CHINA SUNTIEN GREEN ENERGY CORPORATION LIMITED*
新天綠色能源股份有限公司

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

(Stock Code: 00956)

ANNOUNCEMENT OF RESULT FOR THE YEAR END 31 DECEMBER 2011

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2011, revenue was RMB3,169.8 million, representing an increase of 41.3% compared with 2010.

For the year ended 31 December 2011, profit before tax was RMB700.8 million, representing an increase of 43.1% compared with 2010.

For the year ended 31 December 2011, net profit attributable to shareholders of the Company was RMB448.9 million, representing an increase of 60.5% compared with 2010.

For the year ended 31 December 2011, earnings per share was RMB0.1386, representing an increase of 12.0% compared with 2010.

The Board recommends a dividend distribution of RMB0.058 per share (tax inclusive) for 2011.

The Board of China Suntien Green Energy Corporation Limited (the "Company") is pleased to announce the audited annual results of the Company and its subsidiaries for the year ended 31 December 2011. This announcement is compliant with the relevant requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") regarding the information required to be included in the preliminary announcement of annual results.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000
REVENUE	4	**3,169,831**	2,242,757
Cost of sales		**(2,256,982)**	(1,580,715)
Gross profit		**912,849**	662,042
Other income and gains, net	4	**135,009**	84,048
Selling and distribution costs		**(664)**	(358)
Administrative expenses		**(151,956)**	(100,572)
Other expenses		**(22,068)**	(37,591)
PROFIT FROM OPERATIONS		**873,170**	607,569
Finance costs	6	**(244,924)**	(168,066)
Share of profits of associates		**72,539**	50,369
PROFIT BEFORE TAX	5	**700,785**	489,872
Income tax expense	7	**(81,797)**	(58,181)
PROFIT FOR THE YEAR		**618,988**	431,691
Other comprehensive income		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**618,988**	431,691
Total comprehensive income for the year attributable to:			
Owners of the parent		**448,908**	279,719
Non-controlling interests		**170,080**	151,972
		618,988	431,691
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic (RMB)	9	**13.86 cents**	12.38 cents
Diluted (RMB)	9	**13.86 cents**	12.38 cents

Details of the dividends payable and proposed for the year are disclosed in note 8 of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	**31 December 2011** ***RMB'000***	31 December 2010 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**7,713,222**	6,079,374
Prepaid land lease payments		**113,115**	71,106
Goodwill		**9,215**	–
Intangible assets		**2,449,122**	1,423,436
Investments in associates		**383,172**	337,941
Investment in a jointly-controlled entity		**–**	10,200
Held-to-maturity investments		**5,000**	5,000
Available-for-sale investments		**3,400**	3,400
Deferred tax assets		**93**	227
Prepayments and other receivables		**1,420,307**	870,226
Total non-current assets		**12,096,646**	8,800,910
CURRENT ASSETS			
Prepaid land lease payments		**3,437**	1,973
Inventories		**24,685**	25,264
Trade and bills receivables	*10*	**396,445**	189,430
Prepayments, deposits and other receivables		**290,167**	219,545
Available-for-sale investments		**328,190**	–
Pledged deposits		**64**	63
Cash and cash equivalents		**919,502**	2,474,907
Total current assets		**1,962,490**	2,911,182
CURRENT LIABILITIES			
Trade and bills payables	*11*	**125,325**	326,108
Other payables and accruals		**1,048,133**	901,420
Interest-bearing bank and other borrowings		**636,075**	1,442,655
Tax payable		**14,159**	25,863
Total current liabilities		**1,823,692**	2,696,046
NET CURRENT ASSETS		**138,798**	215,136
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,235,444**	9,016,046

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2011

	Note	**31 December 2011** *RMB'000*	31 December 2010 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**6,114,499**	3,576,256
Other payables and accruals		**25,970**	1,201
Total non-current liabilities		**6,140,469**	3,577,457
Net assets		**6,094,975**	5,438,589
EQUITY			
Equity attributable to owners of the parent			
Issued share capital		**3,238,435**	3,238,435
Reserves		**1,779,521**	1,514,127
Proposed final dividend	*8*	**187,829**	58,170
		5,205,785	4,810,732
Non-controlling interests		**889,190**	627,857
Total equity		**6,094,975**	5,438,589

NOTES:

1. CORPORATE INFORMATION

The Company was established as a joint stock company with limited liability on 9 February 2010 in the PRC as part of the reorganisation of Hebei Construction & Investment Group Co., Ltd. (河北建設投資集團有限責任公司, "HECIC", a state-owned enterprise in the People's Republic of China (the "PRC", or Mainland China, which excludes, for the purpose of these financial statements, the Hong Kong Special Administrative Region of the PRC or Hong Kong, the Macau Special Administrative Region of the PRC or Macau, and Taiwan)) (the "Reorganisation") in preparation for the Listing. HECIC was the holding company of the subsidiaries now comprising the group prior to the Reorganisation.

In consideration for HECIC and HECIC Water Investment Co., Ltd. (河北建投水務投資有限公司, "HECIC Water", a wholly owned subsidiary of HECIC incorporated in the PRC) transferring the Clean Energy Business Operations (see definition below) and cash in an aggregate amount of RMB2,033.9 million, respectively, to the Company upon its incorporation on 9 February 2010, the Company issued 1,600 million ordinary shares to HECIC and 400 million ordinary shares to HECIC Water, respectively. The ordinary shares issued to HECIC and HECIC Water have a par value of RMB1.00 each and represented the entire registered and issued share capital of the Company upon its incorporation.

Prior to the incorporation of the Company, the Clean Energy Business Operations were carried out by two companies owned or controlled by HECIC. Pursuant to the Reorganisation, the Clean Energy Business Operations were transferred to the Company upon its incorporation.

Clean Energy Business Operations

In connection with the Reorganisation, the Clean Energy Business Operations being transferred to the Company include:

(a) the operation relating to the sale of natural gas and gas appliances and the connection and construction of natural gas pipelines together with the related assets and liabilities; and

(b) the operation of wind power generation together with the related assets and liabilities, except for a 25% non-controlling shareholding interest indirectly held by HECIC in HECIC Yanshan (Guyuan) Wind Power Co., Ltd. ("Yanshan (Guyuan)"), a 75%-owned subsidiary of the Group.

The Company's H shares were issued and listed on the main board of The Stock Exchange of Hong Kong Ltd. ("The Hong Kong Stock Exchange") in the last quarter of 2010.

During the year ended 31 December 2011, the Group acquired the remaining 25% shareholding interest of Yanshan (Guyuan). Upon the completion of the acquisition, Yanshan (Guyuan) became a wholly-owned subsidiary of the Company.

The registered office of the Company is located at 9th Floor, Block A, Yuyuan Plaza, No. 9 Yuhua West Road, Shijiazhuang, Hebei Province, the PRC.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the investment, development, management and operation of wind power generation, sale of natural gas and gas appliances, and connection and construction of natural gas pipelines.

In the opinion of the directors of the Company (the "Directors"), HECIC is the ultimate holding company of the Company.

2.1 BASIS OF PRESENTATION

(a) As discussed in note 1 above, prior to the incorporation of the Company, the Clean Energy Business Operations were controlled and owned by HECIC. Upon the incorporation of the Company on 9 February 2010, the Clean Energy Business Operations were transferred to the Company. As there was no change in the ultimate controlling shareholder of the Clean Energy Business Operations before and after the Reorganisation, the Reorganisation has been accounted for as a combination of business under common control in a manner similar to a pooling-of-interests method. As a result, the consolidated statement of financial position has been prepared to present the Group's assets and liabilities as if the Reorganisation had been completed as at the beginning date of the earliest period presented. The accompanying consolidated statement of comprehensive income and consolidated statement of cash flows include the Group's financial performance and cash flows as if the Clean Energy Business Operations had been transferred to the Group at the beginning date of the earliest period presented. As the Company was incorporated on 9 February 2010, no statement of financial position of the Company was presented in these financial statements prior to 9 February 2010.

(b) These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee and the disclosure requirements of the Hong Kong Companies Ordinance.

