stock code: 600821) and an independent non-executive director of Beijing Jingneng Clean Energy Co., Limited (a company listed on the Stock Exchange, stock code: 579). Mr. Qin started his career in July 1994, and successively served as an engineer of China Classification Society and the director of China General Certification Center (北京鑒衡認證中心). Mr. Qin graduated from Shanghai Jiao Tong University in thermal power machinery and equipment, and obtained a bachelor's degree in engineering; then graduated from the School of Business of Renmin University of China majoring in business administration, and obtained a master's degree in business administration.

IV. SUPERVISORS

Mr. Liu Liming, aged 52, has been the chairman of the Supervisory Committee of the Company since June 2022 and has been the deputy director of the audit department of CDC since June 2021. From March 2021 to June 2021, he served as director of Guangzhou Audit Centre of CDC. From March 2020 to March 2021, he served as director of Guangzhou Audit Centre of CDC and Guangzhou Legal Affair Centre of CDC. From July 2019 to March 2020, he served as the deputy director of the legal affairs department (risk management department) of CDC. During the period from April 2018 to July 2019, he held the positions of the deputy general manager, chief accountant, a member of the Party committee of China Datang Techno-Economic Research Institute Co., Ltd. (中國大唐集團技術經濟研究院有限責任公司) and vice schoolmaster and chief accountant of China Datang Corporation Cadre Training College (中國大唐集團幹部培訓學院). From December 2016 to April 2018, he served as the deputy manager of the audit department and director of the audit division III of the audit department of China Datang Group. He successively served as a member and a vice director of the audit division I, a vice director and director of the audit division III of the audit department of China Datang Group from June 2003 to December 2016. Mr. Liu graduated from the Department of Finance and Economics of Changsha Electric Power Technical College (長沙電力學院) with a bachelor's degree of economics in accounting in June 1996 and currently is a senior economist.

Ms. Bai Xuemei, aged 55, has been an employee representative Supervisor since October 2019, and has served as the secretary of discipline inspection committee and the chairlady of the trade union of the Company since July 2019. Ms. Bai started working in July 1991 and served as the deputy chief and chief of the Division of Remuneration and Insurance (Social Insurance Center) and the chief of the Division of Talents Development (Talents Assessment Center) of the Human Resources Department of Datang Corporation; the secretary of discipline inspection committee of the Company; and the secretary of discipline inspection committee and the chairlady of the trade union of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd.. Ms. Bai graduated from Beijing Union University in 1991 with a bachelor of science degree in electrical automation. She completed off-the-job study majoring in human resources in Renmin University of China from September 1995 to June 1996. She is currently a senior engineer and senior economist.

Ms. Jia Lili, aged 45, has been a Supervisor of the Company since December 2022, she is currently the director of the finance department and the director of the Financial Sharing Service Centre of China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.* (中國水利電力物資集團有限公司); the director of the finance department and the director of the Financial Sharing Service Centre of China Datang Group International Trade Company Limited* (中國大唐集團國際貿易有限公司). Ms. Jia Lili started her career in July 2001, and served successively as an accountant in the integrated business department, an accountant in the finance and property rights management department, a staff member of the finance management department, the deputy director of the human resources department and the deputy director of the finance management department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd.* (中國水利電力物資有限公司); the secretary to the Party Committee of Beijing Zhongtang Electric Engineering Consulting Co., Ltd. (北京中唐電工程諮詢有限公司). Ms. Jia Lili graduated from the faculty of finance, Changsha Institute of Electric Power* (長沙電力學院) majoring in accounting, and obtained a bachelor's degree in accounting. She is currently an accountant.

V. SENIOR MANAGEMENT

For biographical details of Mr. Wang Fanghong, please refer to the section headed "Profiles of Directors, Supervisors and Senior Management – I. Executive Directors" of this Annual Report.

Ms. Wang Haiyan, aged 48, has been the chief accountant of the Company since March 2020. She served as a member of the Party Committee and Chief Accountant of China Datang Capital Holdings Co., Ltd. from August 2016 to March 2020. She served as a member of the Party group and the chief accountant of China Datang Coal Industry Co., Ltd. from March 2012 to August 2016. She served as a director of the finance and property right management department of China Datang Coal Industry Co., Ltd. from September 2009 to March 2012. She served as head of the finance and property right management department of China Datang Coal Industry Co., Ltd. from January 2009 to September 2009. She served as the deputy director of the finance and property right management department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from March 2008 to January 2009. She served as the chief accountant of China National Water Resources & Electric Power Materials & Equipment Shanghai Corporation from March 2007 to March 2008. She served as the deputy director of the finance and property right management department and the director of the treasury management centre of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from June 2005 to March 2007. She served as the vice general manager of the operations and finance department of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. from September 2003 to June 2005. Ms. Wang graduated from Dongbei University of Finance and Economics majoring in accounting, with a master's degree in management in March 2001. She is currently a senior accountant.

For biographical details of Ms. Bai Xuemei, please refer to the section headed "Profiles of Directors, Supervisors and Senior Management – IV. Supervisors" of this Annual Report.

Mr. Pan Xiaokai, aged 52, has served as the Secretary to the Board of the Company since June 2021. He has served as the deputy general manager of the Company since August 2020. He served as the vice general manager, a member of the Party Committee and the chairman of the trade union of China Datang Capital Holdings Co., Ltd. from December 2016 to August 2020. He served as the general manager of Shanghai Datang Financial Leasing Company Limited from June 2015 to December 2016. He served as the manager of the comprehensive management department and the manager of Party-mass work department of China Datang Group Finance Co., Ltd. from February 2013 to June 2015. He served as the manager of the comprehensive management department of China Datang Group Finance Co., Ltd. from March 2012 to January 2013. He served as the vice manager of the comprehensive management department of China Datang Group Finance Co., Ltd. from February 2009 to March 2012. Mr. Pan obtained a MBA degree from School of Economics and Management, Tsinghua University, majoring in business administration through on-the-job learning in December 2009. He is currently a chief editor (a senior title).

Mr. Cui Jian, aged 48, has been the Deputy General Manager of the Company since 22 April 2022. He served as the associate dean and member of the Party Committee of China Datang Corporation Renewable Power Science and Technology Research Institute Co., Ltd. (中國大唐集團新能源科學技術研究院有限公司) from March 2021 to April 2022. He served as the deputy general manager and member of the Party Committee of China Datang Corporation Intelligent Energy Industry Co., Ltd. (中國大唐集團智慧能源產業有限公司). from October 2020 to March 2021. He been the joint company secretary of the Company from March 2018 to March 2021. Mr. Cui Jian served as the director of Planning and Development Department and the director of headquarters Office (Human Resources Department) of the Company from July 2019 to October 2020. He served as the director of Planning and Marketing Department of the Company from January 2012 to July 2019. Mr. Cui Jian served as the deputy director of the Capital Operation and Equity Management Department of the Company from February 2011 to January 2012. He served successively as project manager of the Renewable Energy Department, the deputy director of the Planning and Developing Department and deputy director of the Marketing and Sales Department of China Datang Technologies & Engineering Co., Ltd. from April 2007 to February 2011, during which, he was temporarily transferred to the Company to assist on the Company's listing process of H shares on the Main Board of the Hong Kong Stock Exchange since February 2010 until the Company's successful listing in December 2010. Before that, he served successively as the account manager of Shangbu Sub-branch, deputy manager of Credit Business Department, the manager of Risk Department and assistant to president of Donghu Sub-branch of Shenzhen Branch of China Construction Bank Corporation from July 1999 to April 2007. From September 1995 to July 1999, Mr. Cui Jian studied at the Business Administration School of Northeast Normal University (東北師範大學) majored in Economic Management and obtained his bachelor's degree in July 1999. From September 2006 to July 2008, Mr. Cui Jian studied at the Economics School of Jilin University (吉林大學) majored in World Economy and obtained his master's degree in July 2008.

Ms. Zou Min, aged 49, currently serves as the director of Securities Capital Department of the Company. Ms. Zhou Min has been the joint company secretary of the Company since October 2022. Ms. Zou Min started her career in September 1995, and successively served as the deputy director of development and planning department in China Datang Corporation Ltd., Yunan Branch; the vice general manager in Yunnan Southeast-Asia Economy and Technology Investment Industrial Co., Ltd.* (雲南東南亞經濟技術投資實業有限公司), Cambodia Hydropower Development Limited* (柬埔寨水電開發有限公司), Cambodia Power Grid Co. Ltd.* (柬埔寨電網有限公司); the executive director, general manager in Yunnan Datang International Renewable Power Co., Ltd.* (雲南大唐國際新能源有限公司); the deputy director of new energy institute in China Datang Group Science and Technology Research Institute Co., Ltd.* (中國大唐集團科學技術研究院有限公司), the head and deputy director of design research centre of China Datang Corporation Renewable Power Science and Technology Research Institute* (中國大唐集團新能源科學技術研究院); the deputy director of Investment and Development Department, the director of Investment and Cooperation Department, the director of Production Safety Department, and the director of Securities Capital Department in the Company. Ms. Zou Min graduated from Wuhan University majoring in mechanical engineering, and obtained a master's degree in engineering. She is currently a senior economist.

Human Resources

I. PROFILE OF HUMAN RESOURCES

As at 31 December 2023, the Group had 4,184 employees in total, including 1,435 employees aged 30 or below, representing approximately 34.30% of the total; 1,645 employees aged between 31 to 40, representing approximately 39.32% of the total; 537 employees aged between 41 to 50, representing approximately 12.84% of the total; 567 employees aged 51 or above, representing approximately 13.55% of the total.

II. GENDER DIVERSITY OF STAFF

As at 31 December 2023, among the 4,184 employees of the Group, there were 3,479 male employees, representing approximately 83.15% of the total; 705 female employees, representing approximately 16.85% of the total.

The differences in the education level, cultural background, occupational background and job requirements of employees are the main factors affecting the gender diversity of employees. The Company is primarily engaged in renewable energy-related businesses such as wind power, which has historically had a high concentration of male employees. The Company recognizes the benefits of employee diversity and will promote employee diversity, particularly gender diversity, as far as practicable. In order to promote gender diversity as far as possible, and on the premise of providing equal employment opportunities, career development and promotion opportunities, the Company will continue to bring in various types of professionals of different genders and nationalities according to its development needs, cultivate and create a team of talents of appropriate size, high-end leadership, reasonable structure and excellent quality, so as to establish and maintain the Company's talent advantage in the industry in which it operates and lay a solid foundation for the realization of the Company's development strategy.

III. STAFF INCENTIVES

Based on its development needs, the Group clearly defined targets for various posts and further established, improved the mechanism of KPI+MBO+360 performance assessment system, made clear of its approach of stressing on both motivations and regulations, stimulated employees' enthusiasm and initiatives for work; established a working atmosphere that is fair and equitable, free and harmonious, that affirms personal values, encourages innovation, and with unimpeded information and knowledge sharing, allowing employees to showcase their talents in an open and equal environment, stimulating their sense of competition and giving full play to their potentials. The Group fully understand the personal needs and career development aspirations of our employees and provide them with a career path that suits their characteristics, aiming to accomplish mutual development of the employees and the Company.

IV. STAFF REMUNERATION POLICY

The Group strictly implements national policies on payroll distribution, performs a basic salary system based on the position-points salary and adopts various incentive mechanisms to attract and keep talents. The Group establishes a sound assessment and evaluation system for staff, carries out the remuneration mechanism where the total amount of staff's salary is linked with the result of performance assessment. The Group has made reasonable internal payroll distribution to truly arouse the enthusiasm of all the staff and exert the security, incentive and restriction functions of remuneration.

V. STAFF TRAINING

Guided by the concept of "value-based, efficiency-oriented", the Company actively carried out the plan of building a strong enterprise relying on talents and vigorously worked on building up three talents teams in management, technical and skilled personnel. It aimed to gradually establish and improve the talents cultivation system with its characteristics through "fostering, selecting, motivating and utilizing" talents, thus enabling the talents to play important roles in the development of the Company.

In 2023, the Group provided training programmes on business management, professional techniques and production skills, with 100% employees attending the trainings. Average hours of training per employee by gender for male and female are 75.02 hours/person and 67 hours/person, respectively. Average hours of training per employee by ranking for senior management, heads of department, other office staff and general and technical workers are 112 hours/person, 60 hours/person, 60 hours/person and 77 hours/person, respectively.

VI. GUARANTEE OF STAFF RIGHTS

The Group strictly complies with the Labour Law of the PRC and the Labour Contract Law of the PRC and makes contributions to social insurance and housing provident fund for employees according to these laws, among which the social insurance includes basic pension insurance, medical and maternity insurance, occupational injury insurance and unemployment insurance. Based on the actual conditions, the Group has established enterprise annuity and supplemental medical insurance, prepared labour protection appliances and regularly organized medical examination for staff to further safeguard their vital interests.

Independent Auditor's Report

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大華馬施雲
會計師事務所有限公司

To the Shareholders of China Datang Corporation Renewable Power Co., Limited
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Datang Corporation Renewable Power Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 170 to 311, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (the "Code") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

KEY AUDIT MATTERS (CONTINUED)

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment, intangible assets and right-of-use assets	
As of 31 December 2023, the carrying amount of the Group's property, plant and equipment amounted to RMB72,065.8 million (after accumulated impairment of RMB595.4 million), intangible assets amounted to RMB411.7 million (after accumulated impairment of RMB230.3 million) and right-of-use assets amounted to RMB2,951.8 million. The management of the Company considers each individual subsidiary as a cash generating unit ("**CGU**"). Impairment assessments were performed for each CGU and indicators of impairment of certain CGUs were identified. Accordingly, the management estimates the recoverable amount of those CGUs. The recoverable amount of a CGU is the greater of its value-in-use and the fair value less costs of disposal of the related assets. The assessment of the value-in-use (i.e. discounted future cash flows) and fair value less costs of disposal was complex and involved significant judgement by management, subjective assumptions and estimation uncertainty. The value-in-use calculations use cash flow projections based on financial budgets approved by management which involve judgement by management such as determining the revenue growth rate, terminal growth rate, operating cost, utilisation efficiency and discount rate. Changes in these assumptions may impact the recoverable amount of CGU. Based on management's assessment, impairment losses on property, plant and equipment for certain CGUs of RMB116.6 million have been recognised in profit or loss during the year ended 31 December 2023. We identified the impairment assessment of property, plant and equipment, intangible assets and right-of-use assets as a key audit matter due to its significance to the consolidated financial statements and its involvement of management's significant accounting estimations and judgments. The Group's disclosures about the impairment of property, plant and equipment, intangible assets and right-of-use assets are included in Notes 2.13, 3, 13, 14 and 15 to the consolidated financial statements.	Our procedures included, but not limited to the followings: We evaluated the appropriateness of the methodologies adopted by management in the discounted future cash flows and the key estimates and assumptions used by management. We assessed the reasonableness of key assumptions and key inputs being used, including the revenue growth rate, terminal growth rate, operating cost, utilisation efficiency and discount rate adopted, by comparing these against historical results, the long-term strategic plans that were approved by management and also our understanding of the current market conditions and the latest government policy. We checked on a sample basis, the accuracy and reliance of the input data used. We assessed the recoverable amounts of certain CGUs pending for disposal based on fair values less costs of disposal. We evaluated the fair value determined by management with reference to recent sales prices of similar assets within the same industry. We also assessed the adequacy of the Group's disclosures in the consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade and other receivables	
As at 31 December 2023, the Group had trade receivables and other receivables amounting to RMB17,825.1 million and RMB728.9 million respectively, an impairment allowance of RMB47.0 million and RMB318.0 million, respectively, were provided. The assessment of recoverability of trade receivables and other receivables required management to make significant judgements based on the current creditworthiness of each customer, the past collection history of each customer, ageing analysis of the trade receivables and other receivables and forward-looking information. The impairment allowance is subject to the managements significant estimation. We identified the impairment assessment of trade and other receivables as a key audit matter due to its significance to the consolidated financial statements and its involvement of management's significant accounting estimations and judgments. The Group's disclosures about the impairment of the trade and other receivables are included in Notes 2.14, 3, 19 and 21 to the consolidated financial statements.	Our procedures included, but not limited to the followings: We obtained an understand of management process for credit risk assessment and impairment assessment of allowance for ECL on trade and other receivables. We reviewed the settlement agreements, obtained direct confirmations from the debtors, and reviewed subsequent cash receipt evidence on the trade and other receivables. With the assessment of our internal valuation specialist, we assessed management's estimation on the expected credit losses and evaluated the basis and factors used in the estimation by evaluating the history of payments by the debtors, credit status, probability of default, default risk and forward-looking information. We also assessed the adequacy of the Group's disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moore CPA Limited
Certified Public Accountants

Pak Chi Yan
Practising Certificate Number: P06923

Hong Kong, 26 March 2024

Consolidated Statement of Profit or Loss

For the year ended 31 December 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2023	2022
Revenue	4	12,802,292	12,499,229
Other income and other gains, net	5	404,807	637,465
Depreciation and amortisation charges	6	(5,295,719)	(4,998,888)
Employee benefit expenses	6	(1,249,531)	(1,092,020)
Material costs		(70,896)	(61,730)
Repairs and maintenance expenses		(246,948)	(326,280)
Other operating expenses	7	(1,037,329)	(450,804)
Operating profit		5,306,676	6,206,972
Finance income	8	30,831	29,190
Finance expenses	8	(1,722,783)	(1,939,610)
Finance expenses, net	8	(1,691,952)	(1,910,420)
Share of profits and losses of associates and joint ventures	16	8,622	47,144
Profit before tax		3,623,346	4,343,696
Income tax expenses	9	(529,646)	(452,471)
Profit for the year		3,093,700	3,891,225
Attributable to:			
Owners of the parent		2,753,227	3,485,167
Non-controlling interests		340,473	406,058
		3,093,700	3,891,225
Basic and diluted earnings per share attributable to ordinary equity holders of the parent *(expressed in RMB)*	10	0.3079	0.4027

