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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2013:

- Revenue was RMB4,661 million, representing an increase of 25.9% compared with 2012
- Profit before tax was RMB832 million, representing an increase of 3.6% compared with 2012
- Net profit attributable to owners of the Company was RMB460 million, representing a decrease of 16.4% compared with 2012
- Earnings per share was RMB0.1419, representing a decrease of 16.4% compared with 2012

The Board recommends a final dividend distribution of RMB0.046 per share (tax inclusive) for 2013.

RESULTS HIGHLIGHTS

The board (the "Board") of directors (the "Director(s)") of China Suntien Green Energy Corporation Limited (the "Company") is pleased to announce the audited annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2013. 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.

As at 31 December 2013, the Group had consolidated assets of RMB17,414 million with a gearing ratio of 54.7%; consolidated revenue of RMB4,661 million, representing an increase of 25.9% from 2012; and net profits attributable to owners of the Company of RMB460 million, representing a decrease of 16.4% from 2012. Earnings per share was RMB0.1419.

* *For identification purposes only*

The Board has recommended the payment of a final dividend in cash of RMB0.046 per share (tax inclusive) (RMB170.897 million in total (tax inclusive)) to all shareholders subject to the shareholders' approval at the Company's annual general meeting to be held on Friday, 6 June 2014 (the "Annual General Meeting").

Details of the Group's operating results are set out in the financial information contained in the appendix to this announcement.

REVIEW OF RESULTS OF 2013

I. Operating Environment

In 2013, the global economy recovered slowly and China was faced with multiple economic challenges, greater downward pressure on the economy and apparent market fluctuations. However, with the macro-economic policy controls of the government, the economy was stable and tended to rise. China's Purchasing Managers Index remained over 50% in 2013. The stable growth of the macro-economy has created a favorable economic environment for the Chinese government to continue its energy structure adjustment and to focus on clean energy development.

In 2013, many regions in China saw hazy weather, especially the Beijing-Tianjin-Hebei region, and this attracted close attention on environment protection from the government and the society. The government further enhanced its energy structure adjustment and promulgated a series of policies in favor of clean energy to promote clean energy development. In September 2013, the State Council promulgated the Action Plan for the Prevention and Control of Atmospheric Pollution (大氣污染防治行動計劃), which was intended to reduce the proportion of coal consumption in the total energy consumption to below 65% by 2017. Hebei Province, a region severely affected by the hazy weather, also promulgated the Implementation Scheme of Hebei Province for the Action Plan for the Prevention and Control of Atmospheric Pollution (河北省大氣污染防治行動計劃實施方案) in September 2013, which aimed to cut the coal consumption of the province by a net of 40 million tons in 2017 as compared with 2012, equivalent to more than 30 billion cubic meters of natural gas. The scheme also requires the acceleration of the substitution and utilization of clean energy, the increased supply of natural gas, liquefied petroleum gas ("LPG") and coal-made natural gas, the active development of hydroelectric power in an orderly manner, the development and utilisation of the geothermal energy, wind energy, solar energy and biomass energy and the gradual increase of the use of clean energy in cities.

In 2013, the major operating environment for the natural gas industry and the wind power industry was as follows:

(I) Operating environment for the natural gas industry

1. The infrastructure of natural gas was further improved

In 2013, the China-Burma Natural Gas Pipelines (中國－緬甸天然氣管道), the Zhongwei-Guiyang Connecting Lines (中貴聯絡線) and the Datang Coal Gas Pipelines (大唐煤制氣管道) were put into production successively. The infrastructure of natural gas in China was further improved, establishing the foundation for the long-term development of the natural gas market.

2. Demands in the natural gas market grew constantly

In 2013, China's atmospheric pollution worsened. The promotion of clean energy accelerated around the country and coal-to-gas projects were carried out in many places, leading to an apparent growth in the demand for natural gas. The apparent consumption of natural gas in China amounted to 169.2 billion cubic meters, representing an increase of 12.9% as compared with 2012. The consumption of natural gas in Hebei Province amounted to 5.23 billion cubic meters in 2013, representing an increase of 0.96 billion cubic meters or 22.5% as compared with 2012, 10 percentage points higher than the average growth in China.

Domestic consumption of natural gas increased, but the production volume in China was unable to satisfy the market demands thus increasing the import dependence of natural gas. In 2013, China's import of natural gas grew rapidly. The total import for the year amounted to 53.4 billion cubic meters, representing an increase of 25.6% as compared with 2012.

3. Promulgation of detailed rules for implementation of policies promoted the development of natural gas industry

In September 2013, many ministries and commissions jointly issued the Detailed Rules for Implementation of the Action Plans for the Prevention and Control of Air Pollution in the Beijing-Tianjin-Hebei Region and the Surrounding Regions (京津冀及周邊地區落實大氣污染防治行動計劃實施細則), which required that, by the end of 2017, self-provided coal fired boilers shall be gradually removed and clean energies such as natural gas or concentrated heat supplies from surrounding power plants shall be used in all industrial regions, parks and clustered areas of chemical industry, paper making, printing and dyeing, tanning and pharmaceutical industries in Beijing, Tianjin, Hebei Province, Shanxi Province and Shandong Province; facilities powered by coal in existing refinery enterprises in Beijing, Tianjin, Hebei Province and Shandong Province shall switch to natural gas or be powered by surrounding power plants. The successive promulgation of environment protection and air pollution related policies of the country and Hebei Province will strongly promote the development of the natural gas industry.

4. *Marketization of the price of natural gas was further promoted*

In June 2013, the National Development and Reform Commission (國家發展和改革委員會) promulgated the Circular on Adjusting the Price of Natural Gas, which aimed to implement "One Price for One Province" all over the country (except for Fujian and Tibet), to distinguish incremental gas (增氣量) with existing gas supply (存量氣), to adjust the price of incremental gas to a reasonable price level relative to alternative energy such as fuel oil and LPG, adjust the price of existing gas supply step by step and to gradually smooth the price relation of natural gas and alternative energy. The price adjustment raised the enthusiasm of natural gas suppliers, thus aiding the relief of the current supply shortage.