(c) These consolidated financial statements have been prepared under the historical cost convention. In addition, these consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand, except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2011. 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 of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

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 (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

IFRS 1 Amendment	Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*
IAS 24 (Revised)	*Related Party Disclosures*
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to IFRSs 2010	Amendments to a number of IFRSs issued in May 2010

Other than as further explained below regarding the impact of IAS 24 (Revised) and amendment to IFRS 3, IAS 1 and IAS 27 included in *Improvements to IFRSs 2010*, the adoption of the new and revised IFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these IFRSs are as follows:

(a) IAS 24 (Revised) *Related Party Disclosures*

IAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to IFRSs 2010* issued in May 2010 sets out amendments to a number of IFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- IFRS 3 *Business Combinations*: The amendment clarifies that the amendments to IFRS 7, IAS 32 and IAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- IAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- IAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from IAS 27 (as revised in 2008) made to IAS 21, IAS 28 and IAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if IAS 27 is applied earlier.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) Natural gas-this segment engages in the sale of natural gas and gas appliances and the provision of construction and connection services of natural gas pipelines.

(b) Wind power-this segment develops, manages and operates wind power plants and generates electric power for sale to external power grid companies.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that interest income and head office and corporate expenses are excluded from measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 December 2011 and 2010.

Year ended 31 December 2011

	Natural gas *RMB'000*	Wind power *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	**2,404,749**	**765,082**	**3,169,831**
Intersegment sales	**–**	**–**	**–**
Total revenue	**2,404,749**	**765,082**	**3,169,831**
Segment results	**416,190**	**545,652**	**961,842**
Interest income	**3,314**	**4,519**	**7,833**
Finance costs	**(18,477)**	**(216,191)**	**(234,668)**
Income tax expense	**(53,846)**	**(27,951)**	**(81,797)**
Profit of segments for the year	**347,181**	**306,029**	**653,210**
Unallocated interest income			**10,021**
Unallocated interest expense			**(10,256)**
Corporate and other unallocated expenses			**(33,987)**
Profit for the year			**618,988**
Segment assets	**1,683,809**	**11,349,633**	**13,033,442**
Corporate and other unallocated assets			**1,025,694**
Total assets			**14,059,136**
Segment liabilities	**959,655**	**6,974,430**	**7,934,085**
Corporate and other unallocated liabilities			**30,076**
Total liabilities			**7,964,161**
Other segment information:			
Depreciation and amortisation	**(50,432)**	**(318,448)**	**(368,880)**
Unallocated depreciation and amortisation			**(661)**
			(369,541)
Share of profit of associates	**–**	**72,539**	**72,539**
Investments in associates	**–**	**383,172**	**383,172**
Capital expenditure *	**282,120**	**2,890,056**	**3,172,176**
Unallocated capital expenditure *			**431**
			3,172,607

Year ended 31 December 2010

	Natural gas *RMB'000*	Wind power *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	1,726,918	515,839	2,242,757
Intersegment sales	–	–	–
Total revenue	1,726,918	515,839	2,242,757
Segment results	316,975	381,177	698,152
Interest income	1,057	1,341	2,398
Finance costs	(14,000)	(154,066)	(168,066)
Income tax expense	(38,700)	(19,481)	(58,181)
Profit of segments for the year	265,332	208,971	474,303
Unallocated interest income			3,530
Corporate and other unallocated expenses			(46,142)
Profit for the year			431,691
Segment assets	1,160,235	8,524,006	9,684,241
Corporate and other unallocated assets			2,027,851
Total assets			11,712,092
Segment liabilities	735,515	5,521,693	6,257,208
Corporate and other unallocated liabilities			16,295
Total liabilities			6,273,503
Other segment information:			
Depreciation and amortisation	(46,779)	(189,985)	(236,764)
Unallocated depreciation and amortisation			(82)
			(236,846)
Share of profit of associates	–	50,369	50,369
Investment in a jointly-controlled entity	–	10,200	10,200
Investments in associates	–	337,941	337,941
Capital expenditure *	231,857	3,171,004	3,402,861

Note:

* Capital expenditure mainly consists of additions to property, plant and equipment, prepaid land lease payments and intangible assets as well as the non-current prepayment on acquisition of items of property, plant and equipment.

Geographical information

No further geographical segment information is presented as the Group's revenue is derived from customers based in Mainland China, and the Group's assets are located in Mainland China.

Information about major customers

For the year ended 31 December 2011, revenue generated from one of the Group's customers in the wind power segment amounting to RMB602,135,000 (2010: RMB367,497,000) individually accounted for over 10% of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents: (1) the net invoiced value of natural gas and electricity sold, net of value-added tax and government surcharges; and (2) the value of services rendered.

An analysis of the Group's revenue, other income and gains is as follows:

	2011	2010
	RMB'000	*RMB'000*
Revenue		
Sales of natural gas	**2,342,901**	1,673,340
Sales of electricity	**764,021**	512,808
Construction and connection of natural gas pipelines	**33,804**	23,483
Natural gas transportation revenue and others	**28,044**	30,095
Wind power services	**1,061**	3,031
	3,169,831	2,242,757
Other income and gains, net		
Government grants:		
– CERs income, net	**97,346**	42,441
– Value-added tax refunds	**12,451**	13,176
Bank interest income	**17,854**	5,928
Others	**7,358**	22,503
	135,009	84,048

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2011	2010
	RMB'000	*RMB'000*
Cost of goods sold	**2,238,272**	1,563,192
Cost of services rendered	**18,710**	17,523
Total cost of sales	**2,256,982**	1,580,715
Depreciation of items of property, plant and equipment (note (a))	**278,960**	229,193
Amortisation of prepaid land lease payments	**2,849**	2,062
Amortisation of intangible assets	**87,732**	5,591
Total depreciation and amortisation	**369,541**	236,846
Minimum lease payments under operating leases of land and buildings	**4,965**	3,544
Auditors' remuneration	**2,862**	2,162
Employee benefit expenses (including directors' and supervisors' remuneration):		
Wages, salaries and allowances	**70,775**	45,027
Pension scheme contributions (defined contribution schemes) (note (b))	**5,887**	2,780
Welfare and other expenses	**25,524**	14,952
Gain on acquisition of a subsidiary (note 12(b))	**(2,372)**	–
Gain on held-to-maturity investments	**(1,954)**	–
Loss/(gain) on disposal of items of property, plant and equipment, net	**(161)**	1,561
Foreign exchange loss, net	**22,052**	35,701

Notes:

(a) Depreciation of approximately RMB260,012,000 (2010: RMB214,574,000) is included in the cost of sales on the face of the consolidated statement of comprehensive income for the year ended 31 December 2011.

(b) All of the Group's full-time employees in Mainland China are covered by various government-sponsored retirement plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group is required to make monthly contributions to these plans at 20% of the employees' salaries. Contributions to these plans are expensed as incurred. As at 31 December 2011 and 2010, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

6. FINANCE COSTS

	2011	2010
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings wholly repayable within five years	**171,567**	93,154
Interest on discount on bills receivable wholly repayable within five years	**–**	10,386
Interest on bank loans and other borrowings wholly repayable beyond five years	**145,433**	147,960
Total interest expense	**317,000**	251,500
Less: Interest capitalised to items of property, plant and equipment	**(72,076)**	(83,434)
	244,924	168,066

Borrowing costs capitalised for the year are calculated by applying the following capitalisation rates per annum to expenditure on qualifying assets:

	2011	2010
Capitalisation rates	**5.0%-6.8%**	4.4%-5.7%

7. INCOME TAX EXPENSE

A subsidiary of the Company is an equity joint venture in which a foreign investor owns a 45% shareholding interest. It is identified as a manufacturing enterprise with an operating period of 10 years or more which is entitled to a tax holiday of a two-year full exemption followed by a three-year 50% exemption commencing from its first profit-making year after offsetting accumulated tax losses, if any. However, pursuant to *Notice of the State Council on the Implementation of the Transitional Preferential Tax Polices* (國務院關於實施企業所得稅過渡優惠政策的通知) (Guofa [2007] No. 39), the subsidiary has started enjoying the tax holiday from the year 2008 due to the income tax reform.

In addition, pursuant to Caishui [2008] No. 46 *Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment* ("Circular 46") (財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知), certain subsidiaries of the Company, which were set up after 1 January 2008 and are engaged in public infrastructure projects, are each entitled to a tax holiday of a three-year full exemption followed by a three-year 50% exemption commencing from their respective first year generating operating income ("3+3 tax holiday"). As at 31 December 2011, these entities were in the process of the preparation and submission of the required documents to the respective tax authorities to qualify for the 3+3 tax holidays.

Under the relevant PRC Corporate Income Tax Law and respective regulations, except for certain preferential treatment available to certain subsidiaries of the Company as mentioned above, the entities within the Group were subject to corporate income tax at a rate of 25% during the years ended 31 December 2011 and 2010.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong for the years ended 31 December 2011 and 2010.