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023
(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2023	2022
Profit for the year		3,093,700	3,891,225
Other comprehensive income:			
Other comprehensive income that may be reclassified to profit or loss in the subsequent periods:			
Exchange differences on translation of foreign operations		(638)	252
Net other comprehensive income that may be reclassified to profit or loss in the subsequent periods		(638)	252
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value, net of tax	17	1,958	49,507
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		1,958	49,507
Other comprehensive income for the year, net of tax		1,320	49,759
Total comprehensive income for the year		3,095,020	3,940,984
Attributable to:			
Owners of the parent		2,754,575	3,534,889
Non-controlling interests		340,445	406,095
		3,095,020	3,940,984

Consolidated Statement of Financial Position

31 December 2023

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	13	72,065,834	71,978,581
Investment properties		17,219	17,979
Intangible assets	14	411,674	405,292
Right-of-use assets	15(a)	2,951,781	3,018,637
Investments in associates and joint ventures	16	972,588	989,465
Equity investments designated at fair value through other comprehensive income	17	57,670	55,712
Financial assets at fair value through profit or loss		8,972	9,972
Deferred tax assets	18	67,374	27,189
Prepayments, other receivables and other assets	19	2,484,007	2,132,388
Total non-current assets		79,037,119	78,635,215
Current assets			
Inventories	20	110,844	122,857
Trade and bills receivables	21	17,792,480	14,468,273
Prepayments, other receivables and other assets	19	1,485,587	1,855,471
Restricted cash	22	46,567	25,466
Time deposits	22	17,000	–
Cash and cash equivalents	22	3,055,708	2,440,992
Total current assets		22,508,186	18,913,059
Total assets		101,545,305	97,548,274
LIABILITIES			
Current liabilities			
Trade and bills payables	23	197,905	279,437
Other payables and accruals	24	7,757,344	8,022,414
Interest-bearing bank and other borrowings	25(b)	10,927,111	8,633,616
Current income tax liabilities		162,892	188,938
Total current liabilities		19,045,252	17,124,405
Net current assets		3,462,934	1,788,654
Total assets less current liabilities		82,500,053	80,423,869

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2023	2022
Non-current liabilities			
Interest-bearing bank and other borrowings	25(a)	**46,327,880**	45,945,306
Deferred tax liabilities	18	**17,614**	17,904
Other payables and accruals	24	**196,575**	190,730
Total non-current liabilities		**46,542,069**	46,153,940
Total liabilities		**65,587,321**	63,278,345
Net assets		**35,957,984**	34,269,929
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	**7,273,701**	7,273,701
Share premium	26	**2,080,969**	2,080,969
Perpetual note and bonds	27	**14,279,609**	14,310,845
Reserves	28	**(453,667)**	(765,118)
Retained profits		**8,858,495**	7,286,499
		32,039,107	30,186,896
Non-controlling interests		**3,918,877**	4,083,033
Total equity		**35,957,984**	34,269,929

Li Kai	Wang Haiyan
Director	*Chief Accountant*

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the parent										
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds *(Note 27)*	Statutory surplus reserve* *(Note 28(i))*	Other reserve* *(Note 28(ii))*	Fair value reserve*	Exchange fluctuation reserve*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2023	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
Profit for the year	–	–	513,592	–	–	–	–	2,239,635	2,753,227	340,473	3,093,700
Other comprehensive income for the year:											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	–	1,545	–	–	1,545	413	1,958
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(197)	–	(197)	(441)	(638)
Total comprehensive income for the year	–	–	513,592	–	–	1,545	(197)	2,239,635	2,754,575	340,445	3,095,020
Capital contributions from non-controlling interests	–	–	–	–	–	–	–	–	–	55,844	55,844
Deregistration of a subsidiary	–	–	–	–	–	–	–	–	–	(100)	(100)
Final 2022 dividend declared *(Note 11)*	–	–	–	–	–	–	–	(363,685)	(363,685)	–	(363,685)
Issuance of perpetual note and bonds	–	–	10,000,000	–	–	–	–	–	10,000,000	–	10,000,000
Issuance costs of perpetual note and bonds	–	–	(7,828)	–	–	–	–	–	(7,828)	–	(7,828)
Repayment of perpetual note and bonds	–	–	(10,000,000)	–	–	–	–	–	(10,000,000)	–	(10,000,000)
Dividends paid to holders of perpetual note and bonds	–	–	(537,000)	–	–	–	–	–	(537,000)	–	(537,000)
Transfer from retained profits	–	–	–	303,954	–	–	–	(303,954)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(560,992)	(560,992)
Others	–	–	–	–	6,149	–	–	–	6,149	647	6,796
As at 31 December 2023	7,273,701	2,080,969	14,279,609	1,011,759	(1,458,535)	1,735	(8,626)	8,858,495	32,039,107	3,918,877	35,957,984

* The total of reserves as at 31 December 2023 is (RMB453,667,000) (2022: (RMB765,118,000)).

(Amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to owners of the parent										
	Share capital *(Note 26)*	Share premium *(Note 26)*	Perpetual note and bonds *(Note 27)*	Statutory surplus reserve* *(Note 28(i))*	Other reserve* *(Note 28(ii))*	Fair value reserve*	Exchange fluctuation reserve*	Retained profits	Total	Non-controlling interests	Total equity
As at 1 January 2022	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 11)*	–	–	–	–	–	–	–	(218,211)	(218,211)	–	(218,211)
Issuance of perpetual note and bonds	–	–	1,000,000	–	–	–	–	–	1,000,000	–	1,000,000
Issuance costs 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 reserves 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

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2023	2022
Cash flows from operating activities			
Profit before tax		3,623,346	4,343,696
Adjustments for:			
Depreciation of property, plant and equipment	6	5,077,376	4,742,054
Depreciation of right-of-use assets	6	158,383	205,234
Amortisation of intangible assets, long-term prepaid expenses and depreciation of investment properties	6	59,960	51,600
(Gains)/losses on disposal of property, plant and equipment and intangible assets	5	(4,223)	8,698
Reversal of impairment of trade receivables, net	7	–	(195,595)
Impairment of other receivables	7	100,482	64,331
Impairment of property, plant and equipment	7	116,575	82,679
Impairment of an investment in a joint venture	7	15,000	–
Foreign exchange gains, net		6,701	24,464
Interest income from finance lease receivables	8	(336)	(415)
Interest expenses	8	1,716,082	1,915,146
Share of profits of associates and joint ventures		(8,622)	(47,144)
Others, net		(85,634)	18,086
		10,775,090	11,212,834
Changes in working capital:			
Decrease in inventories		12,013	8,511
(Increase)/decrease in trade and bills receivables		(3,324,207)	2,197,786
Decrease/(increase) in prepayment,other receivables and other assets		276,486	(318,221)
(Increase)/decrease in restricted cash		(21,101)	10,020
Decrease in trade and bills payables		(81,532)	(94,527)
Increase in other payables and accruals		68,979	638,613
Cash generated from operations		7,705,728	13,655,016
Interest received		30,475	28,775
Income tax paid		(596,167)	(452,471)
Net cash flows from operating activities		7,140,036	13,231,320

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2022	2022
Cash flows from investing activities			
Purchase of property, plant and equipment, land use rights and intangible assets		(6,515,426)	(6,974,554)
Proceeds from disposal of property, plant and equipment and intangible assets		1,324	4,465
Investments in associates and joint ventures		(40,084)	(15,000)
Proceeds from disposal of financial assets at fair value through profit or loss		–	99,139
Proceeds from disposal of associates and joint ventures		–	19,138
(Increase)/decrease in time deposits		(17,000)	18,000
Dividends received from associates and joint ventures		51,779	–
Net cash flows used in investing activities		(6,519,407)	(6,848,812)
Cash flows from financing activities			
Proceeds from issuance of corporate bonds, medium-term notes and short-term bonds, net of issuance costs		699,801	5,098,262
Proceeds from issuance of perpetual note and bonds		10,000,000	1,000,000
Issuance costs of perpetual note and bonds		(7,828)	(2,474)
Capital contributions from non-controlling interests		55,844	75,166
Proceeds from borrowings		10,829,602	20,167,363
Loans from related parties	29(a)	10,338,803	6,181,244
Repayments of perpetual note and bonds		(10,000,000)	(1,000,000)
Repayments of borrowings		(5,660,519)	(18,073,230)
Repayments of corporate bonds and short–term bonds		(4,100,000)	(7,950,000)
Repayments of loans from related parties	29(a)	(8,878,080)	(9,588,861)
Dividends paid	11	(363,685)	(218,211)
Dividends paid to non-controlling interests		(116,541)	(152,765)
Dividends paid to holders of perpetual note and bonds		(537,000)	(537,000)
Interest paid		(1,776,276)	(1,561,155)
Principal portion of lease payments		(489,735)	(505,038)
Net cash flows used in financing activities		(5,614)	(7,066,699)

(Amounts expressed in thousands of RMB unless otherwise stated)

	Notes	2023	2022
Net increase/ (decrease) in cash and cash equivalents		615,015	(684,191)
Cash and cash equivalents at beginning of year		2,440,992	3,119,959
Effect of foreign exchange rate changes, net		(299)	5,224
Cash and cash equivalents at end of year	22	3,055,708	2,440,992
Analysis of balances of cash and cash equivalents:			
Cash and bank balances	22	3,055,708	2,440,992
Cash and cash equivalents as stated in the consolidated statement of cash flows	22	3,055,708	2,440,992

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 2023, 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 development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; development, sale, testing and maintenance of renewable energy-related equipment; power generation; engineering, construction and installation, repair and maintenance of domestic and overseas power projects; import and export of renewable energy equipment and technologies; foreign investment; as well as renewable energy-related consulting services, etc.

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 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the International Accounting Standards Board (the" IASB") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Companies Ordinance (the" Listing Rules"). 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.

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 to the financial statements.

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 2024;
- Unutilised banking facilities of approximately RMB83,176.0 million (Note 31.1(c)) as at 31 December 2023, of which banking facilities of RMB17,474.8 million are not subject to renewal during the next 12 months from the end of the reporting period. As at 31 December 2023, the directors of the Company were of the opinion that such covenants of unutilised banking facilities have been complied with and are confident that these banking facilities could be renewed upon expiration based on the Group's good credit standing; and

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 Going concern (Continued)

- Other sources of financing from banks and other financial institutions were available given the Group's credit history. As at 31 December 2023, there were corporate bonds of RMB20,000.00 million approved by the China Securities Regulatory Commission but not yet issued, perpetual medium-term notes of RMB3,800.00 million registered in the National Association of Financial Market Institutional Investors but not yet issued, ultra-short-term financing bonds of RMB6,000.00 million and ordinary medium-term notes of RMB4,000.00 million, of which the corporate bonds of RMB12,000.00 million and the remaining corporate bonds that are valid until August 2025 and December 2025 respectively, ultra-short-term financing bonds that are valid until December 2025 and perpetual medium-term notes that are valid until December 2024, and ordinary medium-term notes that are effective until December 2025.

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 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation (Continued)

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

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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

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

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 Basis of consolidation (Continued)

- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any resulting surplus or deficit in profit or loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, agenda decision/decisions of the IFRS Interpretations Committee (the "Committee") of 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 2023 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2022.

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	*Insurance Contracts*
Amendment to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform-Pillar Two model Rules*

Except as described below, the application of the new and amendments to IFRS Accounting Standards and agenda decision/decisions of 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.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in Note 2 to the consolidated financial statements. In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the IFRS Accounting Standards, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

Impacts and accounting policies on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 12 narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, the Group is required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented (i.e. 1 January 2022). In addition, the Group should recognise deferred tax assets and deferred tax liabilities at 1 January 2022 for all deductible and taxable temporary differences associated with the (i) right-of-use assets and related lease liabilities, and (ii) provision of assets retirement obligations and related assets.

The deferred tax assets and liabilities from those transactions were offset and recognised on a net basis and no material impact to the financial statements of the Group as a result of this amendment.

(Amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Issued but not yet effective IFRS Accounting Standards

The Group has not adopted the following amendment to IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements:

Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangement*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

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

2 Effective for annual periods beginning on or after 1 January 2025.

3 No mandatory effective date yet determined but available for adoption.

The above 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 amended IFRS Accounting Standards to existing standards when they become effective.

2.4 Business combinations and goodwill

(a) Common control business combinations

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Business combinations and goodwill (Continued)

(a) Common control business combinations (Continued)

The consolidated statement of profit or loss includes profit or loss of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

(b) Other business combinations

The Group applies the acquisition method to account for business combinations other than common control business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Business combinations and goodwill (Continued)

(b) Other business combinations (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Investments in associates and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates and joint ventures are accounted for using the equity method. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Group's share of the post-acquisition profit or loss is recognised in profit or loss. Any change in other comprehensive income of those investees is included in the Group's consolidated other comprehensive income. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as "Share of profits and losses of associates and joint ventures" in profit or loss.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision- makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors and certain senior management (including chief accountant) (together referred to as the "Executive Management") that make strategic decisions.

2.7 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has a significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.8 Fair value measurement

The Group measures its certain trade and bills receivables, equity investments designed at fair value through other comprehensive income, financial assets at fair value through profit or loss at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Based on quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.9 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional currency and the Group's presentation currency.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit and loss within "Finance expenses, net". All other foreign exchange gains and losses are presented in "Other income and other gains, net" in profit or loss.

Translation differences on non-monetary financial assets and liabilities such as financial assets at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equity investments designated at fair value through other comprehensive income, are included in other comprehensive income.

(c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities in each statement of financial position presented are translated at the closing rates at the end of the reporting period;

(ii) income and expenses in each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income. Upon disposal of a foreign operation, the other comprehensive income related to the foreign operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Property, plant and equipment (including construction in progress)

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Property, plant and equipment (including construction in progress) (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life as follows:

Buildings and plant	8 – 50 years
Generators and related equipment	
– Wind turbines	20 years
– Others	5 – 30 years
Transportation facilities	10 years
Office equipment and others	3 – 9 years

The assets' depreciation method, residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress ("CIP") represents buildings under construction, and plant and equipment pending for installation, and is stated at cost less any impairment losses. Cost comprises construction expenditures, other expenditures necessary for the purpose of preparing the CIP for its intended use and those borrowing costs incurred before the assets are ready for their intended use that are eligible for capitalisation. CIP is transferred to the appropriate category of property, plant and equipment when the CIP is completed and ready for its intended use.

2.11 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the financial year end.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Intangible assets (other than goodwill) (Continued)

(a) Concession assets

The Group, as an operator of wind/solar power generation projects under service concession arrangements between the Group and the government (the" Grantor"), is responsible for both the projects' construction and its subsequent services in a specified period after the construction. At the end of the concession period, the Group is obliged either to hand over the infrastructure to the Grantor in a specified condition or dispose of it. The Group recognises a concession asset, included in intangible assets, arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. Intangible assets received as consideration for providing construction services in a service concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation of concession assets is charged to profit or loss on a straight-line basis over the term of the arrangement upon the completion of construction.

(b) Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring the specific software to use.

(c) Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

(i) It is technically feasible to complete the software product so that it will be available for use;

(ii) Management intends to complete the software product and use or sell it;

(iii) There is an ability to use or sell the software product;

(iv) It can be demonstrated how the software product will generate probable future economic benefits;

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Intangible assets (other than goodwill) (Continued)

(c) Development costs (Continued)

(v) Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

(vi) The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed nine years.

2.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land & Sea use rights	10 – 50 years
Buildings and structures	2 – 20 years
Generators and related equipment	4 – 20 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Leases (Continued)

Group as a lessor (Continued)

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease.

The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

2.13 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Financial assets

(a) Classification

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for" Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Financial assets (Continued)

(a) Classification (Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets designated at fair value through other comprehensive income (equity investments)

The Group elects to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Financial assets (Continued)

(a) Classification (Continued)

Subsequent measurement (Continued)

(iii) Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

(iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Financial assets (Continued)

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a" pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Financial assets (Continued)

(c) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Financial assets (Continued)

(c) Impairment of financial assets (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.15 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables by the Group as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, interest-bearing bank and other borrowings and financial liabilities included in other payables and accruals.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Financial liabilities (Continued)

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.16 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Inventories

Inventories include materials and spare parts for maintenance, which are stated at the lower of cost and net realisable value. Cost is determined using the moving weighted average method. Costs of inventories include direct material cost and transportation expenses incurred in bringing them to the working locations. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses.

2.18 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Taxation

(a) Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Share of income tax expense of associates and joint ventures is included in" Share of profits of associates and joint ventures". Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is recognised using the liability method on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to be applied when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Taxation (Continued)

(a) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for the deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, the deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) Offsetting

Deferred income tax assets and liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity and the same taxation authority or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Taxation (Continued)

(b) Value-added taxation ("VAT")

Sales of goods and the provision of certain services of the Group are subject to VAT. VAT payable is determined by applying certain tax rates on the taxable revenue arising from sales of goods or the provision of certain services after offsetting deductible input VAT of the period.

Pursuant to Cai Shui [2015] No.74 issued by the Ministry of Finance and the State Administration of Taxation, wind power generation plants are entitled to a 50% refund of the VAT levied on electricity generated, which is recognised as government grant when there is reasonable assurance that the grant will be received.

2.21 Employee benefits

(a) Pension and other social obligations

The Group has various defined contribution plans in accordance with the local conditions and practices in the municipalities and provinces in which they operate. Defined contribution plans are pension and/or other social benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognised as labour costs when they are incurred.

(b) Staff housing fund

The Group contributes to the state-prescribed housing fund. Such costs are charged to profit or loss as incurred. Apart from those described above, the Group does not have other legal or constructive obligations over such benefits.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Contingencies

Contingent liabilities are recognised in the consolidated financial statements when it is probable that a liability will be recognised. Where no provision is recorded, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the consolidated financial statements unless virtually certain but it should be disclosed when an inflow of economic benefits is probable.