(II) Operating environment for the wind power industry in 2013

1. *Approved capacity and on-grid capacity of wind power saw stable growth*

According to the statistics of the National Renewable Energy Information Management Center (國家可再生能源信息管理中心), the accumulative approved capacity of wind power in China amounted to 134.25 million KW, with a newly increased approved capacity of 27.55 million KW, representing an increase of 10.0% as compared with 2012; annual on-grid capacity of wind power amounted to 137.1 billion KWh, representing an increase of 36.0% as compared with 2012; and the newly increased connected grid capacity amounted to 14.92 million KW, representing an increase of approximately 0.6 percentage point as compared with 2012.

In 2013, the newly increased approved capacity of wind power in Hebei Province amounted to 2.376 million KW, representing an increase of 47.5% as compared with 2012; annual on-grid capacity of wind power amounted to 14.65 billion KWh, representing an increase of 18.3% as compared with 2012; and the newly increased connected grid capacity amounted to 434,600 KW, representing a decrease of about 79% as compared with 2012. Along with the successive promulgation of policies in favor of wind powers and the gradual improvement of grid connection conditions, the wind power industry will continue to see a stable growth in the coming years.

2. *Approval procedures for large wind power projects were simplified*

In May 2013, the State Council issued the Decision on Cancelling and Decentralizing A Batch of Administrative Approval Items (關於取消和下放一批行政審批項目等事項的決定). The approval for enterprises to invest in wind power station projects were delegated to the competent authorities of investment of local governments and so the approval procedures for large wind power projects were simplified, the time of approval was reduced and the development and construction of wind power projects were accelerated.

3. *Issues of wind curtailments and power constraints were partially relieved*

In March 2013, the National Energy Administration (國家能源局) promulgated certain policies, including the Circular on Grid Connection and Absorption of Wind Power in 2013 (關於做好2013年風電併網和消納相關工作的通知) to promote the absorption and utilization of wind powers, to lessen the wind curtailments and power constraints, to improve power grid connection and to improve the proportion of wind power consumption. According to the statistics of the National Energy Administration, the annual utilization hours for 2013 exceeded 2,000 hours, with an average abandoning rate of 10.0%, representing a decrease of 7 percentage points as compared with 2012.

4. *Additional standards of prices of renewable energy were raised and the procedures for the payment of subsidies were simplified*

In August 2013, the National Development and Reform Commission issued the Circular on Adjusting the Additional Standards of Power Prices of Renewable Energy and Matters Concerning the Power Prices of Environment Protection (關於調整可再生能源電價附加標準與環保電價有關事項的通知) to raise the additional standard of the power price of renewable energy from RMB0.008 per KWh to RMB0.015 per KWh. And meanwhile, several ministries and departments including the Ministry of Finance promulgated the Interim Measures for the Administration of Additional Subsidies for Power Prices of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) to simplify the payment procedures for the subsidies for photovoltaic power stations and large wind power generation.

II. Business review

(I) Business review and major financial indicators of natural gas

1. *Business review of natural gas*

During the reporting period, the Group constantly promoted the construction of pipelines, actively developed the gas business in cities and saw the rapid growth in the natural gas business which was attributable to the coal-to-gas project in Hebei Province.

(1) Sales volume of natural gas saw constant growth

During the reporting period, the Group's sales volume of natural gas amounted to 1,484 million cubic meters, representing an increase of 19.0% as compared with 2012, of which the wholesales volume amounted to 757 million cubic meters, representing an increase of 9.0% as compared with 2012 and accounting for 51.0% of total sales volume of 2013; the retail sales volume amounted to 665 million cubic meters, representing an increase of 35.0% as compared with 2012 and accounting for 44.8% of total sales volume of 2013; and the sales volume of CNG accounted to 62 million cubic meters, representing an increase of 2.8% as compared with 2012 and accounting for 4.2% of total sales volume of 2013.

(2) Actively promoting the construction projects of natural gas infrastructure

During the year, the Group's construction of natural gas infrastructure progressed smoothly. The high pressure pipeline construction of the Chengde natural gas utilization project, 10 kilometers of medium pressure pipeline and the initial design for the Luanping station were all completed. The construction of the major pipeline of the pipework for ten counties in middle Hebei Province (Phase I) was 90% completed; and the civil engineering for the main body of the Shenzhou station was completed. The construction of the 2 CNG primary filling stations in Baoding and Chengde, the 2 CNG refilling stations in Pingquan and Laiyuan and the LNG refilling station in Shahe have commenced.

The Group increased 172.5 kilometers of urban natural gas pipeline in 2013. As of 31 December 2013, the Group accumulatively operated 1,123.5 kilometers of pipeline, including 550 kilometers of long-distance transmission pipeline and 573.5 kilometers of city gas pipeline; 10 distribution stations, 4 gate stations, 3 CNG refilling stations and 2 CNG primary refilling stations.

(3) Striving to expand upstream new gas sources

While stabilizing the middle-stream market of natural gas, and developing the downstream market, the Group continued to implement diversified strategies for gas sources, and to implement various measures to guarantee the supply of natural gas. LNG terminal project in Tangshan, in which the Group has a non-controlling interest, was formally put into production in December 2013 with a daily maximum gasification capacity of 24 million cubic meters and an annual output capacity of 8.7 billion cubic meters. During the reporting period, the Group established a joint venture named Hebei Suntien Guohua Gas Co., Ltd. (河北新天國化燃氣有限責任公司) in September 2013, which was responsible for promoting the Shanxi Licheng-Hebei Shahe coalbed methane pipeline project (山西黎城－河北沙河煤層氣管道工程項目). The bidding process for the survey, design, supervision, equipment and construction for the project was completed, and the construction will start in the first half of 2014. In addition, during the reporting period, the Group increased 15.95 million cubic meters of external LNG as the supplementary gas source to relieve the tight gas supply in Hebei Province arising from the heating supply in the winter, and to guarantee the supply in the peak winter season in Hebei Province.