	2011	2010
	RMB'000	*RMB'000*
Current income tax – Mainland China	**81,663**	57,996
Deferred income tax	**134**	185
Tax charge for the year	**81,797**	58,181

A reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rate applicable to the Company to the income tax expense at the Group's effective income tax rate for the year is as follows:

	2011	2010
	RMB'000	*RMB'000*
Profit before tax	**700,785**	489,872
Income tax charge at the statutory income tax rate of 25%	**175,196**	122,468
Effect of tax exemption for specific locations or enacted by local authorities	**(86,299)**	(68,944)
Tax effect of share of profits of associates	**(18,135)**	(12,592)
Expenses not deductible for tax purposes	**1,084**	796
Adjustments in respect of current income tax of previous periods	**12,380**	2,002
Tax losses not recognised	**2,785**	14,451
Tax losses utilised from previous period	**(5,214)**	–
Tax charge for the year at the effective rate	**81,797**	58,181

8. DISTRIBUTIONS AND DIVIDENDS

The distributions and dividends for the year are set out below:

	2011	2010
	RMB'000	*RMB'000*
Distributions:		
Pre-establishment cash distribution pursuant to the Reorganisation (note (a))	**–**	38,495
Dividends:		
Declared:		
– First Special Dividend (note (b))	**–**	42,718
– Second Special Dividend (note (c))	**41,978**	–
– Final 2010 dividend (note (d))	**16,192**	–
	58,170	42,718
Proposed:		
– Second Special Dividend (note (c))	**–**	41,978
– Final dividend – RMB 5.8 cent (2010: RMB0.5 cent) per ordinary share (note (e))	**187,829**	16,192
	187,829	58,170
	245,999	100,888

Notes:

(a) In accordance with the *Notice of Provisional Regulation Relating to Corporate Restructuring of Enterprises and Related Management of State-owned Capital and Financial Treatment* (財政部關於印發《企業公司制改建有關國有資本管理與財務處理的暫行規定》的通知) (the English name of the notice is a direct translation of the Chinese name) issued by the Ministry of Finance (the "MOF"), which became effective from 27 August 2002, and pursuant to the Reorganisation, after the Company's incorporation, the Company is required to make a distribution to HECIC, which represents an amount equal to the net profit attributable to an owner of the Company, as determined based on the audited consolidated financial statements of the Group prepared in accordance with the Accounting Standards for Business Enterprises issued by the MOF of the PRC in 2006, and other related regulations issued by the MOF (collectively "PRC GAAP"), generated for the period from 30 June 2009, the effective date of the Reorganisation, to 9 February 2010 (the date of incorporation of the Company) by the businesses and operations contributed to the Group by HECIC.

Pursuant to an ordinary resolution passed by the shareholders of the Company on 9 February 2010, the Company declared the pre-establishment distribution payable to HECIC. The net profit attributable to the owner of the Company under PRC GAAP generated for the period from 30 June 2009 to 31 December 2009 was RMB85,502,000. The net profit attributable to the owner of the Company under PRC GAAP generated for the period from 1 January 2010 to 9 February 2010 (the date of incorporation of the Company), calculated on a pro-rata basis based on the net profit of the Group attributable to the owners of the Company as stated in the audited consolidated financial statements of the Group prepared in accordance with PRC GAAP for the three-month period ended 31 March 2010, was RMB38,495,000 and was paid to HECIC in September 2010.

(b) Pursuant to the Reorganisation and an ordinary resolution passed by the shareholders of the Company on 9 February 2010, the shareholders of the Company approved a dividend plan that a special dividend was declared and paid to the shareholders of the Company: HECIC and HECIC Water, according to their respective shareholding interests in the Company ("First Special Dividend"). The First Special Dividend which was paid to HECIC and HECIC Water in an aggregate amount of approximately RMB42,718,000 is calculated based on the net profit of the Group attributable to the owners of the Company, as stated in the audited consolidated financial statements of the Group for the three-month period ended 31 March 2010 prepared in accordance with PRC GAAP and IFRSs, whichever is lower, after deducting any appropriation to the statutory and discretionary reserve funds, if any, and minus the net profit of the Group attributable to the owner of the Company for the period from 1 January 2010 to 9 February 2010 of RMB38,495,000 (note (a) above).

The First Special Dividend payable to HECIC and HECIC Water was declared on 19 September 2010 in an aggregate amount of RMB42,718,000 and was settled in full on 20 September 2010.

(c) Pursuant to an ordinary resolution passed by the shareholders on 9 February 2010, the shareholders of the Company also approved a dividend plan that another special dividend would be declared and paid to the shareholders of the Company: HECIC and HECIC Water, according to their respective shareholding interests in the Company ("Second Special Dividend"), for the net profit of the Group attributable to the owners of the Company earned for the period from 1 April 2010 up to the day immediately prior to the listing of the shares of the Company on the Main Board of The Hong Kong Stock Exchange (the "Listing").

The Second Special Dividend paid to HECIC and HECIC Water was in an aggregate amount of RMB41,978,000, which is determined based on (1) the net profit of the Group attributable to the owners of the Company as stated in the audited consolidated financial statements of the Group, prepared in accordance with PRC GAAP and IFRSs, whichever is lower, after deducting any appropriation to the statutory and discretionary reserve funds, if any, for the seven-month period ended 31 October 2010, minus (2) the profit of the Group attributable to the owners of the Company for the period from the day of the Listing to 31 October 2010. The net profit of the Group attributable to the owners of the Company for the period from the day of the Listing to 31 October 2010 equals the amount, calculated on a pro-rata basis, of the net profit of the Group attributable to the owners of the Company, as stated in the audited consolidated financial statements of the Group, prepared in accordance with PRC GAAP and IFRSs, whichever is lower, after deducting any appropriation to the statutory and discretionary reserve funds, if any, for the seven-month period ended 31 October 2010.

The Second Special Dividend was declared on 28 March 2011 and approved by the Company's shareholders at the annual general meeting on 3 June 2011, and was settled in full on 30 June 2011.

(d) At the annual general meeting held on 3 June 2011, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2010 of RMB0.005 per share which amounted to RMB16,192,000 and was settled in full in June and July 2011.

(e) The proposed final dividend for the year ended 31 December 2011 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The rates of distribution, First Special Dividend and Second Special Dividend and the number of shares ranking for distribution, First Special Dividend and Second Special Dividend are not presented as such information is not meaningful for the purpose of these consolidated financial statements.

Immediately following the incorporation of the Company, under the Company Law of the PRC and the Company's articles of association, profit attributable to owners of the Company as reported in the statutory financial statements prepared in accordance with PRC GAAP can only be distributed as dividends after allowances have been made for the following:

(i) Making up prior year's cumulative losses, if any.

(ii) Allocations to the statutory common reserve fund of at least 10% of profit attributable to owners of the Company, until the fund aggregates 50% of the Company's registered capital. For the purpose of calculating the transfer to reserves, the profit attributable to owners of the Company shall be the amount determined under PRC GAAP. The transfer to this reserve must be made before any distribution of dividends to the shareholders.

The statutory common reserve fund can be used to offset previous year's losses, if any, and part of the statutory common reserve fund can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the Company.

(iii) Allocations to the discretionary common reserve if approved by the shareholders.

The above reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

After the Listing, in accordance with the articles of association of the Company, the profit attributable to owners of the Company for the purpose of dividends payment will deem to be the lesser of (i) the profit attributable to owners of the Company determined in accordance with PRC GAAP; and (ii) the profit attributable to owners of the Company determined in accordance with IFRSs. Prior to the incorporation of the Company on 9 February 2010, no profit appropriations to the aforesaid reserve funds were required.

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No.897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividend after deducting enterprise income tax of 10%.

Due to the repeal of the *Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income* (GuoShuiFa[1993]No.045)（關於外商投資企業、外國企業和外籍個人取得股票（股權）轉讓收益和股息所得稅收問題的通知（國稅發[1993]045號））from 4 January 2011, the Company is required under 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 and regulations to withhold and pay individual income tax ranging from 10% to 20% when it distributes dividends to its non–PRC resident individual shareholders out of profit earned in 2010 and beyond.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the years ended 31 December 2011 and 2010.

	2011	2010
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**448,908**	279,719

	Number of shares	
	2011	2010
Shares:		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**3,238,435,000**	2,259,193,603

The Company did not have any dilutive potential ordinary shares during the year.