2.23 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

2.24 Perpetual securities

Perpetual securities are classified as equity if they are non-redeemable, or redeemable only at the issuer’s option, and any interest and distributions are discretionary. Interest and distributions on perpetual securities classified as equity are recognised as distributions within equity.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of electricity and goods

Revenue from the sale of electricity and goods is recognised at the point in time when control of the asset is transferred to the customer, generally when electricity is supplied to the provincial grid companies.

(b) Rendering of other services

The Group provides certain 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.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Revenue recognition (Continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Proposed final dividends are disclosed in the notes to the financial statements.

2.27 Contract liability

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Going concern

As disclosed in Note 2.1.1, the ability of the Group to continue as a going concern basis is dependent upon the continuing net cash inflows from operations, and the availability of the banking facilities and other sources of financing in order to meet its day to day working capital requirements and its liabilities as they fall due. In the event that the Group is unable to obtain adequate funding, there is an uncertainty as to whether the Group will be able to continue as a going concern. The consolidated statement of financial position does not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Group be unable to continue as a going concern.

(b) The control assessment of Shanghai Dong Hai Wind Power Generation Co., Ltd. ("Shanghai Dong Hai") and Jilin Wind Power Generation Co., Ltd. ("Jilin Wind Power")

The Group regards Shanghai Dong Hai (details of which are included in Note 32) and Jilin Wind Power as subsidiaries. In determining whether the Group has control over these entities, the Group has taken into account its power through contractual arrangements with other shareholders of Shanghai Dong Hai and Jilin Wind Power over their financial and operating policies. In the opinion of the Company's directors, the Group has control over Shanghai Dong Hai and Jilin Wind Power even if the Group holds less than a majority of their equity interests.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

(c) Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of buildings and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Useful lives of property, plant and equipment

The management of the Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected wear and tear incurred during power generation. This could change significantly as a result of technical renovations on wind turbines and related equipment. Management will adjust the estimated useful lives where useful lives vary with previously estimated useful lives. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require material adjustments to the carrying amount of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment and concession assets

The Group performs impairment test on property, plant and equipment and concession assets whenever any impairment indication exists. In accordance with Note 2.13 to the financial statements, an impairment is recognised at the amount by which the asset's or related cash-generating unit's carrying amount exceeds its recoverable amount which is the higher of its value in use and fair value less cost of disposal. Certain operating wind farms of the Group have suffered continuous losses in recent years as a result of the curtailment of wind power in view of the constantly low electricity demand and the limitation of the electricity transmission capacity in Northeastern China and the Gansu province; and the suspension of certain wind and energy management projects under development or construction. These wind farms and projects are affected by the future market demand on wind electricity in their regions, the progress of the grid connection system which transmits electricity from power generation companies and the approval of projects from governmental authorities.

When value in use calculations are undertaken, the management's critical estimates and assumptions include future sales volume affected by the improvement on curtailment of wind power, the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects and the utilisation efficiency, operating costs, electricity prices and discount rates applied to the forecasted future cash flows. The Group assesses the recoverable amounts of concession assets and certain property, plant and equipment based on the fair values less costs of disposals which involved significant management judgements and estimations over the sales prices and the related disposal costs. When the actual results of the assessment of the recoverable amounts of these property, plant and equipment and concession assets are different from their original estimates, the carrying amounts of these assets will be adjusted accordingly against profit or loss.

(c) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(c) Provision for expected credit losses on trade receivables (Continued)

As at 31 December 2023, the long-aged account receivables except for tariff premium of renewable energy was RMB65.6 million. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 21 to the financial statements.

(d) Recoverability of CDM assets and other long-aged receivables

As at 31 December 2023, the Group reviews its CDM assets and other long-aged receivables amounting to RMB140.2 million in aggregate to assess impairment. The Group makes judgements and assumptions in determining the allowance for ECLs on these financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Factors affecting this estimate include, among other things, the credit status and financial conditions and reputation of the debtors, history of payments by the debtors (e.g. payment delinquency or default) and forward-looking factors specific to the debtors and the economic environment. The effect of these factors requires significant judgement to be applied in the estimation of future recoverable amounts. The Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from CDM assets and other long-aged receivables. It is reasonably possible that if there is a significant change in circumstances including the Group's business in relation to CDM projects, the status of and relationship with the debtors and the external environment, the financial performance within the next financial year would be significantly affected and the ECL allowance would be adjusted. The information about the ECLs on the Group's other receivables is disclosed in Note 19 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

(e) Income tax

The Group pays income tax in various regions. There can be various uncertainties on the ultimate income tax treatments for many transactions and events arising from normal operating activities, overall asset transfers, corporate restructuring and preferential tax treatments granted by the tax authorities. The Group has to make critical accounting judgements when calculating income tax expense for different regions. In the event that the finalised amounts recognised for such tax events are different from those originally recorded, this could result in material adjustments to current income tax expense and deferred income tax expense.

(f) Fair value of unlisted equity investments

Some of the unlisted equity investments have been valued based on a market-based valuation technique as detailed in Note 30 to the financial statements or assessed by third party through evaluating the discounted cash flow. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2023 was RMB66.6 million. Further details are included in Note 30 to the financial statements.

(g) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right- of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(Amounts expressed in thousands of RMB unless otherwise stated)

4. 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 2023 and 2022. 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 2023, all (2022: all) of the Group's revenue was derived from external customers in the PRC.

As at 31 December 2023, all (31 December 2022: all) of the non-current assets were located in the PRC (including Hong Kong).

For the year ended 31 December 2023, all (2022: all) revenue from the sales of electricity was charged to the provincial power grid companies which are directly or indirectly owned or controlled by the PRC government.

(b) Revenue

An analysis of revenue is as follows:

	2023	2022
Revenue from contracts with customers	**12,766,720**	12,464,836
Revenue from other sources		
Gross rental income from investment properties leases:		
Other lease payments, including fixed payments	**35,572**	34,393
	12,802,292	12,499,229

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

Wind power segment	2023	2022
Types of goods or services		
Sale of electricity	12,706,291	12,408,959
Other services	60,429	55,877
Total revenue from contracts with customers	12,766,720	12,464,836
Timing of revenue recognition		
Goods/services transferred at a point in time	12,725,982	12,423,723
Services transferred over time	40,738	41,113
Total revenue from contracts with customers	12,766,720	12,464,836

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:

	2023	2022
Revenue recognised that was included in contract liabilities at the beginning of the reporting year:		
Sale of electricity	333	–
Other services	–	2,000

(Amounts expressed in thousands of RMB unless otherwise stated)

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Revenue (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

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

Sale of electricity

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

Rendering of other services

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

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 and 2022 were as follows:

	2023	2022
Within one year	308	1,354
After one year	1,021	–
	1,329	1,354

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

(Amounts expressed in thousands of RMB unless otherwise stated)

5. OTHER INCOME AND OTHER GAINS, NET

	2023	2022
Government grants *(Note i)*	338,910	293,720
Compensation from wind turbine suppliers *(Note ii)*	46,516	332,708
Gains/ (losses) on disposal of property, plant and equipment and intangible assets	4,223	(8,698)
Compensation, liquidated damages and fines, net	18,922	24,550
Gains on disposal of investment in associates and joint ventures	–	5,657
Others	(3,764)	(10,472)
	404,807	637,465

Notes:

(i) The amount mainly represented 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.

(Amounts expressed in thousands of RMB unless otherwise stated)

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2023	2022
Employee benefit expenses (including directors' and supervisors' remuneration *(Note 12)*)		
– salaries and staff welfares	913,433	806,422
– retirement benefits – defined contribution plans *(Note (i))*	164,784	152,710
– staff housing fund *(Note (ii))*	77,934	73,135
– other staff costs	134,797	118,812
	1,290,948	1,151,079
Less: Employee benefit expenses capitalised in property, plant and equipment and intangible assets	(41,417)	(59,059)
	1,249,531	1,092,020
Depreciation of property, plant and equipment *(Note 13)*	5,077,376	4,742,054
Amortisation of intangible assets *(Note 14)*	25,288	21,604
Amortisation of long-term prepaid expenses and depreciation of investment properties	34,672	29,996
Depreciation of right-of-use assets *(Note 15)*	158,383	205,234
	5,295,719	4,998,888
Auditors' remuneration		
– audit and audit related services	6,520	6,520
– non-audit services	390	100

6. PROFIT BEFORE TAX (CONTINUED)

Notes:

(i) Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at rates ranging from 14% to 20% (2022: 14% to 20%) of the specified salaries of the employees in the PRC. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

In addition, the Group has implemented a supplementary defined contribution retirement scheme in accordance with Datang Corporation's policy. Under this scheme, the Group is required to make specified contributions at a rate of 5% (2022: 5%) of the total salaries of qualified employees. These employees will receive the total contributions and any returns thereon upon their retirements.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions for the state-regulated retirement plan. For the supplementary defined contribution retirement scheme, provided that employees are dismissed or cancelled the employment contract due to the violation of laws or disciplines, unvested contributions by the Company will be transferred back to the Company's account for the supplementary retirement scheme.

(ii) Staff housing fund

In accordance with the PRC housing reform regulations, the Group is required to make contributions to the state-sponsored housing fund at a rate of 12% (2022: 12%) of the specified salaries of the employees in the PRC. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances. The Group has no further obligations for housing benefits beyond the contributions made.

(Amounts expressed in thousands of RMB unless otherwise stated)

7. OTHER OPERATING EXPENSES

	2023	2022
Impairment of property, plant and equipment *(Note 13)*	116,575	82,679
Impairment of investment in a joint venture and associates *(Note 16)*	15,000	–
Reversal of impairment of trade receivables, net	–	(195,595)
Impairment of other receivables	100,482	64,331
Tax and surcharges	130,162	117,180
Insurance premium	47,223	50,537
Bank charges	14,689	31,354
Utility fees	90,276	33,805
Travelling expenses	34,732	19,476
Professional service and consulting fees	38,827	36,619
Lease payments not included in the measurement of lease liabilities *(Note 15(c))*	27,036	24,883
Transportation expenses	20,259	16,530
Information technology expenses	50,688	31,920
Property management fees	18,147	18,366
Office expenses	11,664	11,374
Technical supervision service fees	21,011	23,935
Entertainment expenses	2,951	2,687
Research and development costs	3,148	2
External labor costs	44,681	36,805
Safety production expenses	160,154	13,504
Others	89,624	30,412
	1,037,329	450,804

(Amounts expressed in thousands of RMB unless otherwise stated)

8. FINANCE INCOME/FINANCE EXPENSES

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

	2023	2022
Finance income		
Interest income on deposits with banks and other financial institutions	12,711	6,335
Interest income on deposits with a related party	17,784	22,440
Interest income from finance lease receivables	336	415
	30,831	29,190
Finance expenses		
Interest on bank and other borrowings	(1,696,731)	(1,910,950)
Interest on lease liabilities *(Note 15 (b))*	(89,554)	(111,380)
Unwinding of discount on asset retirement obligations *(Note 24 (ii))*	(7,663)	(6,459)
Less: interest expenses capitalised in property, plant and equipment and intangible assets	77,866	113,643
	(1,716,082)	(1,915,146)
Foreign exchange losses, net	(6,701)	(24,464)
	(1,722,783)	(1,939,610)
Finance expenses, net	(1,691,952)	(1,910,420)
Interest capitalisation rate	2.23%-3.94%	3.20%-4.98%

(Amounts expressed in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSES

	2023	2022
Current tax		
PRC enterprise income tax	549,839	462,219
Underprovision/ (overprovision) in prior years	20,282	(10,504)
	570,121	451,715
Deferred tax		
Recognition of temporary differences *(Note 18)*	(40,475)	756
Income tax expenses	529,646	452,471

For the year ended 31 December 2023, except for certain subsidiaries established in the PRC which were exempted from tax or entitled to preferential rates ranging from 7.5% to 20% (2022: 7.5% to 20%), all other subsidiaries established in the PRC were subject to income tax at a rate of 25% (2022: 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.

(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 [2023] No.6 issued by the Ministry of Finance and the State Administration of Taxation, for the qualified small and micro enterprises, the income tax not exceeding RMB3.0 million shall be calculated at 25% of taxable income, with a reduced tax rate of 20%.

(Amounts expressed in thousands of RMB unless otherwise stated)

9. INCOME TAX EXPENSES (CONTINUED)

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

(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 2023, the joint ventures and associates were subject to an income tax rate of 25% (2022: 25%), and the share of income tax attributable to associates of RMB10.6 million (2022: RMB17.7 million), was included in" Share of profits and losses of associates and joint ventures" .

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:

	2023	2022
Profit before tax	**3,623,346**	4,343,696
Taxation calculated at the statutory tax rate	**905,836**	1,085,924
Income tax effects of:		
– Preferential income tax treatments	**(442,101)**	(664,454)
– Profits and losses attributable to associates and joint ventures	**(1,807)**	(11,786)
– Expenses not deductible for tax purposes	**37,215**	4,649
– Tax losses and temporary differences for which no deferred income tax asset was recognised	**60,931**	53,628
– Utilisation of previously unrecognised tax losses and temporary differences	**(50,710)**	(4,986)
– Underprovision/ (overprovision) for prior years	**20,282**	(10,504)
	529,646	452,471
Weighted average effective income tax rate	**14.6%**	10.4%

The changes in the weighted average effective income tax rate were primarily caused by a decrease in the extent of preferential tax policy entitled to certain subsidiaries of the Group as the years of operation increase. (2022: The changes in the weighted average effective income tax rate in 2022 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.)

(Amounts expressed in thousands of RMB unless otherwise stated)

10. 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.

	2023	2022
Earnings		
Profit attributable to owners of the parent	2,753,227	3,485,167
Interest on perpetual note and bonds	(513,592)	(556,272)
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	2,239,635	2,928,895
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation *(thousands of shares)*	7,273,701	7,273,701
Basic earnings per share *(RMB)*	0.3079	0.4027

(b) Diluted earnings per share

The diluted earnings per share amounts for the years ended 31 December 2023 and 2022 were the same as the basic earnings per share amounts as there were no dilutive potential shares.

(Amounts expressed in thousands of RMB unless otherwise stated)

11. DIVIDENDS

	2023	2022
Proposed final dividend – RMB0.07 (before tax) (2022: RMB0.05 (before tax)) per ordinary share	509,159	363,685

The dividend paid by the Company in 2023 was RMB363.7 million (2022: RMB218.2 million).

A final dividend in respect of the year ended 31 December 2023 of RMB0.07 (before tax) per ordinary share, amounting to a total final dividend of RMB509.2 million, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

(a) Directors' and supervisors' remuneration

The aggregate amount of remuneration payables to directors and supervisors of the Company during the year is as follows:

	2023	2022
Fees	390	549
Other emoluments:		
Salaries, allowances and benefits in kind	445	360
Discretionary bonuses	678	618
Pension scheme contributions	54	47
	1,177	1,025
	1,567	1,574

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(a) Directors' and supervisors' remuneration (Continued)

The remuneration of each director and supervisor of the Company is set out below:

For the year ended 31 December 2023

	Notes	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors						
– Mr. Li Kai (李凱)*	(a)	–	32	18	4	54
– Mr. Wang Fanghong (王方紅)*	(b)	–	32	18	3	53
– Mr. Liu Guangming (劉光明)*	(c)	–	–	–	–	–
Non-executive directors						
– Mr. Wang Shaoping (王少平)*	(d)	–	–	–	–	–
– Mr. Yu Fengwu (于鳳武)*		–	–	–	–	–
– Ms. Zhu Mei (朱梅)*	(e)	–	–	–	–	–
– Mr. Shi Feng (石峰)*	(f)	–	–	–	–	–
– Mr. Liu Quancheng (劉全成)*	(g)	–	–	–	–	–
– Mr. Liu Jianlong (劉建龍)*	(h)	–	–	–	–	–
– Mr. Ye Heyun (葉河雲)*	(i)	–	–	–	–	–
– Mr. Wang Qiying (王琪瑛)*	(j)	–	–	–	–	–
Independent non-executive directors						
– Mr. Qin Haiyan (秦海岩)	(k)	130	–	–	–	130
– Mr. Lo Mun Lam (盧敏霖)		130	–	–	–	130
– Mr. Yu Shunkun (余順坤)		130	–	–	–	130
Supervisors						
– Ms. Bai Xuemei (白雪梅)		–	381	642	47	1,070
– Mr. Liu Liming (柳立明)*	(l)	–	–	–	–	–
– Ms. Jia Lili (賈莉莉)*	(m)	–	–	–	–	–
– Ms. Dingyu (丁宇)*	(n)	–	–	–	–	–
		390	445	678	54	1,567

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(a) Directors' and supervisors' remuneration (Continued)

The remuneration of each director and supervisor of the Company is set out below: (Continued)

For the year ended 31 December 2022

	Notes	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Executive directors						
– Mr. Liu Guangming (劉光明)*	(c)	–	–	–	–	–
Non-executive directors						
– Mr. Wang Qiying (王琪瑛)*	(j)	–	–	–	–	–
– Mr. Kuang Lelin (匡樂林)*	(o)	–	–	–	–	–
– Mr. Yu Fengwu (于鳳武)*		–	–	–	–	–
– Mr. Liu Jianlong (劉建龍)*	(h)	–	–	–	–	–
– Mr. Li Yi (李奕)*	(p)	–	–	–	–	–
– Mr. Ye Heyun (葉河雲)*	(i)	–	–	–	–	–
– Mr. Shi Feng (石峰)*	(f)	–	–	–	–	–
Independent non-executive directors						
– Mr. Liu Chaoan (劉朝安)	(q)	100	–	–	–	100
– Mr. Lo Mun Lam (盧敏霖)		183	–	–	–	183
– Mr. Yu Shunkun (余順坤)		183	–	–	–	183
– Mr. Qin Haiyan (秦海岩)	(k)	83	–	–	–	83
Supervisors						
– Mr. Liu Quancheng (劉全成)*	(g)	–	–	–	–	–
– Ms. Dingyu (丁宇)*	(n)	–	–	–	–	–
– Ms. Bai Xuemei (白雪梅)		–	360	618	47	1,025
– Mr. Liu Liming (柳立明)*	(l)	–	–	–	–	–
– Ms. Jia Lili (賈莉莉)*	(m)	–	–	–	–	–
		549	360	618	47	1,574

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(a) Directors' and supervisors' remuneration (Continued)

Notes:

(a) Mr. Li Kai has been appointed as an executive director of the Company with effect from 28 December 2023.