(4) Actively exploring the downstream natural gas market

During the reporting period, the Group actively explored the retail business of natural gas. New industrial users increased by 19, representing an increase of 21.0% as compared with 2012, to a total of 307 industrial users. New residential users increased by 16,188, representing an increase of 33.0% as compared with 2012, to a total of 65,014 residential users.

During the reporting period, the Group vigorously explored city gas projects and registered and established a number of branches and subsidiaries to develop the market in new regions, including Xingtai, Gaoyi, Lulong and Anping and new operation districts in existing markets of Chengde and Shijiazhuang.

(5) Breakthrough made in the CNG and LNG businesses

During the reporting period, the Group enhanced the development of the CNG and LNG businesses and made breakthrough progress. As of 31 December 2013, the Group completed the initiation of projects for 4 CNG primary refilling stations, 10 CNG refilling stations and 4 LNG refilling stations. The construction of 2 CNG refilling stations in Pingquan and Laiyuan, 1 LNG refilling station in Shahe and 2 CNG primary refilling stations in Baoding and Chengde also commenced, and preparation for construction was made for the rest projects.

(6) Smooth implementation of the price adjustment of natural gas

On 28 June 2013, the National Development and Reform Commission promulgated the Circular on Adjusting the Price of Natural Gas (關於調整天然氣價格的通知), pursuant to which the highest wholesale price of existing gas supply in Hebei Province was RMB2.24 per cubic meter and that of incremental gas was RMB3.12 per cubic meter. After the adjustment, the average purchase cost of the Group increased by approximately RMB0.43 per cubic meter. The Price Bureau of Hebei Province (河北省物價局) issued the Circular on Forwarding the Circular of the National Development and Reform Commission on Adjusting the Price of Natural Gas (關於轉發《國家發改委關於調整天然氣價格的通知》) on 19 July 2013, confirming that for industrial users in Shijiazhuang, Baoding, Xingtai and Handan areas, the highest wholesale price of existing gas supply should be RMB2.49 (including a pipeline transportation fee RMB0.25) and that of incremental gas should be RMB3.37 (including a pipeline transportation fee of RMB0.25). The Group has successfully completed the price adjustment for the wholesale business. The price bureau of all cities successively issued notices in the second half of 2013 to confirm the price adjustment of the wholesale business. As of November 2013, the price adjustment of the Group to the downstream markets and various branches and subsidies of the Group were generally completed.

2. *Major financial indicators of natural gas*

(1) Revenue

During the reporting period, the Group recorded a natural gas sales revenue of RMB3,327 million, representing an increase of 29.5% as compared with 2012, which was mainly due to the increase in the unit price and significant increase of natural gas sales volume during the year. In particular, the pipeline wholesale business recorded a sales revenue of RMB1,457 million, representing 43.8% of the Group's sales revenue from natural gas; retail business, such as city natural gas, recorded a sales revenue of RMB1,605 million, representing 48.2% of the Group's sales revenue from natural gas. CNG business recorded a sales revenue of RMB145 million, representing 4.4% of the Group's sales revenue from natural gas. Other income was RMB120 million, representing 3.6% of the Group's sales revenue from natural gas.

(2) Operating cost

During the reporting period, the operating cost (including cost of sales, selling and distribution expenses, administrative expenses and other expenses) of the Group's natural gas business was RMB2,781 million, representing an increase of 32.3% as compared to the RMB2,103 million in 2012. This was mainly due to the increase in the price of natural gas in China during the year, leading to the increase in the purchase cost of natural gas and a significant increase in the volume of gas purchased.

(3) Profit from Operations

During the reporting period, the profit from operations of the natural gas business was RMB548 million, representing an increase of approximately 16.6% as compared with RMB470 million in 2012. The increase was mainly due to the increase in gas sales volume. Gross profit margin was 19.8%, which was a 1.8 percentage points lower than that in 2012, and this was mainly due to rise of the unit price. However, the unit gross profit margin basically maintained at the same level as last year.

(II) Business review and major financial indicators of wind power

1. *Business review of wind power*

During the reporting period, the Group further expanded the scale of its wind power business. The gross power generation, and the consolidated and attributable installed capacity grew stably as compared with 2012. The Group actively expanded wind resource projects around the country, and promoted the establishment and approval of wind resource projects, establishing a solid foundation for the future development of wind power business.

(1) Power generation of wind farms saw a stable growth

During the reporting period, the consolidated wind farms realized a power generation of 2,927 million KWh, representing an increase of 15.8% as compared with 2012; the utilization hours of the consolidated wind farms was 2,312 hours, representing an increase of 22 hours as compared with 2012; and the average availability factor was 97.48%, which was basically the same as last year.

(2) The scale of installation continued to expand

As of 31 December 2013, the consolidated installed capacity of the Group was 1,445.30MW, and the attributable installed capacity was 1,292.60MW. During the reporting period, newly increased consolidated installed capacity was 99MW and newly increased attributable installed capacity was 99MW. Affected by factors including the slow handling of formalities for occupation and delay in the construction of power grid, the completed installed capacity of wind power for the year was 99MW. As of 31 December 2013, the Group had 4 projects under construction with a construction capacity of 251MW.

(3) Actively expanding the wind resource reserve

The Group vigorously promoted the wind resource reserve, and the establishment and approval of wind power projects. In 2013, the increase of reserved capacity of the Group was 3,158MW, including 350MW in Hebei Province and 2,808MW in other provinces and cities. The accumulated reserved capacity of wind resources amounted to 21,273MW over 20 cities and provinces in China. As of 31 December 2013, The Group's newly increased project capacity with final approvals was 884 MW, the newly increased reserved capacity of preliminary approved projects was 1,381.5 MW, accumulated reserved capacity of preliminary approved projects was 3,161.40MW and accumulated reserved capacity with final approval was 1,220.5 MW. This provides solid project reserves for the Group to realize the "Twelfth 5-year" installation target and the further sustainable and stable development of wind power business.