10. TRADE AND BILLS RECEIVABLES

The majority of the Group's revenues are generated through sales of natural gas and electricity. The credit period offered by the Group to customers of natural gas and electricity generally ranges from one month to two months. The Group seeks to maintain strict control over its outstanding receivables and minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

Group

	31 December 2011	31 December 2010
	RMB'000	*RMB'000*
Trade and bills receivables	**396,445**	189,430
Impairment	**–**	–
	396,445	189,430

Included in the trade receivables as at 31 December 2011 are receivables under service concession arrangements in the amount of RMB32,264,000 (31 December 2010: RMB34,806,000).

An aged analysis of trade and bills receivables, based on the invoice date, as at the reporting date is as follows:

	31 December 2011 *RMB'000*	31 December 2010 *RMB'000*
Within 3 months	**267,324**	188,860
3 to 6 months	**117,923**	304
6 months to 1 year	**8,464**	266
1 to 2 years	**2,734**	–
	396,445	189,430

11. TRADE AND BILLS PAYABLES

Trade and bills payables are non-interest-bearing and are normally settled within six months.

Group

	31 December 2011 *RMB'000*	31 December 2010 *RMB'000*
Bills payable	**–**	208,916
Trade payables	**125,325**	117,192
	125,325	326,108

An aged analysis of the Group's trade and bills payables, based on the invoice date, as at the reporting date is as follows:

	31 December 2011 *RMB'000*	31 December 2010 *RMB'000*
Within 6 months	**99,988**	309,398
6 months to 1 year	**11,055**	11,757
1 to 2 years	**11,641**	3,644
2 to 3 years	**1,625**	479
More than 3 years	**1,016**	830
	125,325	326,108

12. ACQUISITIONS OF SUBSIDIARIES

(a) Jinzhou Weiye Gas Co., Ltd., Shenzhou Weiye Gas Co., Ltd. and Xinji Zhongchen Gas Co., Ltd.

On 26 March 2011, one of the Company's subsidiaries, Hebei Natural Gas Company Ltd. ("Hebei Natural Gas") entered into a share purchase agreement with Beijing Zhong Ran Weiye Gas Co., Ltd., an independent third party, to acquire 100% equity interest in three entities: Jinzhou Weiye Gas Co., Ltd., Shenzhou Weiye Gas Co., Ltd. and Xinji Zhongchen Gas Co., Ltd. from Beijing Zhong Ran Weiye Gas Co., Ltd. with an aggregate cash consideration of RMB40,583,000. Upon the completion of the acquisition, Hebei Natural Gas holds 100% equity interest of these three entities are all engaged in sales of natural gas and gas appliances, and the connection and construction of natural gas pipelines. In the opinion of the Directors, the effective acquisition date was 31 May 2011, the day when Hebei Natural Gas obtained the controlling voting right over the operating and financial decision making of these three entities.

The fair values of the identifiable assets and liabilities of these three entities as at the date of acquisition were as follows:

	Fair value recognised on acquisition *RMB'000*
Property, plant and equipment	**39,028**
Prepaid land lease payments	**722**
Cash and bank balances	**180**
Other current assets	**795**
Current liabilities	**(6,985)**
Total identifiable net assets at fair value	**33,740**
Goodwill	**6,843**
Satisfied by cash	**40,583**

An analysis of the cash flows in respect of the acquisitions of the entities is as follows:

	RMB'000
Cash consideration	(40,583)
Cash and bank balances acquired	180
Net outflow of cash and cash equivalents included in cash flows from investing activities	(40,403)

Acquirees' contributions

Contributions of the acquirees to the Group's revenue and the Group's profit before tax for the year ended 31 December 2011 between the date of acquisition and 31 December 2011 are as follows:

	2011
	RMB'000
Contributions to	
Group's revenue	**216**
Losses before tax	**(5,437)**

Had the acquisitions taken place at the beginning of the year of acquisition, the revenue of the Group and the profit before tax of the Group would have been as follows:

	2011
	RMB'000
Group's revenue	**3,173,925**
Profit before tax	**619,764**

(b) Zhangbei CIC Huashi Wind Energy Co., Ltd. ("Zhangbei CIC Huashi")

Zhangbei CIC Huashi was established by a subsidiary of the Company and an independent third party on 17 July 2010. Zhangbei CIC Huashi has been accounted for as a jointly-controlled entity of the Group from the date of its establishment. On 1 March 2011, a subsidiary of the Company, which holds the shareholding interests in Zhangbei CIC Huashi, signed shareholders voting agreement with the other equity owner of Zhangbei CIC Huashi, whereby the other equity owner has agreed to vote unanimously with the Group. Since the signed shareholders voting agreement became effective on 1 March 2011, the Group obtained control of Zhangbei CIC Huashi from 1 March 2011.

The fair values of the identifiable assets and liabilities of Zhangbei CIC Huashi as at the date of acquisition were as follows:

	Fair value recognised on acquisition
	RMB'000
Property, plant and equipment	**634**
An intangible asset	**33**
Cash and bank balances	**103,743**
Other current assets	**15,888**
Current liabilities	**(100,298)**
Total identifiable net assets at fair value	**20,000**
Add: Goodwill	**2,372**
Less: Non-controlling interests on acquisition	**(9,800)**
Fair value of shares held before the acquisition date	**12,572**

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	–
Cash and bank balances acquired	**103,743**
Inflow of cash and cash equivalents included in cash flows from investing activities	**103,743**

The Group recognised a gain of RMB2,372,000 (note 5) in the consolidated statement of comprehensive income as a result of remeasuring its original interest of RMB10,200,000 at the date of obtaining control to its acquisition-date fair value of RMB12,572,000.

Acquirees' contributions

Zhangbei CIC Huashi is currently under construction, and had no contributions to the Group's turnover or profit for the year ended 31 December 2011.

13. EVENT AFTER THE REPORTING PERIOD

In addition to those disclosed elsewhere in the financial statements, the Group had the following significant subsequent events:

"Pursuant to Chaishui [2012] No. 10, Notice on Preferential Tax Treatment for Projects relating to Public Infrastructure, Environmental Protection, and Water and Energy Conservation (財政部、國家稅務總局關於公共基礎設施項目和環境保護、節能節水項目企業所得稅優惠政策問題的通知) issued on 5 January 2012 (the "Notice"), certain subsidiaries of the Company, which were established before 1 January 2008 and are engaging in the activities set forth in the Notice, are each entitled to the 3+3 tax holiday commencing 1 January 2008. Following the issuance of the Notice in January 2012, the subsidiaries entitling to the above-mentioned tax holiday are in the process of the preparation the required documentation for submission to the respective tax authorities to apply for the enjoyment of the 3+3 tax holiday."

Except for two event disclosed above, the Group had no other significant subsequent events.

MANAGEMENT DISCUSSION AND ANALYSIS

Year 2011 was over, which marked the beginning of the Twelfth Five-Year Plan. During the year, affected by several factors including tightening macro-economic policy, increasingly intensified market competition and restriction on approving grid connection of wind power, the Group operated under a challenging environment. Under the strong leadership of the Board, the management led all staff to achieve goal under the Twelfth Five-year Plan and accelerated the transition process in order to actively explore some ways seek opportunity for incorporating the standards of H-shares enterprises into the actual business development of the Company. We worked hard to push aside all obstacles and difficulties to ensure the safety operation and stable growth of two business segments, gas and new energy. To maintain a satisfactory result, the Group established a regulated but flexible governance system with an outstanding outcome.

I. NATURAL GAS BUSINESS

(1) Business Review

1. Steady growth in sales volume of natural gas

During the reporting period, the Group actively coordinated with the upstream supplier PetroChina Company Limited ("PetroChina") to confirm the natural gas supply. During the year ended 31 December 2011, the Group sold 1,213 million cubic meters of gas, representing an increase of 29.7% from 2010, of which, the piped natural gas sold to wholesale customers was 740 million cubic meters, accounting for 61.0% of the total sales volume of gas of the Group, representing an increase of 16.0% from 2010. The sales volume of gas in retail business, including city natural gas, was 426 million cubic meters, accounting for 35.1% of the total sales volume of gas of the Group, representing an increase of 71.2% from 2010. CNG business remained stable, and CNG sold was 47 million cubic meters, accounting for 3.9% of the total sales volume.

2. Further expansion of city gas market

In 2011, the Group entered into agreements in relation to equity acquisition with Beijing Zhong Ran Weiye Gas Co., Ltd. (北京中燃偉業燃氣有限公司) and acquired three natural gas projects in three cities, namely Xinji City, Shenzhou City and Jinzhou City. During the reporting period, the Group also set up branches in Laoting County and Pingquan County, respectively, to develop the city natural gas market locally.