(b) Mr. Wang Fanghong has been appointed as an executive director of the Company with effect from 28 December 2023.

(c) Mr. Liu Guangming has been resigned as an executive director of the Company with effect from 28 December 2023.

(d) Mr. Wang Shaoping has been appointed as a non-executive director of the Company with effect from 27 April 2023.

(e) Ms. Zhu Mei has been appointed as a non-executive director of the Company with effect from 16 January 2023.

(f) Mr. Shi Feng has been appointed as a non-executive director of the Company with effect from 28 December 2022.

(g) Mr. Liu Quancheng has been appointed as a supervisor of the Company with effect from 30 June 2022 and resigned with effect from 15 January 2023. Mr. Liu Quancheng has been appointed as a non-executive director of the Company with effect from 16 January 2023 and resigned with effect from 28 December 2023.

(h) Mr. Liu Jianlong has been resigned as a non-executive director of the Company with effect from 16 January 2023.

(i) Mr. Ye Heyun has been appointed as a non-executive director of the Company with effect from 30 March 2022 and resigned with effect from 27 April 2023.

(j) Mr. Wang Qiying has been resigned as a non-executive director of the Company with effect from 16 January 2023.

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(a) Directors' and supervisors' remuneration (Continued)

Notes: (Continued)

(k) Mr. Qin Haiyan has been appointed as an independent non-executive director of the Company with effect from 30 June 2022.

(l) Mr. Liu Liming has been appointed as a supervisor of the Company with effect from 30 June 2022.

(m) Ms. Jia Lili has been appointed as a supervisor of the Company with effect from 28 December 2022.

(n) Ms. Ding Yu has resigned as a supervisor of the Company with effect from 28 December 2022.

(o) Mr. Kuang Lelin has been resigned as a non-executive director of the Company with effect from 28 December 2022.

(p) Mr. Li Yi has resigned as a non-executive director of the Company with effect from 30 March 2022.

(q) Mr. Liu Chaoan has been resigned as an independent non-executive director of the Company with effect from 30 June 2022.

* These directors and supervisors of the Company receive emoluments from Datang Corporation. No apportionment of emoluments for their services to the Group has been made as the directors consider that it is impracticable to apportion these amounts between their services to the Group and their services to Datang Corporation.

During the year ended 31 December 2023, no emoluments were paid by the Group to any director or supervisor as an inducement to join or upon joining the Group or as compensation for loss of office (2022: Nil); and no director or supervisor waived or agreed to waive any emoluments (2022: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION (CONTINUED)

(b) Five highest paid individuals

The number of directors and supervisors and non-director/non-supervisor employees included in the five highest paid individuals for the years ended 31 December 2023 and 2022 is set forth below:

	2023	2022
Directors or supervisors	1	1
Non-director or non-supervisor employees	4	4
	5	5

The emoluments of the directors and supervisors are disclosed in Note 12(a). The aggregate of the emoluments in respect of the remaining highest paid individuals is as follows:

	2023	2022
Salaries and other emoluments	1,435	1,294
Discretionary bonuses	2,251	1,868
Retirement benefits – defined contribution plans	182	168
	3,868	3,330

The emoluments of the five highest paid individuals are within the following bands:

	Number of individuals	
	2023	2022
Nil to Hong Kong dollars ("HKD") 1,000,000	2	2
HKD1,000,001 to HKD1,500,000	3	3

During the year ended 31 December 2023, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2022: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings and plant	Generators and related equipment	Others (Note)	Construction in progress	Total
Year ended 31 December 2023					
Opening net carrying amount	3,475,713	62,081,838	170,759	6,250,271	71,978,581
Additions	136,542	1,511,849	1,342	3,690,381	5,340,114
Transfer and reclassification	256,360	4,392,853	22,007	(4,664,082)	7,138
Other disposals	(11)	(4,156)	(99)	–	(4,266)
Depreciation	(258,838)	(4,860,650)	(19,670)	–	(5,139,158)
Impairment during the year	–	(17,458)	–	(99,117)	(116,575)
Closing net carrying amount	3,609,766	63,104,276	174,339	5,177,453	72,065,834
As at 31 December 2023					
Cost	5,540,236	103,265,394	567,802	5,578,295	114,951,727
Accumulated depreciation	(1,881,972)	(40,015,777)	(392,748)	–	(42,290,497)
Accumulated impairment	(48,498)	(145,341)	(715)	(400,842)	(595,396)
Net carrying amount	3,609,766	63,104,276	174,339	5,177,453	72,065,834
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	3,475,713	62,081,838	170,759	6,250,271	71,978,581
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	3,475,713	62,081,838	170,759	6,250,271	71,978,581

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

(Amounts expressed in thousands of RMB unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the years ended 31 December 2023 and 2022, depreciation expense is analysed as follows:

	2023	2022
Depreciation expense recognised in profit or loss *(Note 6)*	5,077,376	4,742,054
Capitalisation as construction in progress	61,782	54,652
	5,139,158	4,796,706

As at 31 December 2023, certain property, plant and equipment was pledged as security for certain bank and other borrowings of the Group as set out in Note 25(c).

Impairment for property, plant and equipment, intangible assets and right-of-use assets

The management of the Company considers each individual subsidiary as a cash generating unit ("CGU"). As at 31 December 2023 and 2022, the management assessed and considered that certain CGUs were underperforming and/or loss-making, that indicate that the relevant property, plant and equipment, intangible assets (note 14) and right-of-use assets (note 15(a)) of the CGUs may be impaired.

For the purpose of impairment testing, the recoverable amount of the CUG, which represent the power generation unit/project held by the subsidiary that were underperforming and/or loss-marking, has been determined based on the higher of value-in-use or their fair value less costs of disposal.

Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the same cash flows of the fifth year. Other key assumptions applied in the impairment tests include the future sales volume, affected by the readiness for use of the grid connection system upon completion, the expected progress and development of the related suspended projects, and the utilisation efficiency, operating costs, electricity prices and discount rates. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopted pre-tax rates at 8.2% and 9.3% (2022: 8.5% and 9.5%) that reflect specific risks related to CGUs as the discount rates as at 31 December 2023.

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment for property, plant and equipment, intangible assets and right-of-use assets (Continued)

The impairment amount has been allocated to each category of the property, plant and equipment and the right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its value in use, its fair value less cost of disposal and zero.

For the year ended 31 December 2023, 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 RMB99.1 million (2022: RMB3.9 million) was recognised in profit or loss in "other operating expenses".

For the year ended 31 December 2023, certain property, plant and equipment for energy performance service were considered impaired as the related service contract was terminated and the management estimated the recoverable amount based on fair value less costs of disposal of those assets was nil. An impairment loss of RMB17.5 million (2022: RMB78.8 million) was recognised in profit or loss in "other operating expenses".

For the year ended 31 December 2023, no impairment losses were provided for other property, plant and equipment of the Group based on value-in-use (2022: Nil).

(Amounts expressed in thousands of RMB unless otherwise stated)

14. INTANGIBLE ASSETS

	Goodwill *(Note (iii))*	Concession assets *(Note (i))*	Computer and software	Development costs *(Note (ii))*	Total
Year ended 31 December 2023					
Opening net carrying amount	58,055	196,445	96,857	53,935	405,292
Additions	–	–	11,897	26,960	38,857
Disposals	–	–	(49)	–	(49)
Transferred to property, plant and equipment	–	–	21,915	(29,053)	(7,138)
Amortisation charges	–	(15,367)	(9,921)	–	(25,288)
Closing net carrying amount	58,055	181,078	120,699	51,842	411,674
As at 31 December 2023					
Cost	58,055	640,028	191,301	51,842	941,226
Accumulated amortisation	–	(228,663)	(70,602)	–	(299,265)
Accumulated impairment	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	181,078	120,699	51,842	411,674
Year ended 31 December 2022					
Opening net carrying amount	58,055	211,741	84,656	28,155	382,607
Additions	–	–	18,062	33,632	51,694
Transfer and reclassification	–	–	447	(447)	–
Transferred to property, plant and equipment	–	–	–	(7,405)	(7,405)
Amortisation charges	–	(15,296)	(6,308)	–	(21,604)
Closing net carrying amount	58,055	196,445	96,857	53,935	405,292
As at 31 December 2022					
Cost	58,055	640,028	157,552	53,935	909,570
Accumulated amortisation	–	(213,296)	(60,695)	–	(273,991)
Accumulated impairment	–	(230,287)	–	–	(230,287)
Net carrying amount	58,055	196,445	96,857	53,935	405,292

14. INTANGIBLE ASSETS (CONTINUED)

Notes:

(i) Concession assets represent the rights the Group obtained for the usage of the concessions in relation to wind/solar power plants for the generation of electricity (Note 2.12(a)). The Group recognised the intangible assets at the fair value of the concession construction service. The concession assets are amortised over the original contracted operating period of the relevant service concession projects of 25 years.

(ii) As at 31 December 2023 and 2022, development costs represented internally generated technologies and tools pertaining to certain wind farm performance optimisation technology.

(iii) Impairment test for goodwill

The Group allocates goodwill to CGUs that are determined by different operating entities. The Group completed its annual impairment test for goodwill allocated to the respective CGUs by comparing their recoverable amounts to their carrying amounts as at the reporting date.

The recoverable amount of a CGU is determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period with a terminal value related to the future earnings potential of the CGU beyond the next five years. Future cash flows are discounted at the pre-tax rate of 8.24% (31 December 2022: 8.50%). The estimated growth rates adopted do not exceed the long-term average growth rates for the businesses in which the CGU operates. Other key assumptions include expected tariff rates and demand for electricity in specific locations where these power plants are located. Management determined these assumptions based on the existing production capacity of the related power plants and adopted a pre-tax interest rate that can reflect the specific risk of the CGU as the discount rate.

Based on the assessments, the directors of the Company concluded that there was no impairment loss on the goodwill of the Group as at 31 December 2023 (31 December 2022: Nil).

For the years ended 31 December 2023 and 2022, all the amortisation expense was recognised in profit or loss.

At 31 December 2023 and 2022, certain concession assets were pledged as security for long-term bank loans and other loans of the Group (Note 25(c)).

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and equipment, buildings, and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 10 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and equipment generally have lease terms between 4 and 20 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year were as follows:

	Buildings and plant	Generators and related equipment	Land use rights	Others *(Note (i))*	Total
As at 1 January 2022	109,688	2,492,246	951,731	97,541	3,651,206
Additions	18,331	142,616	201,248	–	362,195
Revision of a lease term arising from a change in the non–cancellable period of a lease	–	(71,893)	–	–	(71,893)
Other changes *(Note (ii))*	(29,008)	(633,742)	(54,887)	–	(717,637)
Depreciation charge	(13,853)	(111,960)	(75,627)	(3,794)	(205,234)
As at 31 December 2022 and 1 January 2023	85,158	1,817,267	1,022,465	93,747	3,018,637
Additions	**31,680**	**13,381**	**181,726**	**–**	**226,787**
Other changes *(Note (ii))*	**91**	**(129,397)**	**(5,780)**	**(174)**	**(135,260)**
Depreciation charge	**(17,272)**	**(89,763)**	**(47,553)**	**(3,795)**	**(158,383)**
As at 31 December 2023	**99,657**	**1,611,488**	**1,150,858**	**89,778**	**2,951,781**

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessee (Continued)

(a) Right-of-use assets (Continued)

Notes:

(i) Others represent the rights the Group obtained for the usage of sea use rights.

(ii) Other changes represent the reductions due to contract expiration or contract changes.

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2023	2022
Carrying amount as at 1 January	2,329,426	2,635,890
New leases	62,595	297,307
Accretion of interest recognised during the year *(Note 8)*	89,554	111,380
Payment	(579,289)	(616,418)
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(65,363)
Other changes	(112,507)	(33,370)
Carrying amount as at 31 December	1,789,779	2,329,426
Analysed into:		
Current portion *(Note 25(a))*	286,145	422,501
Non-current portion *(Note 25(a))*	1,503,634	1,906,925

The maturity analysis of lease liabilities is disclosed in Note 31 to the financial statements.

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessee (Continued)

(c) **The amounts recognised in profit or loss in relation to leases are as follows:**

	2023	2022
Interest on lease liabilities	89,554	111,380
Depreciation charge of right-of-use assets	158,383	205,234
Expense relating to short-term leases and other leases (included in other operating expenses)	27,036	24,883
Total amount recognised in profit or loss	274,973	341,497

(d) **Extension and termination options**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. There are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease terms.

(e) **Variable lease payments**

The Group has lease contracts that contain variable payments based on the generating capacity. Management's objective is to align the lease expense with the units generated and revenue earned.

(f) **The total cash outflow for leases is disclosed in Note 34(c) to the financial statements.**

(Amounts expressed in thousands of RMB unless otherwise stated)

15. LEASES (CONTINUED)

The Group as a lessor

The Group leases its property, plant, and equipment (Note 13) and investment properties consisting of industrial properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB35.6 million (2022: RMB34.4 million), details of which are included in Note 4(b) to the financial statements.

As at 31 December 2023 and 2022, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2023	2022
Within 1 year	10,883	4,890
After 1 year but within 2 years	6,315	4,890
After 2 years but within 3 years	5,674	4,890
After 3 years but within 4 years	5,674	4,890
After 4 years	67,304	65,606
	95,850	85,166

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Investments in joint ventures

Movements in investments in joint ventures are as follows:

	2023	2022
As at 1 January	43,792	41,252
Other equity changes	(61)	–
Share of (losses)/profits for the year	(23,212)	2,540
Impairment *(Note(iii))*	(10,000)	–
As at 31 December	10,519	43,792

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Investments in joint ventures (Continued)

Note:

(i) As at 31 December 2023, the Group did not have significant commitments relating to its joint ventures, and there were no contingent liabilities relating to the Group's interests in the joint ventures.

(ii) In the opinion of the directors of the Company, investments in joint ventures are not material to the Group and no further disclosure of the particulars of the joint ventures is presented.

(iii) In 2023, Datang Jiuquan New Energy Co., Ltd., a joint venture of the Group, was suffering continuous losses. The Group assessed the recoverable amount of the investment was nil and made full provision for impairment of RMB10.0 million as at 31 December 2023.

(b) Investments in associates

Movements in investments in associates are as follows:

	2023	2022
As at 1 January	945,673	887,819
Capital injections *(Note(i))*	41,144	15,000
Disposal	–	(1,750)
Dividends declared	(51,769)	–
Share of profits for the year	31,834	44,604
Other equity changes	187	–
Impairment *(Note(ii))*	(5,000)	–
As at 31 December	962,069	945,673

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Notes:

(i) In 2023, the Company acquired an additional 30% equity stake in Hainan Yangpu Offshore Wind Power Industry Development Co., Ltd., resulting in an increase in investment in the associate of RMB19.0 million. The Company increased its capital by RMB21.1 million in proportion to its shareholding in Datang (Dayao) New Energy Development Co., Ltd.. The Company increased its capital by RMB1.0 million in Datang Wuwei New Energy Development Co., Ltd..

(ii) In 2023, Datang Wuwei New Energy Development Co., Ltd., Datang Alukeerqinqi Renewable Power Co., Ltd. and Datang Nanpi Investment Co., Ltd., associates of the Group, were suffering continuous losses. The Group assessed the recoverable amount of the investments were nil and made full provision for impairment of RMB1.0 million, RMB1.0 million and RMB3.0 million respectively as at 31 December 2023.

(iii) Loans from an associate and lease liabilities under lease arrangements are as follows:

	2023	2022
Loans from an associate	**2,921,138**	2,465,357
Lease liabilities under lease arrangements with an associate	**1,149,318**	1,467,115
As at 31 December	**4,070,456**	3,932,472

As at 31 December 2023, the loans from an associate and lease liabilities under lease arrangements with an associate included in the Group's "Interest-bearing bank and other borrowings" of RMB4,070.5 million (31 December 2022: RMB3,932.5 million) were payables to Datang Financial Leasing Co., Ltd. ("Datang Financial Leasing") which bore interest at rates ranging from 2.75% to 4.98% (31 December 2022: 3.13% to 5.53%).

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Notes: (Continued)

(iv) Set out below are the associates of the Group as at 31 December 2023, which, in the opinion of the directors of the Company, are material to the Group.

Name of entity	Place of business/ country of establishment	Percentage of ownership interest	Nature of relationship	Measurement method
Datang Financial Leasing	PRC/Mainland China	17%	Note 1	Equity method
Guangdong Yueneng Datang Renewable Power Co., Ltd. (廣東粵能大唐新能源有限公司) ("Guangdong Yueneng")	PRC/Mainland China	49%	Note 2	Equity method

Note 1: Datang Financial Leasing, a limited liability company established in the PRC, and the Company are under the common control of Datang Corporation. The Group's shareholdings in Datang Financial Leasing is held through a wholly-owned subsidiary of the Company. Datang Financial Leasing provides financing services to the Group and other companies under the common control of Datang Corporation (see Note 25(a)(i) for more details).

Note 2: Guangdong Yueneng, a limited liability company established in the PRC, was established by the Company and Guangdong Yueneng (Group) Company Limited (廣東粵能(集團)有限公司). Guangdong Yueneng engages in the power generation business.

Datang Financial Leasing and Guangdong Yueneng are private companies and there are no quoted market values available.

The Group has discontinued the recognition of its share of losses of an associate, Rongcheng Shengu New Energy Technology Co., Ltd., because the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this associate for the current year and cumulatively losses were RMB0.0 million (2022: (RMB3.0 million)) and RMB2.7 million (2022: RMB2.7 million), respectively.