(4) Offshore wind power demonstration project obtained approval

The Group's 300 MW offshore wind power demonstration project in Puti Island, Laoting, Tangshan was approved by the Development and Reform Commission of Hebei Province in December 2013, which was the first offshore wind power project obtaining approval in the Bohai Sea of China. The approval of this demonstration project marks the commencement of the substantial development stage of this project. The Group will continue to stably promote the development and construction of more offshore wind power projects.

(5) Enhancing the administration of wind power project to create quality projects

The Group further enhanced the precision and standardization management of wind power projects and guaranteed the construction quality of the wind power projects. The Chongli Jiaocheshan wind power project was successfully awarded the 2013 China National Premium Quality Project, being the second project of the Group receiving such honor after the Dongxingying wind power project. The Dongxingying wind power project, after receiving the awards of the Industrial Premium Quality Project and the National Premium Quality Project, was accredited with the National Premium Investment Project, becoming one of seven wind power projects that received awards.

(6) Wind power operation and maintenance level improved

During the reporting period, the Group conducted overall examination of the operation of wind farms and reformed the wind farms technically according to the requirements of the grid companies to guarantee the safe and economic operation of the generating units. During the reporting period, the Group had 8 wind power project companies with a total of 75.60MW installed capacity of wind farms that passed the level two examination of safety and production standardization.

2. *Major financial indicators of wind power business*

(1) Revenue

During the reporting period, the Group realized wind power sales revenue of RMB1.332 billion, representing an increase of 17.6% as compared with 2012. The wind power sales revenue accounted for 28.6% of the Group's sales revenue, mainly attributable to the facts that (1) the 7 wind farms that were put into operation successively in 2012 were all generating power in 2013 and 3 new wind farms were put into operation in 2013 to significant increase in sales volume of power; and (2) the utilization hours of wind farms increased.

(2) Operating cost

During the reporting period, the operating cost (including cost of sales, selling and distribution expenses, administrative expenses and other expenses) of the Group's wind power business was RMB639 million, representing an increase of 12.0% as compared with 2012. This was mainly due to 7 wind farms putting into operation in 2012 and 3 new wind farms putting into operation in 2013 and the corresponding increase in operating costs during the year.

(3) Profit from Operations

During the reporting period, the profit from operations of the wind power business was RMB705 million, representing an increase of 14.2% as compared with 2012. The increase was mainly due to increased profit from operations resulting from the increase in the number of wind farms in operation and the improvement of utilization hours. The gross profit margin was 60.0%, which was almost the same as that of last year.

(III) Other renewable energy business

During the reporting period, the Group, while vigorously developing its natural gas and wind power businesses, paid close attention to the development trend of new energy technologies and tracked relevant projects in time to fully explore new market potential and business growth points.

1. With respect to the solar energy power generation project of the Group, in addition to the 1MW solar power project in Baoding Laiyuan Zhoucun of Hebei Province which has been in operation, the 20MW power station in Hejing of Xinjiang Province was successfully connected to the grid. In 2013, the newly increased agreed capacity of solar energy was 570MW and the accumulated agreed capacity of solar energy was 1,381MW.

2. The Group's demonstration project in Yulai in connection with the industry load absorption distributed renewable energy obtained preliminary approval from the Reform and Development Commission of Hebei Province. The implementation of the demonstration project will bring precious experience for the Group in developing distributed clean energy projects in the future.

3. The Group's demonstration project of comprehensive utilization of wind power to generate hydrogen in Guyuan obtained preliminary approval from the Reform and Development Commission of Hebei Province. The implementation of the project may help promote the hydrogen energy business of Hebei and the development of energy conservation, emission reduction, recycling economy and clean energy in Hebei.

III. Management Discussion and Analysis on Financial Condition and Operating Results

(I) Overview

According to the audited consolidated financial statements for 2013, the Group's net profit for the year was RMB675 million, representing a decrease of 15.2% from 2012. The net profit attributable to owners of the Company was RMB460 million, representing a decrease of 16.4% from 2012.

(II) Revenue

In 2013, the Group recorded revenue of RMB4,661 million, representing an increase of 25.9% from 2012, of which:

1. Natural gas business recorded revenue of RMB3,327 million, representing an increase of 29.5% from 2012. This was mainly attributable to the raise of unit price of gas sales and significant increase in gas sales volume during the reporting period.

2. Wind power business achieved revenue of RMB1,332 million, representing an increase of 17.6% from 2012. This was mainly due to the increase in electricity sales volume from wind farms for the year.

3. Solar energy business achieved revenue of RMB2 million, unchanged comparing with 2012.

(III) Other income and net gains

During the reporting period, the Group recorded other income and net gains of RMB31 million, representing a decrease of 60.1% from 2012. This was mainly due to the fact that during the reporting period, the net CERs income from wind power business of the Group decreased significantly due to the maturity of the first commitment period of the Kyoto Protocol at the end of 2012.

(IV) Operating costs

During the reporting period, the Group's operating costs, including cost of sales, selling and distribution costs, administrative expenses and other expenses, aggregated to RMB3,476 million, representing an increase of 28.1% from 2012. Among others:

1. Cost of sales was RMB3,202 million, representing an increase of 30.0% from 2012. This was mainly due to the increase in purchase cost caused by the growth in volume of gas sales and rise of the unit price from the natural gas business, and the increase in cost of sales caused by the increase in wind power operating capacity.

2. The Group's administrative expenses was RMB239 million, representing an increase of 22.6 % from 2012. This was mainly due to the corresponding increase in staff costs and administrative costs as a result of the Group's business expansion.

3. Other expenses were RMB34 million, representing a decrease of 36.6% from 2012. This was mainly due to the amount provided for impairment this year is less than that of last year.