As at 31 December 2011, the city gas business of the Group has expanded to the markets of 14 areas, namely Shahe City, Shijiazhuang Economic Development Zone, Baoding Development Zone, Handan Development Zone, Chengde City, Ningjin County, Qinghe County, Laiyuan County, Shanqian Industrial Zone of Southern Shijiazhuang, Xinji City, Shenzhou City, Jinzhou City, Laoting County and Pingquan County.

During the reporting period, the Group also entered into agreements on investment in and operation of natural gas utilization projects with local government authorities or gas companies of Xingtai Economic Development Zone, Laoting New District and Changli Industrial Park District in Hebei Province, respectively, to develop the city gas market locally.

3. Smooth progress in the development of pipeline network projects

As at 31 December 2011, the work of the natural gas infrastructure management of the Group progressed smoothly. Among them, Gaoyi-Qinghe long-distance transmission pipeline commenced operation in December and the coverage of gas transmission extends to over 10 counties and cities (areas) in the south-eastern part of Hebei Province; construction of medium-pressure pipeline of Chengde Natural Gas Utilization Phase I project completed 22 kilometers, the gas refilling station there commenced pilot run for operation, and the secondary high-pressure and high-pressure pipeline construction projects were in progress as planned; the expected target of the construction of Shahe Phase II project was achieved, of which, Nanmen filling station was in pilot run, and CNG primary filling station commenced pilot run for operation in August with the daily consumption of gas volume of approximately 30,000 cubic meters.

During the reporting period, the Group actively commenced the preliminary work of pipeline network project (phase I) of 10 counties in middle Hebei Province. This project phase I involved seven counties (cities) at the junction of Cangzhou, Baoding and Hengshui, which was one of the key parts of the plan of gas transmission across all counties of Hebei Province during the period of Twelfth Five-Year Plan. A substantial progress has been made in the preliminary work of this project and approval was obtained in February 2012.

As at 31 December 2011, the Group owned two long-distance natural gas transmission pipelines, 4 high-pressure branch pipelines, 12 natural gas distribution stations and two CNG primary filling stations. The Group owned long-distance natural gas transmission pipelines with a total length of 550 km and city pipeline network with a length of 370 km.

4. Actively promoting the development of gas resources co-operative projects

In March 2011, Tangshan Caofeidian LNG project, a gas resources project of the Group, commenced its construction. In October 2011, the Group signed a joint venture contract with PetroChina and Beijing Enterprises Group Company Ltd. ("Beijing Enterprises Group") to formally establish a joint venture.

Moreover, the Group has received a reply from the Development and Reform Commission of Shanxi Province and Hebei Province with respect to Shanxi coalbed methane introduction project and a preparation office of the project has been established for the approval and construction of the project.

5. **Strengthening cooperation with external parties to ensure sustainable development of our business**

In March 2011, the Group signed the Strategic Cooperation Framework Agreement on New Energy with CNOOC New Energy Investment Co., Ltd. (中海油新能源投資有限責任公司) to specify the supply of coal-made natural gas resources by CNOOC New Energy Investment Co., Ltd. in Hebei Province during the Twelfth Five-Year Plan period. Both parties ended up with an intention for cooperation in jointly developing city natural gas, combined heat, power and cooling supply and wind power generation projects.

In October 2011, the Group entered into the Cooperation Framework Agreement for the Natural Gas Integrated Utilization and Branch Pipelines Project in Hebei Province with PetroChina Kunlun Gas Company (中石油昆侖燃氣公司), pursuant to which both parties formed a strategic partnership for the proposed joint investment in the construction of natural gas pipelines in Hebei province.

In December 2011, the Group signed a cooperative joint venture agreement with Shahe City Construction Investment Company Limited (沙河市建設投資有限責任公司) for the proposed joint development of the gas refilling station project in Shahe.

(2) Major Financial Indicators of Natural Gas Business

Revenue

In 2011, the Group achieved natural gas sales revenue of RMB2,405 million, a 39.3% increase over the corresponding period last year. This was mainly due to the increase in natural gas sales volume and sales price during the year. In particular, pipeline wholesale business achieved sales revenue of RMB1,311 million, representing 54.5% of the Group's sales revenue from natural gas; retail business, such as city natural gas, recorded sales revenue of RMB924 million, representing 38.5% of the Group's total sales revenue from natural gas. CNG business remained stable, recording sales revenue of RMB108 million, representing 4.5% of the Group's sales revenue from natural gas. Other income was RMB62 million, representing 2.5% of the Group's sales revenue from natural gas.

Operating cost

In 2011, the operating cost (including cost of sales, selling and distribution cost, administrative expenses and other expenses) of the Group's natural gas business was RMB1,990 million, representing an increase of 39.3% from RMB1,429 million over the corresponding period last year. This was mainly due to the increase in natural gas sales volume during the year.

Operating profit

In 2011, the operating profit of the natural gas business was approximately RMB420 million, representing an increase of 31.9% from RMB318 million over the corresponding period last year. The increase was mainly due to the higher gas sales volume. Gross profit margin was 20.1%, basically the same compared with 20.2% over the corresponding period last year, as the increase in selling unit price and increase in purchase unit price of natural gas are basically the same.

II WIND POWER BUSINESS

(1) Business Review

1. Steady growth in the installed capacity of wind power

During the reporting period, the installed capacity of the Group continued its steady growth. However, the newly installed capacity of wind power slightly decreased from that in the corresponding period last year and the additional consolidated installed capacity of wind power amounted to 346.3MW due to the effect of restrictions on the power delivery of grids and the policy of national approval plan. As at 31 December 2011, the total installed capacity of wind power of the Group reached 1,448.8MW, representing an increase of 31.4% from last year, and consolidated installed capacity was 1,201.3MW, representing an increase of 40.5% from last year. The attributable installed capacity was 1,048.6MW, representing an increase of 30.3% from last year.

2. Steady growth in power generation

During the reporting period, benefited from the growth of the Group's wind power operating capacity and operation maintenance efficiency, the power generation of the Group grew significantly. As at 31 December 2011, the aggregate power generation of the Group amounted to 1,751 million KWh, an increase of 45.7% from last year. The average utilization hours of the Group for 2011 decreased by 13.2% from last year to 2,048 hours mainly due to lesser wind resources in the areas where the wind farms of the Group are located.

3. Enhanced level of operation, maintenance and management

The Group owns a subsidiary that is specialized in the operation and maintenance of wind farms and responsible for the professional management of operation and maintenance of all wind farms of the Group. In 2011, the Group's Zhangjiakou Production Technology Centre and its electrical laboratory opened for use, which became the first large-scale integrated wind power technology centre in Zhangjiakou City. In addition, the Group entered into an agreement for the joint construction of a post-graduate workstation with North China Electric Power University (華北電力大學) to take advantage of the professional research capability of tertiary institutions and the technological level of the Group was therefore enhanced remarkably. In 2011, the Group's average comprehensive auxiliary power rate reached at 2.4%, the average availability factor of the wind farms amounted to 96.8%, which was basically the same compared with last year under the situation where several wind farms no longer required wind power equipment manufacturers to carry out maintenance work for them.

In the second half of 2011, the Company upgraded the technology of wind farms, including low voltage ride through, reactive power compensation device and wind power forecasting system in accordance with the requirements set out in the Key Points of Anti-accident measures for the Operation of Wind Power Grid (風電併網運行反事故措施要點) issued by State Grid Corporation (國家電網公司). As of 31 December 2011, all wind farms of the Group had installed wind power forecasting system and most of wind farms installed low voltage ride through and reactive power compensation device. It is expected that all wind farms will be upgraded by June 2012 to satisfy the requirements of State Grid Corporation with regard to grids of wind farms and to ensure stable operation of the wind farms of the Group.

4. Nationwide layout of wind resources reserve

During the reporting period, the Group strengthened the development and reserve of wind resources and strongly promoted the regional management model for the establishment of independent bodies across China that are responsible for the resources development of different regions. The annual additional reserved capacity of wind resources was 5,030 MW, including 380 MW and 4,650KW within and outside Hebei Province, respectively. As at 31 December 2011, the wind resources reserve capacity of the Group reached 16,499.7MW, which spanned across 13 provinces and cities such as Hebei, Shanxi, Shandong, Inner Mongolia, Xinjiang, Yunnan, Guangxi, Hubei, Shaanxi, Anhui, Jiangxi, Chongqing and Heilongjiang. Hence, the nationwide strategic layout of wind resources was initially shaped.