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Summarised financial information of associates

The following table illustrates the summarised financial information in respect of Datang Financial Leasing and Guangdong Yueneng adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	Datang Financial Leasing		Guangdong Yueneng	
	2023	2022	2023	2022
Total current assets	17,511,573	11,486,735	122,285	94,268
Total current liabilities	(18,183,202)	(12,458,104)	(22,048)	(38,438)
Total non-current assets	15,996,403	10,942,644	233,833	276,816
Total non-current liabilities	(8,804,523)	(4,495,358)	(114,712)	(124,475)
Net assets	6,520,251	5,475,917	219,358	208,171
Reconciliation to the Group's interests in the associates:				
Proportion of the ownership	17%	20%	49%	49%
Group's share of net assets of associates, excluding goodwill	1,124,743	1,095,184	107,485	102,004
Goodwill and other adjustments	(444,531)	(370,884)	5,869	6,129
Carrying amount of the investments	680,212	724,300	113,354	108,133
Revenue	1,118,676	894,145	53,376	50,885
Profit before tax	241,503	362,758	18,539	15,279
Net profit for the year	183,971	281,780	12,797	12,436
Total comprehensive income	183,971	281,780	12,797	12,436
Interest on perpetual note classified as equity	–	127,800	–	–
Dividends received from associates	50,720	20,000	1,049	–

(Amounts expressed in thousands of RMB unless otherwise stated)

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Investments in associates (Continued)

Summarised financial information of associates (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material (adjusted for differences in the accounting policies between the Group and the associates):

	2023	2022
Share of the associates' profit for the year	14,771	7,715
Share of the associates' total comprehensive income	14,771	7,715
Aggregate carrying amount of the Group's investments in associates	168,503	113,241

As at 31 December 2023 and 2022, the Group had no significant contingent liabilities and unconfirmed commitments related to joint ventures and associates.

(Amounts expressed in thousands of RMB unless otherwise stated)

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
As at 1 January	55,712	104,905
Disposal	–	(98,700)
Changes in fair value recorded in other comprehensive income	1,958	49,507
As at 31 December	57,670	55,712

As at 31 December 2023 and 2022, the Group's unlisted equity investments designated at fair value through other comprehensive income include the following:

	2023	2022
Inner Mongolia Hohhot Pumped Storage Power Generation Co., Ltd.	53,365	51,407
Ningxia Electric Power Trading Center Co., Ltd.	4,305	4,305
	57,670	55,712

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

(Amounts expressed in thousands of RMB unless otherwise stated)

18. DEFERRED TAX

The movements in deferred tax assets and liabilities are as follows:

	Provision for impairment	Right-of-use Asset	Lease liabilities	Others	Total
As at 1 January 2022	21,453	(374,979)	359,313	4,254	10,041
Credited/(charged) to profit or loss	(196)	70,086	(71,111)	465	(756)
As at 31 December 2022 and 1 January 2023	21,257	(304,893)	288,202	4,719	9,285
Credited/(charged) to profit or loss	31,370	52,985	(45,220)	1,340	40,475
As at 31 December 2023	52,627	(251,908)	242,982	6,059	49,760

Reconciliation to the consolidated statement of financial position:

	2023	2022
Deferred tax assets	67,374	27,189
Deferred tax liabilities	(17,614)	(17,904)
	49,760	9,285

(Amounts expressed in thousands of RMB unless otherwise stated)

18. DEFERRED TAX (CONTINUED)

Deferred tax assets are recognised for tax losses carried forward and temporary differences to the extent that the realisation of the related income tax benefits through the future taxable profits is probable. The unrecognised deductible temporary tax differences and the expiry dates of the related tax losses are summarised as follows:

	2023	2022
Tax losses	4,089,312	2,877,361
Other deductible temporary tax differences	1,041,123	720,410
	5,130,435	3,597,771

	2023	2022
Year of expiry		
2023	–	338,889
2024	937,239	403,160
2025	833,920	480,565
2026	693,861	553,260
2027	779,406	235,039
2028	844,886	866,448
	4,089,312	2,877,361

Note: According to the Announcement of the State Administration of Taxation on Issues Concerning the Treatment of Enterprise Income Tax for Extending the Period of Carrying Forward Losses of High-tech Enterprises and Small and Technological Enterprises effective from January 2018, the qualified enterprises' unrecognised losses incurred in the five years prior to the qualifying year are allowed to be carried forward to make up for use in subsequent years, with a maximum carry-over period of 10 years.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2023	2022
CDM assets/receivables *(Note (i))*	68,388	68,801
Proceeds receivables from the disposal of subsidiaries *(Note (i))*	43,827	129,942
Receivable from the disposal of a wind farm project *(Note (i))*	21,556	21,584
Deposits for project investments *(Note (i))*	6,470	11,846
Deposits for borrowings *(Note 25(a)(i))*	26,030	26,030
Receivables under a lease arrangement *(Note (ii))*	16,222	20,386
Other receivables *(Note (i))*	546,422	577,958
	728,915	856,547
Less: impairment allowance *(Note (i))*	(317,956)	(217,474)
	410,959	639,073
Value-added tax recoverables	1,966,862	2,184,012
Current tax prepayments	29,842	16,437
Prepayments for constructions and equipment	1,181,130	822,427
Other prepayments	380,801	325,910
	3,969,594	3,987,859
Less: Non-current portion of		
– Receivables under a lease arrangement *(Note(ii))*	(8,295)	(12,966)
– Deposits for borrowings *(Note 25(a)(i))*	(26,030)	(26,030)
– Value-added tax recoverables	(1,074,219)	(1,090,235)
– Prepayments for constructions and equipment	(1,181,130)	(822,427)
– Other prepayments	(194,333)	(180,730)
	(2,484,007)	(2,132,388)
Total current portion of prepayments, other receivables and other assets	1,485,587	1,855,471

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes:

(i) The movement in the allowance for doubtful debts is as follows:

	2023	2022
As at 1 January	217,474	153,055
Impairment losses, net	100,482	64,419
As at 31 December	317,956	217,474

An impairment analysis is performed on other receivables at each reporting date and expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. For prepayments for constructions and equipment, value-added tax recoverable, dividend receivable, deposits for borrowings, receivables under a lease arrangement and current tax prepayments and certain amounts included in other prepayments and receivables, they have specific due dates or settlement schedules. Management considers the probability of default to be nil.

As at 31 December 2023, certain long-aged other receivables which aged over three years, included in CDM assets/receivables, proceeds receivables from the disposal of subsidiaries, a receivable from the disposal of a wind farm project and a deposit for project investments, amounted to RMB140.2 million (31 December 2022: RMB232.2 million). The management has assessed the expected credit losses on the long-aged other receivables as following:

- In relation to CDM assets/receivables, except for the CDM receivables amounting to RMB2.1 million (31 December 2022: RMB2.4 million) that were expected to receive from a subsidiary of Datang Corporation, the remaining assets with an amount of RMB66.3 million (31 December 2022: RMB66.4 million) were expected to be fully impaired as at 31 December 2023 based on the assessment of recoverability with an expected credit loss rate of 100%.

- The proceeds receivable from the disposal of a subsidiary with an amount of RMB43.8 million (31 December 2022: RMB28.7 million) were expected to be fully impaired as at 31 December 2023, as the debtor was in abnormal operation condition.

- In relation to wind farm project receivables, due to the counterparty explicitly terminating the contract, there is no possibility of receiving further payments. Based on the assessment of recoverability, the remaining assets with an amount of RMB21.6 million (31 December 31 2022: RMB0.0 million) were expected to be fully impaired as at 31 December 2023.

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(i) (Continued)

Other receivables amounting to RMB546.4 million (31 December 2022: RMB578.0 million) were mainly comprised of receivables from government grants, an external wind turbine supplier and fund of disbursement. The management has assessed the expected credit losses on those receivables as following:

- In 2021, the Group terminated a contract with an external wind turbine supplier ("the Supplier") as the Supplier could not supply the turbines as scheduled. Advance payment to the Supplier was recorded in other receivables and an impaired loss of RMB177.3 million (31 December 2022: RMB118.2) was provided by the Group for the year ended 31 December 2023 due to the abnormal operation condition of the Supplier.

- Certain receivables included in other receivables amounting to RMB9.0 million (31 December 2022: RMB4.2 million) were fully impaired considering the recoverability as at 31 December 2023.

(ii) During the year ended 31 December 2023, the Group provided a service to an external customer (non-government authorities) under an energy performance contract for a period of 12 years, pursuant to which certain facilities were constructed and operated by the Group and the service fee was determined at a monthly fixed amount plus a contingent fee which was linked to coal price. The ownership of the facilities will be transferred to the external customer by the end of contract. The transaction was accounted for as a finance lease and the implied interest rate was 4.54% per annum.

	2023	2022
Non-current receivables		
Finance lease – gross receivables	8,500	18,702
Unearned finance income from finance lease receivables	(205)	(5,736)
	8,295	12,966
Current receivables		
Finance lease – gross receivables	8,500	8,500
Unearned finance income from finance lease receivables	(573)	(1,080)
	7,927	7,420
Net investment in a finance lease	16,222	20,386

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(ii) (Continued)

	2023	2022
Gross receivables from the finance lease:		
– No later than 1 year	8,500	8,500
– Later than 1 year and no later than 5 years	8,500	18,702
	17,000	27,202
Unearned future finance income from finance lease receivables	(778)	(6,816)
Net investment in a finance lease	16,222	20,386
The net investment in the finance lease is analysed as follows:		
– No later than 1 year	7,927	7,420
– Later than 1 year but no later than 5 years	8,295	12,966
Total	16,222	20,386

No contingent income was recognised during the years ended 31 December 2023 and 2022.

(iii) The carrying amounts of the Group's other receivables were denominated in the following currencies:

	2023	2022
RMB	347,044	592,019
Euro ("EUR")	42,357	25,468
Australian dollar ("AUD")	21,558	21,586
Total	410,959	639,073

(Amounts expressed in thousands of RMB unless otherwise stated)

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes: (Continued)

(iv) As at 31 December 2023 and 2022, the fair values of the current receivables approximated to their carrying amounts. The maximum exposure to credit risk at the reporting date was the carrying value of each class of the receivables. The Group does not hold any collateral as security.

20. INVENTORIES

	2023	2022
Spare parts	110,844	122,857

As at 31 December 2023 and 2022, the Group had no pledged inventories for interest-bearing bank and other borrowings.

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES

	2023	2022
Trade receivables	**17,825,164**	14,434,204
Bills receivable	**14,358**	81,111
	17,839,522	14,515,315
Less: impairment losses	**(47,042)**	(47,042)
	17,792,480	14,468,273

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

	2023	2022
Within 1 year	**7,016,759**	7,275,994
Between 1 year and 2 years	**4,841,560**	3,543,399
Between 2 years and 3 years	**3,063,142**	1,854,723
Over 3 years	**2,871,019**	1,794,157
	17,792,480	14,468,273

Trade and bills receivables primarily represent receivables from regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest-bearing. The fair values of the trade and bills receivables approximate to their carrying amounts.

For trade and bills receivables arising from tariff revenue, the Group usually grants credit periods of approximately one month to local power grid companies from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local power grid companies, except for the tariff premium of renewable energy. The collection of renewable energy tariff premium is subject to the allocation of funds by the relevant government authorities to the local power grid companies, which consequently takes a relatively longer time for settlement.

As at 31 December 2023 and 2022, the Group has pledged a portion of its trade receivables as security for certain bank and other loans (Note 25(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 2023, 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 RMB7.3 million (2022: RMB109.1 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 (note 30.1).

(Amounts expressed in thousands of RMB unless otherwise stated)

21. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

	2023	2022
As at 1 January	**47,042**	242,637
Impairment losses	**–**	4,138
Reversal of impairment losses	**–**	(199,733)
As at 31 December	**47,042**	47,042

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

The financial resource for the renewable energy tariff premium is the national renewable energy fund that accumulated through a special levy on the consumption of electricity. Pursuant to Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance (the "MOF"), the National Development and Reform Commission (the "NDRC") and the National Energy Administration (the "NEA") in March 2012, the standardised application and approval procedures on a project by project basis for the settlement of the tariff premium came into force in 2012, and such applications were accepted and approved batch by batch jointly by the MOF, NDRC and NEA at intervals in form of announcing renewable energy subsidy catalogues (the "Subsidy Catalogues").

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.

21. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2023, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. Based on the above, the directors estimated that there are no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogues or the Subsidy List. The tariff premium receivables are settled in accordance with prevailing government policies and prevalent payment trends of the MOF. There is no due date for settlement.

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

- For the trade receivables from tariff premium amounting to RMB16,804.3 million (31 December 2022: RMB13,344.4 million) as at 31 December 2023. 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 2022: RMB5.3 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 RMB930.9 million (31 December 2022: RMB966.1 million) as at 31 December 2023, 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 2022: RMB38.3 million) among which aged over three years was RMB38.3 million (31 December 2022: RMB38.3 million) as at 31 December 2023, due to the debtor's significant increase in credit risk since 2021, the management made a full provision of RMB38.3 million (31 December 2022: RMB38.3 million) as at 31 December 2023. 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 RMB51.7 million (31 December 2022: RMB85.4 million) among which aged over three years was RMB15.5 million (31 December 2022: RMB13.1 million) as at 31 December 2023, the management considered the amount was insignificant and loss allowance of RMB3.4 million (31 December 2022: RMB3.4 million) was provided resulting from individual credit risk assessment.

(Amounts expressed in thousands of RMB unless otherwise stated)

22. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

	2023	2022
Restricted cash *(Note (i))*	46,567	25,466
Time deposits *(Note (ii))*	17,000	–
Cash and bank balances	3,055,708	2,440,992
	3,119,275	2,466,458

Notes:

(i) As at 31 December 2023, restricted cash mainly represented deposits held for use as land reclamation deposits, issued notes payable and unsettled suits.

(ii) As at 31 December 2023, time deposits of the Group were RMB17.0 million (31 December 2022: Nil) with a deposit period of 1 year and annual interest rates of 1.5% (31 December 2022: Nil).

Cash and cash equivalents, restricted cash and time deposits of the Group were denominated in the following currencies:

	2023	2022
RMB	3,100,101	2,429,197
HKD	18,900	37,093
United States dollars ("USD")	72	70
AUD	202	98
	3,119,275	2,466,458

RMB is not freely convertible into other currencies, however, under Mainland Chinas Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

(Amounts expressed in thousands of RMB unless otherwise stated)

23. TRADE AND BILLS PAYABLES

	2023	2022
Trade payables	197,905	275,437
Bills payable	–	4,000
	197,905	279,437

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

	2023	2022
Within 1 year	109,693	168,981
After 1 year but within 2 years	34,109	55,499
After 2 years but within 3 years	23,741	14,903
After 3 years	30,362	36,054
	197,905	275,437

The trade and bills payables are non-interest-bearing and are normally settled within one year.

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

(Amounts expressed in thousands of RMB unless otherwise stated)

24. OTHER PAYABLES AND ACCRUALS

	2023	2022
Payables for property, plant and equipment	5,985,895	6,748,002
Loans from related parties *(Note (i))*	97,666	114,958
Dividends payable to non-controlling interests	1,028,530	585,000
Accrued staff related costs	47,893	47,156
Payables for CDM projects	3,734	3,734
Payables for taxes other than income taxes	103,016	117,542
Asset retirement obligations *(Note (ii))*	118,559	110,896
Amounts due to a non-controlling interest	39,911	44,911
Contract liabilities	1,329	1,354
Other payables	448,730	356,982
	7,875,263	8,130,535
Deferred government grants	12,772	13,406
Other accruals and deferrals	65,884	69,203
	7,953,919	8,213,144
Less: Non-current portion of		
– Asset retirement obligations *(Note (ii))*	(118,559)	(110,896)
– Deferred government grants	(12,772)	(13,406)
– Other accruals and deferrals	(65,244)	(66,428)
	(196,575)	(190,730)
Total current portion of other payables and accruals	7,757,344	8,022,414

Notes:

(i) As at 31 December 2023 and 2022, the loans from other related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

(ii) Under the relevant laws and regulations, the Group is generally required to restore and rehabilitate areas caused by the Group's temporary occupation of pieces of land during the construction of the relevant power plant facilities. In addition, the Group may have contractual obligations to dismantle the relevant facilities and rehabilitate the pieces of land occupied at the end of the concession periods for wind or solar farms operated under the relevant service concession agreements.

(Amounts expressed in thousands of RMB unless otherwise stated)

24. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (Continued)

The movements in asset retirement obligations are as follows:

	2023	2022
As at 1 January	110,896	104,437
Unwinding of discount	7,663	6,459
As at 31 December	118,559	110,896

For the year ended 31 December 2023, the unwinding of discount of RMB7.7 million (2022: RMB6.5 million) was included in "Finance expenses" in the consolidated statement of profit or loss.

(Amounts expressed in thousands of RMB unless otherwise stated)

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) Long-term borrowings

	2023	2022
Bank loans		
– Unsecured	31,470,362	26,843,109
– Guaranteed *(Note 25(c))*	622,083	573,332
– Secured	12,377,213	12,390,107
– Secured and guaranteed *(Note 25(c))*	–	68,771
	44,469,658	39,875,319
Other loans		
– Unsecured	2,781,749	1,966,038
– Secured *(Note (i))*	2,773,917	3,188,246
	5,555,666	5,154,284
Corporate bonds and medium-term notes		
– Unsecured *(Note (ii))*	2,334,902	4,675,345
Lease liabilities *(Note 15(b))*	1,789,779	2,329,426
Total long-term borrowings	54,150,005	52,034,374
Less: current portion of long-term borrowings *(Note 25(b))*		
– Bank loans	(4,887,184)	(4,073,956)
– Other loans	(1,313,615)	(1,515,273)
– Corporate bonds and medium-term *notes*	(1,335,181)	(77,338)
– Lease liabilities *(Note 15(b))*	(286,145)	(422,501)
	(7,822,125)	(6,089,068)
Total non-current portion of long-term borrowings	46,327,880	45,945,306

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(a) Long-term borrowings (Continued)

Notes:

(i) As at 31 December 2023 and 2022, the details of secured other loans were as follows:

	2023	2022
Datang Financial Leasing*	**1,855,285**	1,504,619
Shanghai Datang Financial Leasing Company Limited ("Shanghai Datang Financial Leasing")*	**342,901**	517,344
ICBC Financial Leasing Company Limited*	**172,860**	270,660
CMB Financial Leasing Company Limited*	**–**	99,967
State Grid International Leasing Company Limited*	**5,439**	11,977
Datang Factoring Company Limited	**383,932**	757,415
Taiping & Sinopec Financial Leasing Company Limited*	**13,500**	26,264
Total	**2,773,917**	3,188,246

* 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 2023, cash amounting to RMB26.0 million (31 December 2022: RMB26.0 million) was held in a deposit account with ICBC Financial Leasing Company Limited.