(V) Finance costs

During the reporting period, the Group's finance costs were RMB424 million, representing an increase of 19.9% when compared with RMB354 million in 2012. This was mainly due to the fact that following the expansion of production capacity of the Company, the increase in interest expenses resulting from the increase of borrowings and interest from the projects putting into operation were capitalized.

(VI) Share of profit of associates

During the reporting period, the Group's share of profit of associates was RMB40 million, representing a decrease of RMB50 million as compared with RMB90 million last year. This was mainly due to the decline in profitability of the enterprises in which the Group has shareholdings.

(VII) Income tax expenses

During the reporting period, the Group's net income tax expense was RMB158 million, representing a significant increase as compared with RMB7 million of last year. The main reasons for this increase are as follows: (1) the expiration of "2+3" tax holiday of Hebei Natural Gas Company Limited ("Hebei Natural Gas"), resulting in an applicable tax rate of 25% starting from 1 January 2013; (2) the substantial increase in profit before tax of Hebei Natural Gas, resulting in the growth of income tax year-on-year; (3) Pursuant to Cai Shui [2012] No.10 Document issued by the Ministry of Finance and State Administration of Taxation, 7 projects of the Group, which were approved before 31 December 2007 and entitled to the "3+3" tax holiday commencing from the taxable year in which the project first generates operating income, could enjoy such tax benefits for remaining years within the preferential period calculated by new taxation laws after 1 January 2008. In 2012, the current income tax expenses were offset against the income tax relief for each project, which caused significant decrease in income tax expenses of the wind power segment that year; (4) 3 wind farms of the Group were subject to half payment of income tax from 2013 and ceased to enjoy full exemption.

(VIII) Net profit

During the reporting period, the Group recorded a net profit of RMB675 million, representing a decrease of 15.2% as compared with 2012. Among others, the natural gas segment recording a net profit of RMB364 million, representing slight decline as from 2012; the wind power segment recording a net profit of RMB354 million, representing a decrease of 20.2% as compared with 2012. This was primarily due to: (1) the decrease in revenue of the wind farms in which the Group has non-controlling interests; (2) new taxation policies applicable to the wind power segment, resulting in the write-off of income tax for 7 wind power projects in 2012 (for details, please refer to the analysis in "(VII) Income tax expenses" in this section).

(IX) Profit attributable to owners of the Company

During the reporting period, the profit attributable to owners of the Company was RMB460 million, representing a decrease of RMB90 million compared with the RMB550 million last year. This was primarily attributable to the decrease in net profits from the wind power segment as compared with last year.

The basic earnings per share attributable to shareholders of the Company was RMB0.1419.

(X) Profit attributable to non-controlling interests

During the reporting period, the profit attributable to non-controlling interests was RMB215 million, representing a decrease of RMB31 million compared with the RMB246 million last year. This was primarily attributable to the decrease in net profit from the wind power segment as compared with last year.

(XI) Trade and bills receivables

As of 31 December 2013, the Group's trade and bills receivables amounted to RMB846 million, which is approximately the same as last year.

(XII) Bank and other borrowings

As of 31 December 2013, the Group's long-term and short-term borrowings totaled RMB8,904 million, representing an increase of RMB1,404 million compared with the figure at the end of 2012. Among the total borrowings, the short-term borrowings (including current portion of long-term borrowings) aggregated to RMB1,359 million and long-term borrowings amounted to RMB7,545 million.

During the reporting period, the Company adopted diversified financing methods, which effectively reduced financing costs and maintained sound liquidity. Firstly, relying on good bank credit in the PRC, the Group obtained RMB denominated loans with favorable lending rates. Secondly, Hebei Natural Gas obtained a direct overseas loan amounting to RMB400 million in the Hong Kong market, which was 17% below the domestic benchmark lending rate for the corresponding period.

(XIII) Liquidity and capital resources

As of 31 December 2013, the Group's net current assets was RMB378 million, and the net increase in cash and cash equivalents was RMB912 million. The Group has total banking facilities of RMB15,214 million granted by various domestic banks and credit facilities provided by HECIC Group Finance Company Limited of amounts up to RMB560 million, bringing the credit facilities obtained by the Group to an aggregate of RMB15,774 million, of which RMB7,863 million was utilised.

(XIV) *Capital expenditure*

During the reporting period, capital expenditures mainly included construction costs for new wind power projects, solar energy projects, natural gas pipelines and additions to property, plant and equipment and prepayment for leased land. Capital resources mainly include self-owned capital, bank borrowings and cash flow from the Group's operating activities. During the reporting period, the Group's capital expenditure was RMB1,544 million, representing an increase of 5.5% from RMB1,464 million of last year. A breakdown of capital expenditure is as follows:

	2013	2012	Percentage change
	RMB'000	*RMB'000*	(%)
Natural gas	**410,449**	283,869	44.6
Wind power and solar energy	**1,125,337**	1,129,519	-0.4
Unallocated capital expenditures	**7,941**	50,495	-84.3
Total	**1,543,727**	1,463,883	5.5

(XV) *Gearing ratio*

As at 31 December 2013, the gearing ratio (net debt divided by capital plus net debt) of the Group was 54.7%, representing a increase of 0.4 percentage point from 54.3% as at 31 December 2012.

(XVI) *Material investments*

Hebei Natural Gas entered into a joint venture contract with PetroChina Company Limited (中國石油天然氣股份有限公司) and Beijing Enterprises Group Company Limited (北京控股集團有限公司) on 16 October 2011 to set up a joint venture, PetroChina Jingtang LNG Co., Ltd (中石油京唐液化天然氣有限公司), to develop the LNG terminal project in Tangshan. For further details, please refer to the announcement titled "Discloseable Transaction-Establishment of a Joint Venture Company" issued by the Company on 17 October 2011. Hebei Natural Gas made the second capital injection to the joint venture in an amount of RMB320 million in September 2013. This capital contribution was funded by internal resources of Hebei Natural Gas.