During the reporting period, the Group had an additional approved wind power projects with a capacity of 295.5MW and an additional preliminary approved projects with a capacity of 1,078MW. The accumulated capacity of the preliminary approved projects reached 2,389.6MW, representing an increase of 29.2% from last year.

5. **Significant effect in infrastructure management**

During the reporting period, infrastructure management of the Group gradually matured, and the construction of projects accelerated steadily. As at 31 December 2011, the Group completed the construction of seven wind farm projects with an aggregate installation capacity of 346.3MW. Besides, the preliminary construction for nine projects has been carried out successfully, five of which have been approved and the other four have been preliminary approved.

During the reporting period, based on the goal of "quality works, exquisite works" for infrastructure, the Group implemented whole-process management; the overall quality of construction works were excellent without any safety incidents occurred. In particulars, the 200MW wind power concession project of Dongxinying was awarded the Premium Quality Project in the PRC Power Industry .

The Group strived hard to control production cost. As a key customer of large scale wind turbine manufacturers, the Group could obtain wind turbines equipment with the highest performance-to-price ratio through tendering and bidding. In 2011, the procurement cost of wind turbines of the Group continued to decline, representing a decrease of 12.6% from last year.

6. **Significant growth in the earnings of CDM**

During the reporting period, the performance of the Group's CDM projects was remarkable. Both the projects registration and revenue achieved a great leap in terms of growth. There were ten new CDM registered projects, and the accumulated number of CDM projects reached 17; the power installed capacity in total was 1,052.8MW. In addition, there were another eight projects that were at the stage of application for CDM registration, two of which had obtained reply from the National Development and Reform Commission. In 2011, benefited from the increase of the Group's CDM registered projects, the sales revenue of CER was also increased significantly, amounting to RMB97.35 million.

7. **Substantial progress in offshore wind power project**

During the reporting period, the Group obtained a reply from the National Energy Administration for its application of the establishment of the offshore wind power project - the model project of 300MW offshore wind farm located at Puti Island, Laoting, Tangshan, Hebei. The project is the first offshore wind power project in China's Bohai Sea that had been preliminary approved by the State. The development of such model project marked the Company's significant achievements in implementing its strategic goals of "base onshore and expand to offshore".

(2) Major Financial Indicators of the Wind Power Business

Revenue

During the reporting period, the Group achieved wind power sales revenue of RMB765 million, representing an increase of 48.3% from last year. The increase was mainly due to the increase in operating capacity and power generation volume.

Operating cost

During the reporting period, the operating cost (including cost of sales, selling and distribution cost, administrative expenses and other expenses) of the Group's wind power business was RMB406 million, representing an increase of 66.2% from last year. This was mainly due to the addition of new operating wind farms during the year. With the increase in power generation volume, the operating cost increased correspondingly.

Operating profit

During the reporting period, the operating profit of the wind power business was RMB478 million, representing an increase of 43.8% from the same period last year. The increase was mainly due to the increase in operating capacity and power generation volume. The gross profit margin was 56.1%, representing a decrease of 4.6% from the same period last year. This was mainly due to the decrease in the utilization hours, which then led to the increase in unit fixed costs.

III. OTHER RENEWABLE ENERGY BUSINESS

The Group has long been concerned about the development of other renewable energy technologies and actively facilitated the building of model projects so as to accumulate experiences for industrialization in the future. The Group operated the 1MW solar power project in Jinjiajing, Laiyuan, Baoding, Hebei Province, and actively commenced the preparatory work for the 10MW solar power project in Laiyuan. The Group also kicked off the preliminary work of the 11MW solar power project in Kangbao County, Hebei Province.

IV. FINANCING

During the reporting period, the Group adopted diversified financing methods, which effectively reduced the financing cost, secured the demands for projects and avoided risks resulting from financing difficulties and increase in interest rate. Firstly, the Group secured RMB loan at prime rate with its good credit in local banks. Secondly, the Group successfully issued corporate bonds of RMB2,000 million comprising two types of products with terms of 6 years and 7 years at interest rates of 5.3% and 5.4%, respectively. Thirdly, a funding pool management system was established with a view to improve the efficiency of fund use. Fourthly, proceeds from the listing of the Company were settled timely in order to meet the capital requirement of projects.

V. ANALYSIS OF COMBINED OPERATING RESULTS

Overview

During the reporting period, the profit of the Group increased significantly. According to the audited consolidated statement, net profit for the year was RMB619 million, a 43.4% increase from 2010; net profit attributable to owners of the Company was RMB449 million, representing a 60.5% increase from 2010.

Revenue

In 2011, the Group recorded a revenue of RMB3,170 million, representing an increase of 41.3% from 2010, of which:

1. natural gas business recorded sales revenue of RMB2,405 million, representing an increase of 39.3% from 2010. This was mainly attributable to the increase in gas sales volume during the year. While ensuring the natural growth of gas consumption, the Group reinforced new market development and pipeline network construction, which directly increased gas sales volume of the year.

2. wind power business achieved sales revenue of RMB765 million, representing an increase of 48.3% from 2010. This was mainly due to the significant increase in the installed capacity of the operating wind farms and thus raise the net sale of electricity significantly when compared with last year.

Revenue	**2011** *RMB 000*	2010 *RMB 000*	Percentage Change %
Natural gas	**2,404,749**	1,726,918	39.3%
Wind power	**765,082**	515,839	48.3%
	3,169,831	2,242,757	41.3%

Other income and net gains

In 2011, the Group recorded other income and net gains of RMB135 million, representing an increase of 60.6% from 2010. This was mainly due to a higher revenue from CER of our wind power business.

Operating costs

During the year, the Group's operating cost, including cost of sales, selling and distribution cost, administrative expenses and other expenses, aggregated to RMB2,432 million, representing an increase of 41.4% from last year. This was mainly due to the increase in the volume of natural gas sold and increase in wind power installed capacity in operation. Among others:

1) during the year, the Group's cost of sales was RMB2,257 million, representing an increase of 42.8% from 2010. This was mainly due to the increase in cost of sales resulting from the increase in wind power installed capacity in operation, and the increase in cost of purchase resulting from the substantial growth in volume of gas sold from natural gas business.

2) during the year, the Group's administrative expenses was RMB152 million, representing an increase of 51.1% from 2010. This was mainly due to the corresponding increase in staff costs and administrative costs as a result of the Group's business expansion.

3) during the year, the Group's other expense was approximately RMB22 million. This was mainly due to the exchange profits or losses on the listing proceeds of the Company in Hong Kong dollar and the foreign currency revenue from the CERs receivables of our wind power business as a result of exchange rate fluctuations. The Group's other expenses decreased by RMB16 million from 2010, which was mainly due to the decrease in unsettlement of Hong Kong dollars as reserve.

Finance cost

During the year, the Group's finance cost was RMB245 million, representing an increase of 45.7% from RMB168 million in 2010. This was mainly due to the fact that the interest expenses capitalized for wind power projects under construction in 2010 were all recognized as current finance cost after the completion and commencement of operation of such projects in 2011.

Share of profit of affiliates

During the year, the Group's share of profit of affiliates was RMB73 million, representing an increase of RMB23 million from RMB50 million in 2010. This was mainly due to the profit increased in our affiliates.

Income tax expense

During the year, the Group's net income tax expense was RMB82 million, representing an increase of 40.6% from RMB58 million for the corresponding period in 2010. This was mainly due to the increase in profit before tax.

Net profit

During the year, the Group recorded a net profit of RMB619 million. Net profit attributable to owners of the Company was RMB449 million, representing an increase of 60.5% from 2010. Basic earnings per share attributable to owners of the Company was RMB0.1386, representing an increase of RMB0.0148 from 2010.

Interest-bearing bank and other borrowings

As of 31 December 2011, the Group's long-term and short-term borrowings totaled RMB6,751 million, representing an increase of RMB1,732 million compared with the end of 2010. Among the total borrowings, the short-term borrowings (including current portion of long-term borrowings) aggregated to RMB636 million and long-term borrowings amounted to RMB6,115 million.

Liquidity and capital resources

As of 31 December 2011, the Group's net current assets was RMB139 million. The net increase in cash and cash equivalents was RMB1,555 million. The Group has banking facilities of RMB10,745 million granted by various domestic banks, of which RMB5,211 million was utilised. In addition, the proceeds of the corporate bonds issued by the Company on 23 November 2011 was RMB2,000 million.