(ii) The Company issued several corporate bonds and medium-term notes amounting to RMB1,000.0 million, RMB1,000.0 million, RMB500.0 million, RMB800.0 million, RMB300.0 million and RMB1,000 million with a unit par value of RMB100 each on 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 3.32%, 2.95%, 2.85%, 3.00%, 3.39% and 2.97%, respectively. The first two issued corporate bonds have already matured and settled in May 2023 and July 2023 respectively. RMB300.0 million of the third issued corporate bonds is partially repaid in August 2023.

(Amounts expressed in thousands of RMB unless otherwise stated)

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

(b) Short-term borrowings

	2023	2022
Bank loans		
– Unsecured	409,616	128,671
Short-term bonds – Unsecured *(Note)*	–	1,111,441
Other loans		
– Unsecured	436,430	1,055,101
– Secured	2,258,940	249,335
	2,695,370	1,304,436
Current portion of long-term borrowings *(Note 25(a))*	7,822,125	6,089,068
	10,927,111	8,633,616

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 2023	Issued	Interest	Payment	31 December 2023
2022 short-term bonds (the fourth tranche)	15-Apr-2022	600,000	2.03%	608,609	–	400	609,009	–
2022 short-term bonds (the fifth tranche)	17-Aug-2022	500,000	1.52%	502,832	–	895	503,727	–
2023 short-term bonds (the first tranche)	09-Feb-2023	700,000	2.02%	–	700,000	2,673	702,673	–
Total		1,800,000		1,111,441	700,000	3,968	1,815,409	–

The issuance cost of above-mentioned short-term bonds for the year ended 31 December 2023 was RMB0.2 million (2022: RMB1.5 million).

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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

As at 31 December 2023 and 2022, the effective interest rates per annum on borrowings are as follows:

	2023	2022
Long-term borrowings		
Bank loans	1.75%-4.90%	1.25%-4.51%
Other loans	2.75%-4.98%	3.15%-4.98%
Corporate bonds and medium-term notes	2.85%-3.39%	2.85%-3.39%
Short-term borrowings		
Bank loans	2.20%-2.80%	1.70%-3.50%
Other loans	2.60%-3.90%	3.20%-4.35%
Short-term bonds	N/A	2.00%-2.45%

As at 31 December 2023 and 2022, details of the Group's guaranteed bank loans are as follows:

	2023	2022
Guarantor		
– The Company	622,083	632,028
– Non-controlling interests and an ultimate holding company of subsidiaries and a fellow subsidiary of the Company *(Note 29(b))*	–	10,075
	622,083	642,103

(Amounts expressed in thousands of RMB unless otherwise stated)

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

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

As at 31 December 2023 and 2022, 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	
	2023	2022	**2023**	2022
Property, plant and equipment	**2,687,151**	2,034,664	**4,410,965**	4,419,258
Concession assets	**–**	34,675	**–**	–
Trade receivables	**5,560,155**	5,625,359	**1,260,969**	1,110,324
	8,247,306	7,694,698	**5,671,934**	5,529,582

As at 31 December 2023 and 2022, long-term borrowings were repayable as follows:

	2023	2022
Within 1 year	**7,822,125**	6,089,068
After 1 year but within 2 years	**13,075,514**	9,828,295
After 2 years but within 5 years	**18,423,435**	21,606,173
After 5 years	**14,828,931**	14,510,838
	54,150,005	52,034,374

As at 31 December 2023 and 2022, the carrying amounts of borrowings were all denominated in the RMB.

26. SHARE CAPITAL AND SHARE PREMIUM

As at 31 December 2023 and 2022, ordinary shares comprised the following:

	2023 Number of shares (in thousands)	2022 Number of shares (in thousands)
Domestic shares	**4,772,630**	4,772,630
H shares	**2,501,071**	2,501,071
	7,273,701	7,273,701

The total number of authorised ordinary shares was 7,273.7 million with a par value of RMB1.00 per share. At 31 December 2023 and 2022, all issued shares were registered, fully paid and ranked pari passu with one another.

A summary of the Company's issued ordinary shares and share premium is as follows:

	Number of shares *(in thousands)*	Ordinary shares	Share premium	Total
As at 31 December 2023 and 2022	7,273,701	7,273,701	2,080,969	9,354,670

(Amounts expressed in thousands of RMB unless otherwise stated)

27. PERPETUAL NOTE AND BONDS

(a) Perpetual note and bonds as at 31 December 2023

The information of the perpetual note and bonds issued by the Company is listed in the below table:

Type of instruments	Issuance date	Category	Initial distribution rate	Issue price *RMB'000*	Number	Par value *RMB'000*	Initial period	First coupon payment date	First call date
2021 renewable bonds (the first tranche)	April 2021	Equity Instrument	3.84%	0.1	20,000,000	2,000,000	3 Years	06-Apr-22	06-Apr-24
2021 renewable bonds (the third tranche)	October 2021	Equity Instrument	3.48%	0.1	10,000,000	1,000,000	3 Years	25-Oct-22	25-Oct-24
2022 medium-term note (the first tranche)	May 2022	Equity Instrument	3.07%	0.1	10,000,000	1,000,000	3 Years	19-May-23	19-May-25
2023 renewable bonds (the first tranche)	January 2023	Equity Instrument	3.52%	0.1	20,000,000	2,000,000	2 Years	16-Jan-24	16-Jan-25
2023 renewable bonds (the second tranche)	February 2023	Equity Instrument	3.62%	0.1	19,000,000	1,900,000	3 Years	22-Feb-24	22-Feb-26
2023 renewable bonds (the third tranche)	June 2023	Equity Instrument	3.20%	0.1	19,000,000	1,900,000	3 Years	26-Jun-24	26-Jun-26
2023 medium-term note (the first tranche)	April 2023	Equity Instrument	3.50%	0.1	10,000,000	1,000,000	3 Years	17-Apr-24	17-Apr-26
2023 medium-term note (the second tranche)	July 2023	Equity Instrument	2.93%	0.1	10,000,000	1,000,000	2 Years	14-Jul-24	14-Jul-26
2023 medium-term note (the third tranche)	July 2023	Equity Instrument	3.17%	0.1	12,000,000	1,200,000	3 Years	18-Jul-24	18-Jul-26
2023 medium-term note (the fourth tranche)	August 2023	Equity Instrument	2.85%	0.1	10,000,000	1,000,000	3 Years	16-Aug-24	16-Aug-26
Total					140,000,000	14,000,000			

27. PERPETUAL NOTE AND BONDS (CONTINUED)

(a) Perpetual note and bonds as at 31 December 2023 (Continued)

The perpetual note and bonds as at 31 December 2023 have no fixed maturity dates and are callable at the Company's option on the first call date or on any coupon payment date afterwards, at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. After the first call date, the coupon rate will be reset every 2 or 3 years to a percentage per annum equal to the sum of (a) the initial spreads of the difference between the nominal interest rate and the initial benchmark interest rate, (b) the current benchmark interest rate, and (c) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends or reduce the registered capital. Pursuant to the terms of these perpetual note and bonds, the Company has no contractual obligations to repay its principal or to pay any coupon interest. Accordingly, the perpetual note and bonds do not meet the definition of financial liabilities in accordance with IAS 32 Financial Instruments: Presentation, and are classified as equity and subsequent coupon payments will be treated as distributions to equity owners.

In 2023, the Company accrued interest of RMB 513.6 million (2022: RMB556.3 million) in terms of the perpetual note and bonds.

(Amounts expressed in thousands of RMB unless otherwise stated)

27. PERPETUAL NOTE AND BONDS (CONTINUED)

(b) Changes of perpetual note and bonds during 2023

Type of instruments	As at 1 January 2023	Issuance amount	Cumulative distributions: Accrued	Cumulative distributions: Appropriation	Repayment amount	As at 31 December 2023
2020 medium-term note (the first tranche)	2,037,861	–	34,837	78,000	1,994,698	–
2020 renewable bonds (the first tranche)	2,072,737	–	1,446	77,600	1,996,583	–
2020 renewable bonds (the second tranche)	2,058,728	–	7,570	71,600	1,994,698	–
2020 renewable bonds (the third tranche)	2,035,634	–	45,838	83,000	1,998,472	–
2020 renewable bonds (the fourth tranche)	1,013,742	–	25,494	40,000	999,236	–
2020 renewable bonds (the fifth tranche)	1,013,077	–	30,546	44,500	999,123	–
2021 renewable bonds (the first tranche)	2,054,828	–	78,783	76,800	–	2,056,811
2021 renewable bonds (the third tranche)	1,003,597	–	37,686	34,800	–	1,006,483
2022 medium-term note (the first tranche)	1,020,641	–	26,678	30,700	–	1,016,619
2023 renewable bonds (the first tranche)	–	1,980,057	67,507	–	–	2,047,564
2023 renewable bonds (the second tranche)	–	1,898,208	58,981	–	–	1,957,189
2023 renewable bonds (the third tranche)	–	1,898,208	31,483	–	–	1,929,691
2023 medium-term note (the first tranche)	–	999,717	24,836	–	–	1,024,553
2023 medium-term note (the second tranche)	–	999,830	13,727	–	–	1,013,557
2023 medium-term note (the third tranche)	–	1,199,434	17,405	–	–	1,216,839
2023 medium-term note (the fourth tranche)	–	999,528	10,775	–	–	1,010,303
Total	14,310,845	9,974,982	513,592	537,000	9,982,810	14,279,609

28. RESERVES

(i) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, the Company is required to appropriate 10% of its net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of the PRC, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such a reserve reaches 50% of the registered capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of the registered capital. The statutory surplus reserve is non-distributable.

(ii) Other reserves

Other reserves of the Group are mainly the difference between the fair value of assets injected by Datang Corporation and its share in the share capital as part of the reorganisation, and merger reserves arising from business combinations under common control.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The Company is controlled by Datang Corporation, the parent company and a state-owned enterprise established in the PRC. Datang Corporation itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24 *Related Party Disclosures*, government-related entities and their subsidiaries directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include Datang Corporation and its subsidiaries (other than the Group), other government-related entities and their subsidiaries ("Other State-owned Enterprises"), other entities and corporations over which the Company is able to control or exercise significant influence, and key management personnel of the Company and Datang Corporation as well as their close family members.

Some of the related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

For the purpose of the related party transaction disclosures, the directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

(a) Significant related party transactions

	2023	2022
Transactions with fellow subsidiaries of the Group:		
– Provision of installation, construction, general contracting services	31,685	37,411
– Sales of electricity and equipment	16,117	1,665
– Purchases of engineering, construction, supervisory services, insurance services and general contracting services *(Note (i))*	(1,263,049)	(706,978)
– Purchases of key and auxiliary materials, equipment and finished goods *(Note (ii))*	(1,321,381)	(1,995,543)
– Interest income earned	15,086	22,443
– Interest expense charged	(327,383)	(339,697)
– Loans from related parties *(Note (iii))*	10,338,803	6,181,244
– Repayments of loans from related parties	(8,878,080)	(9,588,861)
Capital commitments for the purchase of property, plant and equipment from fellow subsidiaries (contracted, but not provided for)	612,209	1,868,510

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

Notes:

(i) The purchases of engineering, construction, supervisory services, insurance services, and general contracting services by certain fellow subsidiaries of Datang Corporation included purchases of equipment and construction services mainly from China Datang Corporation Renewable Energy Science and Technology Research Institute and Datang Huayin Electric Power Limited and insurance services from Beijing Datang Taixin Insurance Brokers Company Limited. The transaction prices were determined based on the prescribed prices or guidance prices published by the government authorities. Where a government-prescribed price or guidance price was not available, a market price as determined through a bidding process was adopted; where a bidding process was impractical, the transaction prices were determined on the basis of cost plus reasonable profit according to the historical prices and price trends of the relevant products.

(ii) The purchases of key and auxiliary materials, equipment and finished goods are mainly purchases of wind turbines, tower tubes and auxiliary materials from China National Water Resources & Electric Power Materials & Equipment Group Company Limited and China Datang International Trading Corporation. The transaction prices were determined by the prescribed prices or guidance prices published by the government authorities. Where a government-prescribed price or guidance price was not available, a market price as determined through a bidding process was adopted; where a bidding process was impractical, the transaction prices were determined on the basis of cost plus reasonable profit according to the historical prices and price trends of the relevant products.

(iii) During the year ended 31 December 2023, included in "Loans from related parties" were borrowings from Datang Financial Leasing, Shanghai Datang Financial Leasing, Datang Factoring Company and Datang Finance. The due dates of the related borrowings fall within the period from 14 January 2024 to 21 February 2038 (2022: 9 February 2023 to 27 December 2037), and the interest rates range from 2.60% – 4.98% per annum (2022: 3.15% – 4.98%).

(iv) In addition to the above transactions, on 17 March 2015, the Company and Datang Finance entered into an agreement, pursuant to which Datang Finance agreed to provide certain loans, depository and other financial services to the Group for a period of three years, which expired at 31 December 2017. The financial service agreement was renewed on 12 May 2017 with a term from 1 January 2018 to 31 December 2020. On 23 August 2018, the Company and Datang Finance entered into a supplemental agreement in relation to the financial service agreement to make revision on the annual transaction cap. The financial service agreement was renewed again on 20 October 2020 with a term from 1 January 2021 to 31 December 2023. The deposit interest rates and loan interest rates stipulated in the financial service agreement are determined with reference to the benchmark deposit interest rates and loan interest rates announced by the People's Bank of China and the equivalent deposit interest rates and loan interest rates provided by independent domestic commercial banks in China. The agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant related party transactions (Continued)

Notes: (Continued)

As at 31 December 2023, the Group had a cash deposit held at Datang Finance amounting to RMB2,508.5 million (31 December 2022: RMB1,808.6 million), and the interest income on the deposit was RMB15.1 million for the year ended 31 December 2023 (31 December 2022: RMB22.4 million).

All the transactions above with related parties are conducted at prices and on terms mutually agreed by the parties involved, and all the amounts disclosed are exclusive of VAT applicable to the relevant transactions.

(b) Year-end balances due from/to related parties

Other than those disclosed elsewhere in the consolidated financial statements, the outstanding balances with related entities at the year end are as follows:

	2023 *RMB'000*	2022 *RMB'000*
Cash and cash equivalents deposited with		
A subsidiary of Datang Corporation *(Note 29 (a) (iv))*	2,508,493	1,808,553
Trade and bills receivables		
Datang Corporation and its subsidiaries	14,742	59,090
Prepayments, other receivables and other assets		
Datang Corporation and its subsidiaries	108,848	737,928
Other related parties	–	5,000
Trade and bills payables		
Datang Corporation and its subsidiaries	(16,705)	(1,570,203)
Other payables and accruals		
Datang Corporation and its subsidiaries	(97,666)	(114,958)
Other related parties	(52,621)	(57,636)
Interest-bearing bank and other borrowings		
Subsidiaries of Datang Corporation	(9,536,407)	(8,113,647)

All balances with related parties arose primarily from transactions as disclosed in Note 29(a).

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Year-end balances due from/to related parties (Continued)

As at 31 December 2023, amounts included in "Interest-bearing bank and other borrowings" of RMB9,536.4 million (31 December 2022: RMB8,113.6 million) were payables to Datang Corporation and certain fellow subsidiaries which bore interest at rates ranging from 2.60% – 4.98% per annum (2022: 3.15% – 4.98% per annum). Except for the above-mentioned balances, all other balances with Datang Corporation and its subsidiaries are interest-free, unsecured and due on demand.

As at 31 December 2023, the non-controlling shareholders of certain subsidiaries of the Company have guaranteed certain bank loans and other loans made to the Group was nil (31 December 2022: RMB10 million).

(c) Significant transactions with other state-owned enterprises

For the year ended 31 December 2023, all (2022: all) revenue was derived from the sales of electricity made to the provincial power grid companies. These power grid companies are directly or indirectly owned or controlled by the PRC government. At 31 December 2023, substantially all (31 December 2022: substantially all) of the trade and bills receivables (Note 21) were due from these power grid companies.

Apart from the above, for the years ended 31 December 2023 and 2022, a large portion of the Group's other significant transactions with other state-owned enterprises were its purchases of materials, property, plant and equipment and services. Substantially all cash and cash equivalents and borrowings at 31 December 2023 and 2022, and the relevant interest income earned and expenses incurred were transacted with banks and other financial institutions owned/controlled by the PRC government.

The transactions of revenue and expense in nature conducted with other state-owned enterprises are based on terms as set out in the underlying agreements, based on statutory rates or actual costs incurred, or as mutually agreed.

(Amounts expressed in thousands of RMB unless otherwise stated)

29. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Compensation of key management personnel

	2023	2022
Basic salaries, housing fund, other allowances and benefits in kind	1,435	1,294
Discretionary bonuses	2,251	1,868
Pension costs	182	168
	3,868	3,330

Details of directors' and supervisors' remuneration are included in Note 12 to the financial statements.

(e) Commitments with related parties

As at 31 December 2023 and 2022, except for the other capital commitments disclosed in Note 29(a) to the financial statements, the Group had no significant commitments with other related parties.