(XVII) *Material acquisitions and disposals*

The Group had no material acquisitions and disposals during the year.

(XVIII) *Charge on assets of the Group*

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

(XIX) *Contingent liabilities*

During the year, the Group had no contingent liabilities.

IV. Prospects for 2014

In 2014, the global economy will continue to recover slowly and China's economy will maintain a stable growth. The power consumption and natural gas consumption in the society will continue to grow. In particular, as the coal consumption in Beijing, Tianjing, Hebei and Shandong will be reduced by 17 million tons in the year, it is expected that the consumption of natural gas and power generated from alternative energies will grow rapidly. The Group will seize the good opportunity derived from China's attempts to control air pollution and to develop clean energy, continue to focus on natural gas and wind power businesses while exploring other clean energy projects to diversify clean energy projects of the Group so as to maximize the interests of the Company and shareholders.

(I) Making reasonable arrangements for natural gas projects

In terms of natural gas business, the Group will further carry out the development strategy of "participating in the upstream, controlling the middle stream and developing the downstream projects".

1. *Upstream projects*

The Group will promote the construction of Shanxi Licheng-Hebei Shahe coalbed methane pipeline project; explore opportunity to utilize the LNG terminal project in Tangshan, in which the Group has non-controlling interests, to provide for gas resources for new natural gas projects developed in areas such as Tangshan and Qinhuangdao, etc.; and strive to introduce coal-based natural gas from Datang Keqi project.

2. *Middle stream project*

The Group will construct a long pipeline to pass through all of Hebei Province, accelerate the construction progress of the pipework for ten counties in central Hebei Province (Phase I), and actively handle the formalities for the construction progress of the pipework for ten counties in central Hebei Province (Phase II) to strive for an early commencement of construction work. The Group will advance the preliminary work for projects such as Beijing-Handan dual pipeline to seek their preliminary approval soon.

3. *Downstream projects*

The Group will grasp the opportunity from Hebei Province's interest in reducing the use of coal and in switching coals to gas to actively develop urban natural gas projects, LNG and CNG projects. The Group will step up its effort to develop markets around the Beijing-Handan and Gaoyi-Qinghe pipelines and construct urban natural gas projects in Xingtai, Nangong and Linxi. It will also fully develop the market in the areas covered by the pipeline network project (phase I) of ten counties in Central Hebei Province to solicit users in anticipation of the commencing operation of such pipeline in the future, strive to introduce coal-made natural gas from Datang Keqi project, develop the natural gas utilization project in Chengde, develop the regional markets for LNG and CNG and accelerate construction of the Shahe LNG project. In addition, the Group will constantly seek for opportunities for construction of gas source projects and merger of natural gas project in and outside Hebei province, with a focus on expanding urban gas projects.

(II) Steady promotion of the development and construction of wind power projects

The Group will actively reserve wind resources based on wind power environment, policies, resources, technological development and absorption of wind power industry, make reasonable arrangements for wind power projects, and decide on the investment and development of projects according to the resource endowment of each project to form a hierarchical development system for wind power projects. In 2014:

1. The Group will actively promote the development of wind power projects in Hebei, and vigorously promote the development of wind power projects in regions with advantageous resources such as Shandong, Yunnan and Henan. In 2014, the Group will strive to promote the preliminary development of the wind power projects in Fengning Shuiquan, Hebei, Junan Wanghai, Shandong, Qikeshu, Yunnan and Feilongding, Henan, etc..

2. The Group will steadily promote the construction of wind power projects in Hebei Province, complete the Ruyihe project and accelerate the construction progress of Changli Datan wind power projects. It will also actively seek commencement of the construction of wind power project in Fengning Senjitu (Phase I and Phase II), Hebei.

3. The Group will accelerate the development outside Hebei province, and accelerate the construction of Ruoqiangluobuzhuang wind power project (Phase I) in Xinjiang.

4. The Group will promote off-shore wind power projects and complete construction of Tangshan Laoting Puti Island wind power project as soon as possible.

(III) Other clean energy business

The Group will further enhance the development of solar energy projects, seek overseas highly feasible project for prime projects and constantly develop more reserved resources for the Group. It will also accelerate the construction of 10 MW Laiyuan solar energy generation project and strive to commence operation in 2014, actively promote the approval of the demonstration project of Yulai industry load absorption distributed renewable energy and the demonstration project of comprehensive utilization of wind power to generate hydrogen in Guyuan to complete construction of both projects as soon as possible.

(IV) Enhancing the implementation of management system

In 2013, the Group, based on the needs for business development, comprehensively improved the management system and the internal control system, formed a series of complete and effective management system covering bidding to procurement management, planning and design to infrastructure management, financing plans to capital management, and improved the Group's ability of risk aversion. In 2014, the Group will focus on the implementation of all these management systems, to further improve management efficiency, effectively control management costs and improve the competitiveness of the Group.

(V) Optimizing capital structure and lowering capital costs

With strong demand for long-term capital, the Group has been committed to formulating favorable financing plans and pursuing optimized capital structure so as to effectively lower capital costs. In 2014, the Group will further expand financing channels, take full advantage of the favorable position of our Shenzhen subsidiary in Qianhai Economic Development Zone, and cooperate with our Hong Kong subsidiary to create a unified capital channel connecting onshore and offshore capital channels as soon as possible to obtain cross-border RMB loans. At the same time, the Group will actively make judgments on macro-economy trends and market interest rate and issue low-cost debt financing instruments from time to time. In addition, the Group will continue to enhance bank-enterprise relationship with various domestic and overseas banks for bank facilities and obtain capital with low interest rates.

V. Risk factors and risk management

(I) Natural gas business

1. The reform of natural gas price affects the market demand for natural gas

The adjustment made to the upstream price mechanism of natural gas may affect the downstream market. As the added value of downstream industrial users of the Group is low, the rise of gas consumption cost may result in some users reducing or abandoning the usage of natural gas and use of other alternative energy resources instead.