Net gearing ratio

As of 31 December 2011, the net gearing ratio (net liabilities divided by the sum of net liabilities and equity) of the Group was 54.0%, representing an increase of 13% from 41.0% as at 31 December 2010. The main reason was that the external financing of the Company kept increasing as a result of the increase in the investments of the Group's wind power projects and natural gas projects to meet the capital requirements of the projects.

Capital expenditures

Capital expenditures mainly include the construction cost for construction of new wind power projects, natural gas pipelines and additions to property, plant and equipment and prepaid land lease payments. Capital resources mainly include bank borrowings, bonds issue and cash flow from the Group's operating activities. During the year, the Group's capital expenditures were RMB3,173 million, representing a decrease of 6.8% from RMB3,403 million in 2010. Segment information of capital expenditures is as follows:

Capital expenditures	**2011** ***RMB 000***	2010 *RMB 000*	Percentage Change %
Natural gas	**282,120**	231,857	21.7%
Wind power	**2,890,056**	3,171,004	-8.9%
Unallocated capital expenditures	**431**	0	
	3,172,607	3,402,861	-6.8%

VI. WORKING PLAN FOR 2012

2012 is the critical year for the Group to fully implement the "Twelfth Five-Year" strategic plan and the management of the Group will overcome obstacles and devise annual planning eagerly to ensure the completion of the works for the year.

1. Actively promote the market development of natural gas, maintain growth in total wholesale volume, actively expand city gas business to enter into more new markets so as to achieve the continuing growth in annual natural gas sales volume and sales income.

2. Rapidly develop natural gas market in the areas along the Gaoyi-Qinghe Pipeline; try hard to provide preliminary services to those local natural gas companies in Linxi County, Lincheng County and Nangong County for natural gas utilization projects; facilitate the projects to be completed during the year and commence operation as soon as possible to create the scale of gas consumption.

3. Deeply explore the market potential of natural gas in East Hebei Province; speed up to capture the end-users market in the Tangshan and Qinhuaugdao regions, commence the construction of city pipeline network while focus on exploring the actual consumer market to ensure there will be a gas consumption market to a certain extent upon the commencement of operation.

4. Actively push the progress of the preliminary work of pipeline network project (phase I) of ten counties in Central Hebei Province and strengthen the construction progress management to ensure the project fulfills its target in quality and construction cost.

5. Strengthen the management of operation and maintenance of wind farms and analysis of operating indicators, get rid of any defects timely to secure reliable and steady operation, strengthen the communication with grid companies, and maintain a higher availability factor and average utilization hour of wind farms.

6. Follow up with the plan of the wind industry and the local power grid plans, accelerate the process of obtaining preliminary approvals and formal approval of the reserve projects, accelerate the construction of approved wind power projects and ensure the projects commence operation on schedule.

7. Press ahead with the implementation of offshore wind farm at Puti Island, Laoting, Tangshan; and obtain the permits from the relevant industrial administration units, such as the State Grid Corporation and State Oceanic Administration, so as to create favorable conditions for the final approval of projects; meanwhile, make advanced planning and actively prepare for the preparatory work of projects commencement.

VII.OPERATIONAL RISKS

(1) Gas business

Industry Risks

Affected by the factors of increasing natural gas prices and adjustment to the national industries structures, the glass and steel industries have been greatly affected in recent years and the sale of the natural gas industry is also exposed to market risk. Firstly, owing to the surplus of low-end flat glass products in China, the Ministry of Industry and Information Technology resolutely demanded to restrain the production capacity of the flat glass industry from growing too fast while the regulatory policy of the property market promulgated by the State also dragged down the flat glass market. Secondly, the steel industry generally showed depressing signs of growth and profitability due to weak domestic demand for steel and the rising prices of raw materials and fuel. As such, the sales of natural gas industry is exposed to market risk.

Risks of competition in market

As the natural gas market in Hebei Province gradually develops, downstream competition becomes more intense. Capitalizing on the resources advantage of PetroChina, gas companies backed by PetroChina start to seize the market share of the pipeline network in the province. In addition, some local gas companies also expand their city networks with their local advantages, thereby leading to fierce gas market competition in cities, particularly the Bohai Rim region, a more economically developed area in Hebei Province.

Having fully raised the crisis awareness, the Group conducts research on market development and strengthens the downstream market development in the areas covered by the existing long distance pipeline to ensure the Group's leading position in gas supply in the areas of the existing market. The Group also actively involves in natural gas sourcing projects and LNG cooperative projects in the province to form a complementary gas source supply in Hebei Province. In non-dominant regions, the Group introduces strategic partners to form a body of common interest that can complement with each other. The Group adopts different kinds of measures to maintain a stable customer base, speed up its development and expand the gas market.

Risks of the natural gas price

The natural gas industry in China is booming where the demand for natural gas grows rapidly while domestic natural gas resources fall short. In 2006, China became a net importer of natural gas with increasing reliance on external sources. With the rising of crude oil price in the international market in recent years, imported gas price surges as well, resulting in low domestic gas price and high imported gas price. Currently, natural gas price enters the transitional period with the natural gas factory price having no restrictions but to be dictated by market competition as the ultimate goal. The government will only regulate the price of natural gas pipeline transmission that is of monopolistic nature. In the event that natural gas price continues to rise, it will suppress the consumption demand of the market and, at the same time, have certain adverse impacts on the Group's cost control and long-term sales targets.

(2) Wind power business

Industry risks

In 2011, the State issued the Interim Measures for the Administration of the Development and Construction of Wind Power Projects (風電開發建設管理暫行辦法) to strictly regulate the approval system of wind power projects. During the Twelfth Five-Year Plan period, the State will continue to administer the approved plan of wind power development to encourage a more orderly development of the wind power industry. However, the regulation of the wind power approved plan will affect the development and construction progress of individual projects in certain areas, thereby affecting the development pace of the Group's wind power business. Based on the project development concept of the "nationwide layout, key implementation", the Company prudently launched quality projects in response to the national administration of the approved plan in an effective manner to ensure its steady growth.

Climatic risks

The annual generating capacity of wind farms depends on the weather conditions where they are located, particularly the wind resources. As the wind power resources vary greatly every year, our estimated annual generating capacity differs from the actual annual generation capacity to a certain extent. Moreover, some extreme weathers will also affect the construction and normal power generation of wind power projects, leading to a reduction in power generation. To resolve the problem, the Group will take into consideration the existing wind resources and the wind power forecasting team, to improve its long-and short-term wind resource forecasting system and the construction of the wind power forecasting system for wind farms, actively communicate with grid authorities, and increase the generating hours of wind farms.

Risks of grid connection

After continuous large-scale development and construction in the wind power industry of the PRC in recent years, power grid ancillary works in some regions lagged behind significantly. Project approval and power grid connection are restricted by the transmission limitations of regional power grids. Located at the national wind power base in Hebei region, most of the Group's wind farms are exposed to a certain degree of grid connection and grid constraint risks. The State Grid Corporation has gradually introduced a number of initiatives to improve the conditions of wind power grid connection. The conditions of wind power grid connection will be further improved. Upon the completion of the wind power forecasting system for power grid and wind farms, wind farms will be equipped with the capability for energy management. In view of the increased control of power grid over wind farms, the risk of grid constraint will be gradually reduced.

CDM risks

Phase I commitment of the Kyoto Protocol shall be achieved by the end of 2012, and the parties are still negotiating Phase II commitment on carbon credit. Post-Kyoto emission reduction proposal has not yet been determined. As such, there are some risks in the policy of the Group's wind farm CDM projects. According to the rules of the EU emissions trading system, the Chinese CDM projects registered after 2012 will not be accepted, which may lead to the situation that the Group will not be able to earn any CDM income from wind power projects that are registered after 2012. On the other hand, the price of emissions units in secondary carbon market has appeared a dramatic decline, which exposes the Group's CDM projects to transactional risk. The Group is also exposed to price risk and default risk by purchasers in respect of CDM income.

(3) Financial risk

During the Twelfth Five-Year Plan period, the Group will be exposed to greater financial pressure due to huge capital expenditure as required for the construction of wind farms and natural gas pipelines. In 2011, the State implemented the prudent monetary policy and raised the deposit reserve ratio and loan interest rates for several times. The tightening monetary policy increased the difficulty of corporate financing, which induced certain impacts on the cost of corporate financing. The State will continue to implement the prudent monetary policy in 2012 with "moderately easing measures" in place to readjust the economy in a timely manner, which will improve the availability of corporate financing. The Group will manage its financing with adequate arrangements to strengthen debt financing and effective risk control, and to ensure the stable supply of capital by gaining access to low-cost funds through a variety of financing channels.