(f)

In 2022, the Group recognised right-of-use assets of RMB154.2 million, and lease liabilities of RMB168.7 million for new leases from related parties.

In 2023, the Group recognised depreciation expenses of RMB94.8 million (2022: RMB100.8 million) from right-of-use assets, and interest expenses of RMB76.4 million (2022: RMB83.9 million) from lease liabilities and paid an amount of RMB551.7 million (2022: RMB368.6 million) under all lease agreements with related parties.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS

30.1 Financial instruments by category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

	2023				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Equity investments designated at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income	Total
Equity investments designated at fair value through other comprehensive income	–	–	57,670	–	57,670
Trade and bills receivables	–	17,778,122	–	14,358	17,792,480
Time deposits		17,000			17,000
Restricted cash	–	46,567	–	–	46,567
Cash and cash equivalents	–	3,055,708	–	–	3,055,708
Financial assets included in prepayments, other receivables and other assets	–	410,959	–	–	410,959
Financial assets at fair value through profit or loss	8,972	–	–	–	8,972
	8,972	21,308,356	57,670	14,358	21,389,356

Financial liabilities

	2023	
	Financial liabilities at amortised cost	Total
Trade and bills payables	197,905	197,905
Financial liabilities included in other payables and accruals	7,604,466	7,604,466
Interest-bearing bank and other borrowings	57,254,991	57,254,991
	65,057,362	65,057,362

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Financial instruments by category (Continued)

Financial assets

	2022				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Equity investments designated at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income	Total
Equity investments designated at fair value through other comprehensive income	–	–	55,712	–	55,712
Trade and bills receivables	–	14,387,162	–	81,111	14,468,273
Restricted cash	–	25,466	–	–	25,466
Cash and cash equivalents	–	2,440,992	–	–	2,440,992
Financial assets included in prepayments, other receivables and other assets	–	639,073	–	–	639,073
Financial assets at fair value through profit or loss	9,972	–	–	–	9,972
	9,972	17,492,693	55,712	81,111	17,639,488

Financial liabilities

	2022	
	Financial liabilities at amortised cost	Total
Trade and bills payables	279,437	279,437
Financial liabilities included in other payables and accruals	7,853,587	7,853,587
Interest-bearing bank and other borrowings	54,578,922	54,578,922
	62,711,946	62,711,946

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Financial instruments by category (Continued)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, the Company and its certain subsidiaries endorsed or discounted certain bills receivable accepted by banks in the PRC and Datang Finance to certain of its suppliers in order to settle the trade payables or other payables due to such suppliers with a carrying amount in aggregate of RMB7.3 million (31 December 2022: RMB109.1 million). The derecognised bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the derecognised bills have a right of recourse against the Group if the PRC banks or the financial institutions default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the derecognised bills. Accordingly, it has derecognised the full carrying amounts of the derecognised bills and the associated trade payables or other payables. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised bills and the undiscounted cash flows to repurchase these derecognised bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the derecognised bills are not significant.

30.2 Fair value and fair value hierarchy

Fair value

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values and those carried at fair values, are as follows:

	Carrying amount		Fair value	
	2023	2022	**2023**	2022
Financial liability:				
Long-term interest bearing bank and other borrowings (other than lease liabilities)	**44,824,246**	44,038,381	**43,305,633**	42,407,573

Management has assessed that the fair values of cash and cash equivalents, time deposits, restricted cash, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and short-term interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value (Continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and bills receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings and bills receivable as at 31 December 2023 were assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates, or assessed by a third party through evaluating the discounted cash flow. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings and net assets measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value (Continued)

For the fair value of the unlisted equity investments at fair value, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023 and 2022:

	Valuation technique	Significant unobservable input	Range/Weighted average	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	2023: 1.2x (2022: 1.4x)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB6,043,594 (2022: RMB5,983,824)
		Discount for lack of marketability	2023: 14.5%-27.8% (2022: 20%-30%)	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB1,174,811 (2022: RMB2,417,405)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Bills receivables	–	14,358	–	14,358
Equity investments designated at fair value through other comprehensive income	–	–	57,670	57,670
Financial assets at fair value through profit or loss	–	–	8,972	8,972
	–	14,358	66,642	81,000

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Bills receivables	–	81,111	–	81,111
Equity investments designated at fair value through other comprehensive income	–	–	55,712	55,712
Financial assets at fair value through profit or loss	–	–	9,972	9,972
	–	81,111	65,684	146,795

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy (Continued)

The movements in fair value measurement within Level 3 during the year are as follows:

	2023	2022
As at 1 January	**65,684**	62,639
Total gains recognised in the other comprehensive income	**1,958**	4,795
Disposals of financial assets at fair value through profit or loss	**(1,000)**	(1,750)
As at 31 December	**66,642**	65,684

During the year, the Group had no transfers of fair value measurements between Level 1 and Level 2 (2022: Nil).

There were no assets for which fair values were disclosed as at 31 December 2023 and 2022.

(Amounts expressed in thousands of RMB unless otherwise stated)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.2 Fair value and fair value hierarchy (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Long-term interest-bearing bank and other borrowings (other than lease liabilities)	–	43,305,633	–	43,305,633

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Long-term interest-bearing bank and other borrowings (other than lease liabilities)	–	42,407,573	–	42,407,573

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury management department (the "Group Treasury") under policies approved by the board of directors of the Company. The Group Treasury identifies, evaluates and hedges financial risks through close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the HKD, AUD, EUR and USD. Foreign exchange risk arises mainly from CDM assets/receivables, recognised assets and liabilities and net investments in foreign operations.

As at 31 December 2023, substantially all of the revenue-generating operations of the Group were located in the PRC and transacted in RMB. To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group have the policy to minimise foreign currency transactions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

As at 31 December 2023, if RMB had weakened/strengthened by 5% (31 December 2022: 5%) against other foreign currencies with all other variables held constant, post-tax profit for the year would have been RMB12.4 million lower/higher (31 December 2022: RMB10.6 million lower/higher) mainly as a result of foreign exchange gains/losses on translation of recognised monetary assets and liabilities.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the annual period end of the next reporting period. The analysis is performed on the same basis for the years presented.

RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying a sufficient foreign currency demand.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from bank borrowings and other loans. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2023, the Group's borrowings at variable rates were denominated in RMB (2022: in RMB).

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

As at 31 December 2023, if interest rates on RMB denominated loans both had been 50 basis points higher/lower, respectively, with all other variables held constant, interest expenses charged to profit or loss for the year would have been RMB265.3 million (31 December 2022: RMB237.5 million) higher/lower, respectively.

The estimated 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual period.

(iii) Price risk

The Group is exposed to equity security price risk because of investments held by the Group. The Group is not exposed to commodity price risk.

As at 31 December 2023, the Group was exposed to equity security price risk primarily arising from the investments classified as equity investments designated at fair value through other comprehensive income. These securities are publicly traded in Hong Kong. To manage the risk, the Group closely monitors the market prices of these securities and market trends.

If prices of the equity security investments had increased/decreased by 10% with the stock price, the investment valuation reserve within equity would have been increased/decreased by RMB6.7 million (31 December 2022: RMB6.6 million) as a result of the increase/decrease in equity securities classified as at fair value through other comprehensive income.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(b) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to receivable balances. Each local entity is responsible for managing and analysing the credit risk for each debtor. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and bank guarantees extended to external parties. For banks and financial institutions, the Group has the policy to review the credit risks of any banks and financial institutions and does not expect any significant losses from non-performance of these banks and financial institutions. The Group's policy requires all of the Group's cash and cash equivalents in the PRC to be deposited in the major state-owned/controlled PRC banks or financial institutions and well-known international banks outside of the PRC.

The receivables from sales of electricity mainly represent receivables from the provincial power grid companies. The Group has no significant credit risk with any of these power grid companies, which are major state-owned entities, and the Group maintains long-term and stable business relationships with these companies. With regard to the trade receivable from a trade debtor for services rendered, certain long-aged other receivables which aged over three years, advance payment with an external wind turbines supplier of abnormal operation, the management centrally assesses the credit quality of the debtors, taking into account their financial positions, past experience and other factors. The Group performs periodic credit evaluations of its customers and believes that adequate provision for impairment of receivables/assets has been made (Notes 19 and 21). The Group does not expect any further losses from non-performance by these counterparties.

The concentrations of trade receivables are disclosed in Note 21.

The maximum exposure to credit risk is represented by the total carrying amount of financial assets in the statement of financial position after deducting any impairment allowance.

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Treasury. The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. This forecast takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit facilities.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to Datang Finance. Datang Finance places the surplus cash with banks after considering sufficient liquidity to provide sufficient headroom as determined by Datang Finance.

As at 31 December 2023, the Group held cash and cash equivalents of RMB3,055.7 million (31 December 2022: RMB2,441.0 million) (Note 22).

As at 31 December 2023, the Group's net current assets amounted to approximately RMB3,462.9 million (31 December 2022: RMB1,788.7 million). The Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs through i) maintaining flexibility by placing reliance primarily on bank loans; ii) periodically evaluating banking facilities position and maintaining sufficient headroom on its undrawn committed borrowing facilities; iii) complying with borrowing limits or covenants on any of its borrowing facilities – for example, appropriate management of pledged assets, compliance with certain debt ratios, and other credit rating requirements. Such forecast takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal debt ratio targets.

(Amounts expressed in thousands of RMB unless otherwise stated)

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

As at 31 December 2023 and 2022, the Group had the following undrawn borrowing facilities at floating rates:

	2023	2022
Expiring within one year	65,701,180	23,221,000
Expiring beyond one year	17,474,820	35,379,400
	83,176,000	58,600,400

Based on the above and other available sources of financing from other financial institutions stated in Note 2.1.1, the directors of the Company are confident that the Group will be able to meet its payment and settlement obligations and that the liquidity risk is low.

(Amounts expressed in thousands of RMB unless otherwise stated)

31. FINANCIAL AND CAPITAL RISK MANAGEMENT

31.1 Financial risk management (Continued)

(c) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at 31 December 2023					
Lease liabilities	332,207	281,267	818,262	791,885	2,223,621
Long-term loans *(Note 25(a))*	7,754,694	13,219,587	20,040,912	17,268,568	58,283,761
Long-term bonds *(Note 25(a))*	1,394,184	1,004,603	–	–	2,398,787
Short-term loans *(Note 25(b))*	3,149,119	–	–	–	3,149,119
Short-term bonds *(Note 25(b))*	–	–	–	–	–
Financial liabilities included in other payables and accruals	7,604,912	–	–	–	7,604,912
Trade and bills payables *(Note 23)*	197,905	–	–	–	197,905
	20,433,021	14,505,457	20,859,174	18,060,453	73,858,105
As at 31 December 2022					
Lease liabilities	461,136	380,272	1,035,752	969,370	2,846,530
Long-term loans *(Note 25(a))*	7,135,443	7,286,483	22,058,819	15,516,080	51,996,825
Long-term bonds *(Note 25(a))*	218,158	3,692,340	1,004,950	–	4,915,448
Short-term loans *(Note 25(b))*	1,460,409	–	–	–	1,460,409
Short-term bonds *(Note 25(b))*	1,112,687	–	–	–	1,112,687
Financial liabilities included in other payables and accruals	7,853,587	–	–	–	7,853,587
Trade and bills payables *(Note 23)*	279,437	–	–	–	279,437
	18,520,857	11,359,095	24,099,521	16,485,450	70,464,923

31. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

31.2 Capital risk management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors their capital structure on the basis of the liability-to-asset ratio, which is calculated by dividing total liabilities by total assets. The liability-to-asset ratio of the Group as at 31 December 2023 was 64.6% (31 December 2022: 64.9%).

The decrease in the liability-to-asset ratio was primarily due to the issuance of perpetual note and bonds which were classified as equity. Taking into consideration the expected operating cash flows of the Group, the unutilised banking facilities, other available sources of financing from other financial institutions and the Group's past experience in refinancing its short-term borrowings, the directors and the management of the Company believe that the Group can meet its obligations when they fall due.

(Amounts expressed in thousands of RMB unless otherwise stated)

32. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

As at 31 December 2023, the Company directly and indirectly held equity interests in its subsidiaries, all of which are unlisted securities. The Company's principal subsidiaries, all of which are limited liability companies established and operate in the PRC in the business of wind power generation, are as follows:

Name	Registered and fully paid-in capital	Proportion of equity interest held by the Group	
		Direct	Indirect
Datang (Chifeng) Renewable Power Co.,Ltd. (大唐(赤峰)新能源有限公司) ("Chifeng Renewable")	2,120.5 million	60%	–
Datang (Qingdao) Wind Power Generation Co., Ltd. (大唐(青島)風力發電有限公司)	Paid-in capital: 529,263 Registered capital: 610,000	96%	–
Datang Alukeerqinqi Renewable Power Co., Ltd. (大唐阿魯科爾沁旗新能源有限公司)	543,516	100%	–
Datang Renewable Shuozhou Wind Power Generation Co., Ltd. (大唐新能源朔州風力發電有限公司)	483,770	100%	–
Shanghai Dong Hai (上海東海風力發電有限公司) *(Note (i))*	1,009,000	28%	–
Datang Xiangyang Wind Power Generation Co., Ltd. (大唐向陽風電有限公司)	Paid-in capital: 1,748,510 Registered capital: 675,900	100%	–
Datang (Tongliao) Huolinhe Renewable Power Co., Ltd. (大唐(通遼)霍林河新能源有限公司)	809,570	100%	–
Datang Tongxin Renewable Power Co., Ltd. (大唐同心新能源有限公司)	585,983	100%	–
Datang Xilinguole Wind Power Generation Co., Ltd. (大唐錫林郭勒風力發電有限責任公司)	474,525	100%	–
Datang Wenniuteqi Renewable Power Co., Ltd. (大唐翁牛特旗新能源有限公司)	129,548	100%	–
Datang Guoxin Bin Hai Wind Power Co., Ltd. (大唐國信濱海海上風力發電有限公司) ("Guoxin Bin Hai")	958,458	60%	–

32. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

All English names of the subsidiaries represent the best effort made by the Company's directors to translate their Chinese names and are for reference only. The official names of these entities are in Chinese.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

(i) The Company has power to govern the financial and operating policies of Shanghai Dong Hai and certain subsidiaries by virtue of acting in concert arrangements with other shareholders who undertook to agree the decision-making related to revenant activities undertaken by the Company. The Company's proportion of voting rights of Shanghai Dong Hai was up to 60% as at 31 December 2023 which was included in the consolidation.

(ii) During the year ended 31 December 2023, in order to improve management efficiency, the Group cancelled three subsidiaries with a total reduction in investment of RMB8.7 million.

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2023	2022
Percentage of equity interest held by non-controlling interests:		
Chifeng Renewable	40%	40%
Shanghai Dong Hai	72%	72%
Guoxin Bin Hai	40%	40%
Datang Handian (Chaoyang) Renewable Power Co., Ltd. (大唐韓電(朝陽)新能源有限公司) ("Handian (Chaoyang)")	40%	40%
Datang Zhongdian (Jilin) Renewable Power Co., Ltd. (大唐中電(吉林)新能源發電有限公司) ("Zhongdian (Jilin)")	49%	49%
Datang Sanhe (Linxi) Renewable Power Co., Ltd. (大唐三合(林西)新能源有限公司) ("Sanhe (Linxi)")	49%	49%
Datang Sino Japan (Chifeng) new energy Co., Ltd. (大唐中日(赤峰)新能源有限公司) ("Zhongri Renewable")	49%	49%

	2023	2022
Comprehensive income for the year allocated to non-controlling interests:		
Chifeng Renewable	54,308	88,629
Shanghai Dong Hai	57,874	48,434
Guoxin Bin Hai	115,453	115,881
Handian (Chaoyang)	3,468	10,270
Zhongdian (Jilin)	1,053	5,764
Sanhe (Linxi)	3,626	17,215
Zhongri Renewable	8,958	14,566

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Details of the Group's subsidiaries that have material non-controlling interests are set out below: (Continued)

	2023	2022
Dividends paid to non-controlling interests:		
Chifeng Renewable	82,523	132,261
Shanghai Dong Hai	–	104,781
Guoxin Bin Hai	374,316	–
Handian (Chaoyang)	9,243	14,062
Zhongdian (Jilin)	3,580	24,500
Sanhe (Linxi)	15,493	34,590
Zhongri Renewable	–	–
Accumulated balances of non-controlling interests at the reporting date:		
Chifeng Renewable	1,016,817	1,044,991
Shanghai Dong Hai	831,392	773,368
Guoxin Bin Hai	540,425	799,288
Handian (Chaoyang)	249,131	254,906
Zhongdian (Jilin)	83,933	179,299
Sanhe (Linxi)	107,843	119,706
Zhongri Renewable	156,847	147,889