2. *Risk of gas source shortage*

The upstream gas source supply of the Group are relatively concentrated. When the upstream gas supply are constricted, this may cause adverse impact to the operation and production expansion of the Group's natural gas business. However, along with the increased reform of natural gas prices, the prices of natural gas will be further market-driven, and the initiatives of upstream suppliers will be mobilized. And meanwhile, the Group will actively seek for new gas sources based on existing gas sources, and obtain diversified gas sources in the future.

3. *Risk of competition*

The Group is mainly engaged in pipeline natural gas wholesale business in Hebei Province, and active development of the downstream retail market in Hebei and the natural gas market in other provinces. However, there are many nationwide operators and local natural gas companies in the downstream retail market in Hebei Province, the barrier for entry into the natural gas market in other provinces is high. The Group will face keen competition when it develops a new natural gas market.

While steadily developing the existing natural gas business in Hebei Province, the Group will actively seek cooperation with local gas companies, explore other methods and channels to enter into the gas market outside the province, accumulate market resources and successfully develop the Group's natural gas business beyond Hebei Province.

(II) Wind power business

1. *Risks of wind curtailment and power constraints*

The construction of power grids is lagging behind the construction of wind power projects, and the development and construction of wind power projects is limited by grid congestion. Especially in the region of Zhangjiakou where wind resources are concentrated, constructed wind farms are subject to grid congestion. It is impossible for the power grid to absorb new wind power projects on a large scale in the short term. Wind power projects that have been approved for construction will be affected.

The Group will, based on the construction of power grids, where each wind power project is located, prioritise the development and construction of wind power projects with great availability of power grid facilities and grid connection. At the same time, along with the advancement of power grid restructuring by power grid companies and investment and construction of extra-high voltage and power distribution network, power grids will improve constantly, and the power grid output issues can be further improved.

2. *Risks of policies*

The development of wind power depends on the supplementary encouragement and support of government policies. The financial subsidies and tax preferential policies which wind power projects are entitled to may impact the profitability of the projects. However, there may be uncertainties on the preferential policies for wind farms, and this may in turn affect the wind power business and financial position of the Group.

3. *Risks of interest rates*

The major financing channel for wind power projects of the Group is debt financing. The interest rate may have a greater impact on the infrastructure cost and operating results of the Group. If the interest rate rises, the Group may face the risk of increased financing costs.

To lower capital cost in the future, the Group will further expand financing channels, optimize financing plans, make reasonable arrangements in allocating the proportion of equity financing and debt financing.

4. *Risks of wind sources*

The power generation of wind farms depends greatly on climate condition and especially wind conditions. This may vary significantly due to seasonal change and geographical location, and reduce the operation efficiency of the Group and level of power generations and may cause material adverse effects to the business, financial position and operating results of the Group. At the stage of project planning and before the construction of wind farms, the Group will have comprehensive tests to determine the potential installed capacity of wind resources so as to lower the climatic risks.

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

During the reporting period, the Company did not redeem any of its securities, and neither the Company nor any of its subsidiaries purchased or sold any of the Company's securities that listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

MAJOR EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Due to change in work arrangements, Dr. Cao Xin (曹欣), the Chairman and an executive Director of the Company, has been re-designated as a non-executive Director of the Company, but will still serve as the Chairman of the Board of the Company, with effect from 24 March 2014. His term of office for the aforementioned positions will expire upon the expiry of the term of the current session of the Board.

Due to change in work arrangements, Mr. Zhao Hui (趙輝), an executive Director, vice president, joint company secretary and authorized representative of the Company, has resigned as the vice president, joint company secretary and authorized representative of the Company and is re-designated as a non-executive Director, with effect from 24 March 2014. His term of office as non-executive Director will expire upon the expiry of the term of the current session of the Board.

Mr. Gao Qing Yu (高慶余), an executive Director and the President of the Company, has been appointed as an authorized representative of the Company with effect from 24 March 2014.

Mr. Ban Zefeng (班澤鋒), the secretary to the Board of the Company, has been appointed as a joint company secretary with effect from 24 March 2014.

For further details of above matters, please refer to the announcement titled "Re-designation of Director and Change of Company Secretary and Authorised Representative" dated 24 March 2014 of the Company.

On 28 January 2014, an aggregate of 476,725,396 H Shares, were successfully allotted and issued by the Company at the placing price of HK$3.35 per H Share, to no less than six and no more than ten placees. The aggregate gross proceeds from the placing amount to approximately RMB1,257 million and the aggregate net proceeds received by the Company (after deducting all applicable costs and expenses) amount to approximately RMB1,231 million. For further details, please refer to the announcements titled "Placing of H Shares" and "Completion of the Placing of H Shares" published on the websites of the Hong Kong Stock Exchange and the Company on 22 January 2014 and 28 January 2014, respectively.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company focuses on high standards of corporate governance, so as to enhance value for shareholders and protect their interests. The Company has established a modern and balanced corporate governance structure which comprises a number of independently operated bodies including shareholders meeting, the Board, the board of supervisors and senior management in accordance with the PRC Company Law, the Mandatory Provisions for the Articles of Association of Companies Listed Overseas and the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules. In 2013, the Company complied with most of the principles and provisions set out in the Code with the following exceptions. For the purposes of Code provisions A6.7 and E1.2 in relation to the requirements on attendance of general meetings and other relevant matters, Mr. Zhao Hui Ning (non-executive Director and member of Nomination Committee and Strategic and Investment Committee), Mr. Qin Hai Yan (independent non-executive Director, chairman and member of the Remuneration and Appraisal Committee and member of the Nomination Committee), Mr. Ding Jun (independent non-executive Director and member of the Remuneration and Appraisal Committee and Nomination Committee), Mr. Yue Man Yiu Matthew (independent non-executive Director, member of the Audit Committee and Nomination Committee) did not attend the annual general meeting of the Company held on 6 June 2013 due to other work commitments.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by all Directors and supervisors of the Company.