Material investments

Hebei Natural Gas Company Ltd. ("Hebei Natural Gas"), a non-wholly owned subsidiary of the Company, entered into an equity joint venture contract with PetroChina and Beijing Enterprises Group on 16 October 2011 for the formation of a joint venture. The joint venture is located in Tangshan City, Hebei Province, the PRC, and its scope of business includes the receiving, storing and gasification of liquefied natural gas and related businesses. Upon the completion of the transaction, PetroChina, Beijing Enterprises Group and Hebei Natural Gas will hold 51%, 29% and 20% equity interests in the joint venture, respectively.

The total investment of Tangshan LNG terminal project was approximately RMB6,600 million. According to the joint venture contract, the registered capital of the joint venture is RMB2,600 million. According to the joint venture contract, the registered capital will be contributed to the joint venture in two installments. During the reporting period, the parties to the joint venture contributed a total of RMB1,000 million for the first installment and the second installment is scheduled to be settled by 2012.

The board of directors of Hebei Natural Gas has resolved to approve the transaction and agreed to the additional capital contribution in an amount of RMB200 million to the registered capital of Hebei Natural Gas by the Company and China Gas (Hebei) Ltd. in proportional to their existing shareholding to provide the first installment of the capital injection into the joint venture by Hebei Natural Gas. Therefore, the additional capital to be injected to Hebei Natural Gas by the Company and China Gas (Hebei) Ltd., another shareholder of Hebei Natural Gas, will be RMB110 million and RMB90 million, respectively. The capital contributed by the Company to Hebei Natural Gas was satisfied by the Group's internal resources.

Due to the investment made by PetroChina for the preliminary works, the construction of the project has been commenced in March 2011 and it is expected that the project will commence its operation in 2013.

Material acquisitions and disposals

During the reporting period, HECIC New-energy Co., Ltd. ("HECIC New-energy"), a wholly-owned subsidiary of the Company, and Hebei Green Energy Limited entered into an equity transfer agreement, pursuant to which HECIC New-energy acquired 25% equity interest in HECIC Yanshan (Guyuan) Wind Energy Co., Ltd. held by Hebei Green Energy Limited. The transfer price was RMB46.68 million and the benchmark date of the equity transfer was 31 December 2010. All rights under the equity transfer would, in part or in whole, be attributable to HECIC New-energy after the benchmark date for the equity transfer. Upon the transfer of the equity interest, HECIC Yanshan (Guyuan) Wind Energy Co., Ltd. became a wholly-owned subsidiary of HECIC New-energy.

During the reporting period, Hebei Natural Gas, a subsidiary of the Company, signed a transfer agreement with Beijing Zhong Ran Weiye Gas Co., Ltd. to acquire 100% equity interests in three of its subsidiaries, namely Jinzhou Weiye Gas Co., Ltd. (晉州市偉業燃氣有限公司), Shenzhou Weiye Gas Co., Ltd. (深州偉業燃氣有限公司) and Xinji Zhongchen Gas Co., Ltd. (辛集市中晨燃氣有限公司) at a consideration of RMB40.58 million on 26 March 2011 pursuant to the No.1 written board resolution of Hebei Natural Gas in 2011. On 31 May 2011, both parties completed the handover and Jinzhou Weiye Gas Co., Ltd., Xinji Zhongchen Gas Co., Ltd. and Shenzhou Weiye Gas Co., Ltd. then became the wholly-owned subsidiaries of Hebei Natural Gas.

Asset charge of the Group

During the year, the Group had no charge on its assets.

Risk of fluctuations in exchange rate

The CDM income of the wind power business of the Group is in foreign currencies. Hence, fluctuations in exchange rate would cause exchange losses or gains in the Group's foreign currency business. The Group will keep track of changes in exchange rates, improve the management of settlement and use of foreign exchange and control foreign exchange risks.

Contingent liabilities

During the year, the Group had no significant contingent liabilities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

As a company listed on the Hong Kong Stock Exchange, the Company strives to maintain a high standard of corporate governance practices and has complied with the code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules and adopted the recommended best practice as applicable.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

SUBSEQUENT EVENTS

Pursuant to Chaishui [2012] No. 10, Notice on Preferential Tax Treatment for Projects relating to Public Infrastructure, Environmental Protection and Water and Energy Conservation issued by the Ministry of Finance and State Administration of Taxation (財稅[2012]第10號財政部、國家稅務總局關於公共基礎設施項目和環境保護、節能節水項目企業所得稅優惠政策問題的通知) on 5 January 2012 (the "Notice"), certain subsidiaries of the Company, which were established before 1 January 2008 and are engaging in the activities set forth in the Notice, are each entitled to the 3+3 tax holiday commencing 1 January 2008. Following the issuance of the Notice in January 2012, the subsidiaries entitling to the above-mentioned tax holiday are in the process of the preparation the required documentation for submission to the respective tax authorities to apply for the enjoyment of the 3+3 tax holiday.

FINAL DIVIDEND

The Board recommends the distribution of a final dividend of RMB0.058 per share (RMB187.83 million in total) (tax included) for the year ended 31 December 2011 to all shareholders, details of which are set out in Note 8 to the Financial Statements.

According to the Circular on Questions Concerning Withholding and Remitting Enterprise Income Tax for Dividends Payable to Overseas H-share Holders (Non-enterprise Shareholders) by Chinese Resident Enterprises (Guoshuihan [2008] No.897) issued by the State Administration of Taxation, enterprise income tax at the rate of 10% shall be levied on dividends paid in or after 2008 by Chinese resident enterprises to overseas H-share shareholders that are non-resident enterprises. Any shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the enterprise income tax. If H Shareholders intend to change its shareholder status, please enquire about the relevant procedures with your agents or transferee agent. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H shares of the Company as at 15 June 2012.

If the individual holders of the H shares who are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for dividend with China under the relevant tax agreement, the Company should withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. Should the individual holders of the H shares are residents of the countries which had an agreed tax rate of less than 10% with China under the relevant tax agreement, the Company shall withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. In that case, if the relevant individual holders of the H shares wish to apply for a refund of the additional amount of tax withheld and paid, the Company assist the relevant H Shareholders to handle the application for the underlying preferential tax benefits pursuant to tax agreements. Should the individual holders of the H shares are residents of the countries which had an agreed tax rate of over 10% but less than 20% with China under the tax agreement, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual holders of the H shares are residents of the countries which had an agreed tax rate of 20% with China, or which has not entered into any tax agreement with China, or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

The Company shall take the registered address (hereby referred to as "registered address") as recorded in the register of members on 15 June 2012 as the basis in determining the residence of the individual holders of the H shares.

The Company assumes no responsibility and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any dispute over the mechanism of withholding. Shareholders should consult their tax advisers regarding the PRC, Hong Kong and other tax implications of owning and disposing of the H shares of the Company.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining H Shareholders' entitlement to attend and vote on the Annual General Meeting, the H share register of members of the Company will be closed from 4 May 2012 (Friday) to 4 June 2012 (Monday) (both days inclusive), during which period no transfer of shares will be registered. In order to attend the Annual General Meeting, H Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 3 May 2012 (Thursday).

For the purpose of determining the H Shareholders who are entitled to the receipt of the above-mentioned final dividend, the register of members of the Company will be closed from Friday, 8 June 2012 to Friday, 15 June 2012, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2011 (subject to the approval of the Company's shareholders), H Shareholders of the Company shall lodge the share certificates, together with relevant share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 June 2012. Final dividend will be distributed to the shareholders in HKD whose name listed on the register of H Shares on Friday, 15 June 2012.

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed the 2011 annual results of the Group and the financial statements for the year ended 31 December 2011 prepared in accordance with the IFRSs.

PUBLICATION OF ANNUAL REPORT

The Company's annual report will be published on the Company's website (http://www.suntien.com) and the HKExnews website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) in due course.

By order of the Board of
China Suntien Green Energy Corporation Limited
Li Lian Ping
Chairman

Beijing, 30 March 2012

As at the date of this announcement, the non-executive directors of the Company are Dr. Li Lian Ping, Mr. Zhao Hui Ning and Mr. Xiao Gang; the executive directors of the Company are Dr. Cao Xin, Mr. Gao Qing Yu, Mr. Zhao Hui and Mr. Sun Xin Tian; and the independent non-executive directors of the Company are Mr. Qin Hai Yan, Mr. Ding Jun, Mr.Wang Xiang Jun and Mr. Yue Man Yiu Matthew.

* *for identification purpose only*