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2023	Chifeng Renewable	Shanghai Dong Hai	Guoxin Bin Hai
Revenue	639,631	392,475	658,773
Total cost and expenses	(503,861)	(312,094)	(370,140)
Profit for the year	135,770	80,381	288,633
Total comprehensive income for the year	136,802	80,381	288,633
Current assets	1,888,783	683,612	1,055,826
Non-current assets	2,604,810	2,475,625	3,391,629
Current liabilities	(1,378,252)	(412,515)	(1,561,055)
Non-current liabilities	(533,000)	(1,587,326)	(1,534,705)
Net cash flows from operating activities	265,959	175,253	234,589
Net cash flows used in investing activities	(40,306)	(64,031)	(104,137)
Net cash flows used in financing activities	(229,486)	(157,751)	(140,771)
Net decrease in cash and cash equivalents	(3,833)	(46,529)	(10,319)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2022	Chifeng Renewable	Shanghai Dong Hai	Guoxin Bin Hai
Revenue	732,594	407,714	673,387
Total cost and expenses	(511,022)	(340,445)	(383,684)
Profit for the year	221,572	67,269	289,703
Total comprehensive income for the year	222,649	67,269	289,703
Current assets	1,721,295	584,904	679,535
Non-current assets	2,883,156	2,630,494	3,617,062
Current liabilities	(1,413,256)	(549,886)	(641,501)
Non-current liabilities	(547,180)	(1,591,390)	(1,656,872)
Net cash flows from operating activities	183,122	607,134	843,861
Net cash flows used in investing activities	(94,378)	(241,413)	(151,898)
Net cash flows used in financing activities	(143,942)	(297,695)	(700,199)
Net (decrease)/increase in cash and cash equivalents	(55,198)	68,026	(8,236)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2023	Handian (Chaoyang)	Zhongdian (Jilin)	Sanhe (Linxi)
Revenue	128,311	77,126	76,195
Total cost and expenses	(119,640)	(64,577)	(68,796)
Profit for the year	8,671	12,549	7,399
Total comprehensive income for the year	8,671	12,549	7,399
Current assets	222,785	81,403	287,930
Non-current assets	700,451	269,389	374,129
Current liabilities	(218,122)	(17,347)	(231,040)
Non-current liabilities	(107,809)	–	(210,839)
Net cash flows from operating activities	49,106	38,674	22,096
Net cash flows used in investing activities	(11,464)	(9,744)	(7,485)
Net cash flows used in financing activities	(25,698)	(43,918)	(15,341)
Net increase/(decrease) in cash and cash equivalents	11,944	(14,988)	(730)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2022	Handian (Chaoyang)	Zhongdian (Jilin)	Sanhe (Linxi)
Revenue	153,775	74,205	110,253
Total cost and expenses	(128,099)	(62,441)	(75,121)
Profit for the year	25,676	11,764	35,132
Total comprehensive income for the year	25,676	11,764	35,132
Current assets	180,631	78,405	251,153
Non-current assets	748,897	310,178	408,038
Current liabilities	(152,945)	(22,666)	(223,761)
Non-current liabilities	(164,840)	–	(191,040)
Net cash flows from operating activities	191,225	140,402	37,313
Net cash flows used in investing activities	(20,628)	(17,876)	(10,572)
Net cash flows used in financing activities	(172,732)	(146,993)	(40,201)
Net decrease in cash and cash equivalents	(2,135)	(24,467)	(13,460)

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2023	Zhongri Renewable
Revenue	52,813
Total cost and expenses	(34,532)
Profit for the year	18,281
Total comprehensive income for the year	18,281
Current assets	162,272
Non-current assets	167,253
Current liabilities	(4,430)
Non-current liabilities	(5,000)
Net cash flows from operating activities	18,340
Net cash flows used in investing activities	(385)
Net cash flows used in financing activities	(15,939)
Net increase in cash and cash equivalents	2,016

(Amounts expressed in thousands of RMB unless otherwise stated)

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations: (Continued)

2022	Zhongri Renewable
Revenue	64,097
Total cost and expenses	(34,370)
Profit for the year	29,727
Total comprehensive income for the year	29,727
Current assets	137,019
Non-current assets	190,907
Current liabilities	(26,110)
Non-current liabilities	–
Net cash flows from operating activities	20,957
Net cash flows used in investing activities	(2,798)
Net cash flows used in financing activities	(23,646)
Net decrease in cash and cash equivalents	(5,487)

(Amounts expressed in thousands of RMB unless otherwise stated)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions of right-of-use assets and lease liabilities of RMB226.8 million (2022: RMB362.2 million) and RMB62.6 million (2022: RMB284.8 million), respectively, in respect of lease arrangements for plant and equipment and other use rights.

(b) Changes in liabilities arising from financing activities

2023

	Interest-bearing bank and other borrowings *RMB'000*	Other payables and accruals *RMB'000*
As at 1 January 2023	54,578,922	8,213,144
Changes from financing cash flows	837,198	443,530
Interest expense	1,776,276	–
New leases	62,595	–
Changes from operating cash flows	–	59,352
Changes from investing cash flows	–	(762,107)
As at 31 December 2023	57,254,991	7,953,919

(Amounts expressed in thousands of RMB unless otherwise stated)

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (Continued)

2022

	Interest-bearing bank and other borrowings	Other payables and accruals
As at 1 January 2022	57,876,241	9,587,558
Changes from financing cash flows	(5,411,039)	4,677,922
Foreign exchange movement	–	(4,678,175)
Interest expense	2,028,789	–
New leases	297,307	–
Revision of lease terms	(98,733)	–
Changes from operating cash flows	–	358,205
Changes from investing cash flows	(113,643)	(1,732,366)
As at 31 December 2022	54,578,922	8,213,144

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2023	2022
Within operating activities	**27,036**	24,883
Within financing activities	**579,289**	616,418
	606,325	641,301

35. CONTINGENT LIABILITIES

As at 31 December 2023 and 2022, the Group had no significant contingent liabilities.

(Amounts expressed in thousands of RMB unless otherwise stated)

36. COMMITMENTS

(a) Capital commitments of property, plant and equipment

	2023	2022
Contracted, but not provided for	5,211,924	5,855,375

(b) The Group has no lease contracts that have not yet commenced as at 31 December 2023.

37. EVENTS AFTER THE REPORTING PERIOD

As at 26 March 2024, the board of directors of the Company proposed to distribute the final dividend for the year ended 31 December 2023 of RMB0.07 per share (before tax) in cash to the shareholders with an amount of RMB509.2 million. The proposal is subject to the approval by the shareholders at the 2023 Annual General Meeting of the Company.

On 14 March 2024, the Company decided not to exercise the renewal option of the corporate bonds(first tranche) of 2021 (the "21唐新Y2") amounting to RMB2 billion. The 21唐新Y2 will be fully settled on 6 April 2024.

The Company has completed the public issuance of its renewable option of the corporate bonds (first tranche) of 2024 and received the proceeds therefrom on 18 March 2024. The amount of the corporate bonds is RMB1 billion, with a basic term of 3 years. The unit par value is RMB100 and the interest rate is 2.63%. The interest starts to accrue on 18 March 2024.

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

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2023	2022
Assets		
Non-current assets		
Property, plant and equipment	206,868	229,828
Intangible assets	13,014	8,812
Right-of-use assets	4,945	8,037
Investments in subsidiaries	28,248,380	26,500,643
Investments in associates and joint ventures	224,431	199,719
Equity investments designated at fair value through other comprehensive income	4,305	4,305
Financial assets at fair value through profit or loss	8,972	9,972
Prepayments, other receivables and other assets	8,038,417	9,304,585
Total non-current assets	36,749,332	36,265,901
Current assets		
Inventories	3	40
Trade and bills receivables	117,118	106,998
Prepayments, other receivables and other assets	9,698,179	8,939,797
Cash and cash equivalents	275,883	145,902
Total current assets	10,091,183	9,192,737
Total assets	46,840,515	45,458,638

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

	2023	2022
Liabilities		
Current liabilities		
Interest-bearing bank and other borrowings	3,123,277	1,805,505
Trade and bills payables	45	292
Current income tax liabilities	5,288	7,997
Other payables and accruals	159,114	147,390
Total current liabilities	3,287,724	1,961,184
Net current assets	6,803,459	7,231,553
Non-current liabilities		
Interest-bearing bank and other borrowings	13,344,069	15,419,559
Other payables and accruals	9,691	9,851
Total non-current liabilities	13,353,760	15,429,410
Net assets	30,199,031	28,068,044
Equity		
Share capital	7,273,701	7,273,701
Share premium	2,080,969	2,080,969
Perpetual note and bonds	14,279,609	14,310,845
Retained profits	4,271,297	2,412,988
Other reserves	2,293,455	1,989,541
Total equity	30,199,031	28,068,044

(Amounts expressed in thousands of RMB unless otherwise stated)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's retained profits and other reserves is as follows: (Continued)

		Other reserves			
	Retained profits	Statutory surplus reserves	Fair value reserve	Others	Total
As at 1 January 2022	1,423,057	504,115	–	1,290,986	3,218,158
Profit for the year	1,402,540	–	–	–	1,402,540
Transfer from retained profits	(194,398)	194,398	–	–	–
Dividends paid	(218,211)	–	–	–	(218,211)
Others	–	–	–	42	42
As at 31 December 2022 and 1 January 2023	**2,412,988**	**698,513**	**–**	**1,291,028**	**4,402,529**
Profit for the year	2,525,947	–	–	–	2,525,947
Transfer from retained profits	(303,953)	303,953	–	–	–
Dividends paid	(363,685)	–	–	–	(363,685)
Others	–	–	–	(39)	(39)
As at 31 December 2023	**4,271,297**	**1,002,466**	**–**	**1,290,989**	**6,564,752**

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 26 March 2024.

Glossary of Terms

"Articles of Association"	the articles of association of the Company
"average on-grid tariff"	electricity sales revenue in a period divided by the corresponding electricity sales in such period
"average utilisation hours"	the consolidated power generation in a specified period (in MWH or GWH) divided by the average consolidated installed capacity in the same period (in MW or GW)
"biomass"	plant material, vegetation or agricultural waste used as a fuel or energy source
"Board"	the board of Directors of the Company
"capacity"	if used alone, is an abbreviated form of installed capacity for operating projects, constructing capacity for projects under construction, or prospective capacity for pipeline projects (as the case may be)
"CDC Capital Holding"	China Datang Corporation Capital Holding Co. Limited (中國大唐集團資本控股有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Datang Corporation
"Clean Development Mechanism"or "CDM"	the Clean Development Mechanism, an arrangement under the Kyoto Protocol allowing industrialized countries to invest in projects that reduce greenhouse gas emissions in developing countries in order to earn emission credits
"consolidated installed capacity"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidate in our consolidated financial statements only. This is calculated by including 100% of the installed capacity or capacity under construction of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated installed capacity and consolidated capacity under construction do not include the capacity of our associated companies

"consolidated power generation"	the aggregate gross power generation or net electricity sales (as the case may be) of our project companies that we fully consolidate in our financial statements for a specified period
"Datang Corporation" or "CDC"	China Datang Corporation Ltd.* (中國大唐集團有限公司), a state-owned corporation incorporated in the PRC and a controlling shareholder and one of the promoters of our Group
"Datang Environment"	Datang Environment Industry Group Co., Ltd.* (大唐環境產業集團股份有限公司), a joint stock limited company incorporated in the PRC and a subsidiary of Datang Corporation, the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 1272)
"Datang Factoring Company"	Datang Commercial Factoring Company Limited* (大唐商業保理有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Datang Corporation
"Datang Finance"	China Datang Group Finance Co., Ltd. (中國大唐集團財務有限公司), a company incorporated in the PRC with limited liability, which is a fellow subsidiary of the Company
"Datang Financial Leasing"	Datang Financial Leasing Co., Ltd. (大唐融資租賃有限公司), a company incorporated in the PRC with limited liability, which is a fellow subsidiary as well as an associate of the Company
"Datang Hainan"	Datang Hainan Energy Development Co., Ltd.* (大唐海南能源開發有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Datang Corporation
"Datang Overseas HK"	China Datang Overseas (Hong Kong) Co., Limited* (中國大唐海外(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Datang Corporation

Glossary of Terms (Continued)

"Datang Power"	Datang International Power Generation Co., Ltd., a company incorporated in the PRC with limited liability and a subsidiary of Datang Corporation, being concurrently listed on the Hong Kong Stock Exchange (stock code: 0991), the SSE (stock code: 601991) and the London Stock Exchange (stock code: DAT)
"Datang Renewables HK"	Datang Renewables (H.K.) Co., Limited (大唐新能源(香港)有限公司), a company with limited liability incorporated in Hong Kong, which is a wholly-owned subsidiary of the Company
"Datang Yunnan"	Datang Yunnan Power Generation Co., Ltd.* (大唐雲南發電有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Datang Corporation
"Director(s)"	the director(s) of the Company
"electricity sales"	gross power generation less (i) auxiliary electricity; and (ii) the electricity generated during the construction and testing period. Revenue from the sale of electricity generated during the construction and testing period is not included in the revenue from electricity sales but offsets the cost of property, plant and equipment
"generation capacity"	the capacity of wind turbines that have started to produce electricity, which capacity corresponds to the amount of power generation salable to the power grid companies plus the auxiliary electricity
"Group" or "we" or "us"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司) and its subsidiaries
"Guiguan Electric Power"	Guangxi Guiguan Electric Power Co., Ltd.* (廣西桂冠電力股份有限公司), a joint stock limited company incorporated in the PRC and a subsidiary of Datang Corporation, the A shares of which are listed on the SSE (stock code: 600236)
"GWh"	unit of energy, gigawatt-hour. 1 GWh=1 million kWh
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"installed capacity"	the capacity of those wind power projects in which the wind turbines have been completely assembled and erected
"kW"	unit of energy, kilowatt. 1 kW=1,000 watts

"kWh"	unit of energy, kilowatt-hour. The standard unit of energy generally used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"Latest Practicable Date"	18 April 2024, being the latest practicable date prior to the printing of this report for ascertaining certain information contained in this Annual Report
"Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"MW"	unit of energy and unit of power, megawatt. 1 MW=1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. 1 MWh=1,000 kWh
"on-grid tariff"	the price of electricity per kWh for which a power project could sell the electricity it generates to the power grid companies. On-grid tariff includes (1) benchmark or approved on-grid tariff; (2) tariff premiums for wind power companies to compensate the costs of transmission lines that wind power companies constructed and owned (if applicable); and/or (3) discretionary tariff subsidies granted by the local government (if applicable)
"operating projects" or "projects in operation"	projects in which the wind turbines have been completely assembled and erected
"Our Company" or "Company" or "Datang Renewable"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司)
"pipeline projects"	wind power projects that have been identified and reserved for future development pursuant to the wind energy investment and development agreements that we entered into with local governments at all levels under which we are authorized to develop wind farms at specified sites with certain estimated total capacity
"PRC"	the People's Republic of China, unless it has specifically specified, it excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

"projects under construction"	projects for which the construction work on the roads, foundations or electrical infrastructure have commenced, the approvals of the NDRC or provincial development and reform committee have been received and detailed engineering and construction blueprints have been completed
"prospective capacity"	the capacity of pipeline projects reserved for future development
"renewable energy sources"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, sunlight or water (based on industry consensus, hydro power less than 50 MW is categorized as renewable energy, which is encouraged by the Renewable Energy Law)
"RMB"	Renminbi, the current lawful currency of the PRC
"Shanghai Leasing Company"	Shanghai Datang Finance Leasing Co., Ltd.* (上海大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and a fellow subsidiary of the Company
"SSE"	the Shanghai Stock Exchange
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the board of supervisors of the Company
"US$"	United States dollar, the current lawful currency of the United States of America
"Year"	for the year ended 31 December 2023
"%"	per cent.

* *For identification purpose only*

Corporate Information

LEGAL NAME OF THE COMPANY

中國大唐集團新能源股份有限公司

ENGLISH NAME OF THE COMPANY

China Datang Corporation Renewable Power Co., Limited*

REGISTERED OFFICE

Room 6197, 6/F, Building 4, Courtyard 49, Badachu Road, Shijingshan District, Beijing, the PRC

HEAD OFFICE IN THE PRC

8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Li Kai

AUTHORISED REPRESENTATIVES

Ms. Kwong Yin Ping Yvonne
Mr. Li Kai

JOINT COMPANY SECRETARIES

Ms. Zon Min
Ms. Kwong Yin Ping Yvonne

* *For identification purpose only*

BOARD OF DIRECTORS

Executive Directors

Mr. Li Kai *(Chairman)*
Mr. Wang Fanghong

Non-executive Directors

Mr. Yu Fengwu
Ms. Zhu Mei
Mr. Wang Shaoping
Mr. Shi Feng

Independent Non-executive Directors

Mr. Lo Mun Lam, Raymond
Mr. Yu Shunkun
Mr. Qin Haiyan

COMMITTEES UNDER THE BOARD

Audit Committee

Mr. Lo Mun Lam, Raymond *(independent non-executive Director) (Chairman)*
Mr. Shi Feng *(non-executive Director)*
Mr. Yu Shunkun *(independent non-executive Director)*

Nomination Committee

Mr. Li Kai *(executive Director) (Chairman)*
Mr. Lo Mun Lam, Raymond *(independent non-executive Director)*
Mr. Qin Haiyan *(independent non-executive Director)*

Remuneration and Assessment Committee

Mr. Yu Shunkun *(independent non-executive Director) (Chairman)*
Ms. Zhu Mei *(non-executive Director)*
Mr. Qin Haiyan *(independent non-executive Director)*

Strategic Committee

Mr. Li Kai *(executive Director) (Chairman)*
Mr. Wang Fanghong *(executive Director)*
Mr. Yu Fengwu *(non-executive Director)*

AUDITOR

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
801-806 Silvercord, Tower 1, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong

Da Hua Certified Public Accountants (Special General Partnership)
12/F, Building 7, No.16 Xi Si Huan Zhong Road, Haidian District, Beijing, the PRC

LEGAL ADVISORS

As to Hong Kong law
Clifford Chance
27/F, Jardine House, One Connaught Place, Central, Hong Kong

As to the PRC law
Beijing Yingke Law Firm
Floors 19-25, Building 2 of CP Center, No. 20 Jinhedong Road, Chaoyang District, Beijing, the PRC

PRINCIPAL BANKS

Industrial and Commercial Bank of China Limited Beijing Branch
Tower B, Tianyin Mansion, No. 2 Fuxingmen South Avenue, Xicheng District, Beijing, the PRC

Bank of Communications Co., Ltd. Beijing Branch
No. 33 Financial Street, Xicheng District, Beijing, the PRC

China Development Bank Co., Ltd.
No. 29 Fuchengmenwai Avenue, Xicheng District, Beijing, the PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

STOCK CODE

01798

INVESTOR INQUIRIES

Investor Hotline:	86 10 8375 0675 86 10 8375 0677
Fax:	86 10 8375 0600
Website:	http://www.cdt-re.com
E-mail:	dtrir@china-cdt.com

Note: The Annual Report is prepared in both traditional Chinese and English. If there is any discrepancy between the Chinese and English versions of this Annual Report, the traditional Chinese version shall prevail.

中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited*

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