After making specific enquiries to all of the Directors and supervisors of the Company, all Directors and supervisors confirmed that during the reporting period, they had fully complied with the obligations of Model Code regarding securities transactions by all Directors and supervisors of the Company, and no breaches were found.

FINAL DIVIDEND

The Board recommends the distribution of a final dividend of RMB0.046 per share (tax inclusive) (RMB170.897 million in total (tax inclusive)) for the year ended 31 December 2013 to all shareholders subject to the shareholders' approval at the Company's annual general meeting to be held on 6 June 2014.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining H share holders' entitlement to attend the 2013 annual general meeting of the Company (the "Annual General Meeting"), the H share register of members of the Company will be closed from Wednesday, 7 May 2014 to Friday, 6 June 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to attend the Annual General Meeting, H share holders 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 Monday, 5 May 2014.

In order to determine the shareholders who are entitled to receive the above-mentioned final dividend, the register of members of the Company will be closed from Thursday, 12 June 2014 to Tuesday, 17 June 2014 (both days inclusive). To be eligible to receive the final dividend for the year ended 31 December 2013 (subject to the approval of the Company's shareholders), unregistered holders of H shares of the Company shall lodge relevant share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 11 June 2014.

REVIEW OF ACCOUNTS

The Audit Committee of the Board of the Company has reviewed the 2013 annual results of the Group and the financial statements for the year ended 31 December 2013 prepared in accordance with the International Financial Reporting Standards.

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
Cao Xin
Chairman

Beijing, the PRC, 24 March 2014

As at the date of this announcement, the non-executive Directors of the Company are Dr. Cao Xin, Mr. Zhao Hui Ning, Mr. Xiao Gang, Mr. Ma Guo Qing and Mr. Zhao Hui; the executive Directors of the Company are Mr. Gao Qing Yu and Mr. Wang Hong Jun; 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.

APPENDIX

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
REVENUE	4	**4,660,919**	3,702,079
Cost of sales		**(3,201,802)**	(2,463,732)
Gross profit		**1,459,117**	1,238,347
Other income and gains, net	4	**31,079**	77,942
Selling and distribution expenses		**(1,060)**	(505)
Administrative expenses		**(238,549)**	(194,523)
Other expenses		**(34,305)**	(54,137)
PROFIT FROM OPERATIONS		**1,216,282**	1,067,124
Finance costs	6	**(423,890)**	(353,623)
Share of profits of associates		**39,912**	89,937
PROFIT BEFORE TAX	5	**832,304**	803,438
Income tax expense	7	**(157,502)**	(7,415)
PROFIT FOR THE YEAR		**674,802**	796,023
Attributable to:			
Owners of the Company		**459,516**	549,701
Non-controlling interests		**215,286**	246,322
		674,802	796,023
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**674,802**	796,023
Total comprehensive income for:			
Owners of the Company		**459,516**	549,701
Non-controlling interests		**215,286**	246,322
		674,802	796,023
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic (RMB)	9	**14.19 cents**	16.97 cents
Diluted (RMB)	9	**14.19 cents**	16.97 cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	31 December 2013 RMB'000	31 December 2012 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**10,180,269**	8,602,374
Prepaid land lease payments		**214,361**	148,071
Goodwill		**9,215**	9,215
Intangible assets		**2,247,034**	2,347,909
Investments in associates		**373,795**	412,260
Investment in a joint venture		**60,000**	–
Held-to-maturity investments		**7,500**	7,500
Available-for-sale investments		**573,400**	253,400
Deferred tax assets		**3,730**	200
Prepayments and other receivables		**621,940**	1,250,375
Total non-current assets		**14,291,244**	13,031,304
CURRENT ASSETS			
Prepaid land lease payments		**6,631**	4,636
Inventories		**42,608**	29,959
Trade and bills receivables	*10*	**845,684**	842,796
Prepayments, deposits and other receivables		**408,166**	393,092
Available-for-sale investments		**150,000**	203,000
Pledged deposits		**64**	64
Cash and cash equivalents		**1,669,590**	757,760
Total current assets		**3,122,743**	2,231,307
CURRENT LIABILITIES			
Trade payables	*11*	**223,689**	197,248
Other payables and accruals		**1,122,273**	913,240
Interest-bearing bank and other borrowings		**1,358,970**	971,347
Tax payable		**39,351**	14,453
Total current liabilities		**2,744,283**	2,096,288
NET CURRENT ASSETS		**378,460**	135,019
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,669,704**	13,166,323

continued/…

	Notes	31 December 2013 *RMB'000*	31 December 2012 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**7,544,587**	6,528,624
Other payables and accruals		**18,552**	15,011
Total non-current liabilities		**7,563,139**	6,543,635
Net assets		**7,106,565**	6,622,688
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**3,238,435**	3,238,435
Reserves		**2,556,248**	2,264,453
Proposed final dividend	*8*	**170,897**	64,769
		5,965,580	5,567,657
Non-controlling interests		**1,140,985**	1,055,031
Total equity		**7,106,565**	6,622,688

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. (河北建设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 of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Ltd. (the "Listing"). HECIC was the holding company of the subsidiaries now comprising the group prior to the Reorganisation.

In consideration for the transfer of the Clean Energy Business Operations (see definition below) and cash in an aggregate amount of RMB2,033.9 million, respectively, by 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) 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 in 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 and solar energy generation, sale of natural gas and gas appliances, and connection and the 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

These 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. They have been prepared under the historical cost convention, except for held-to-maturity investments. 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 2013. 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 of the Group 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 in the accounting policy for subsidiaries below. 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, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Government Loans*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Transition Guidance*
IFRS 13	*Fair Value Measurement*

IAS 1 Amendments	Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
IAS 19 Amendments	Amendments to IAS 19 *Employee Benefits*
IAS 27 (Revised)	*Separate Financial Statements*
IAS 28 (Revised)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of IFRSs issued in May 2012

The adoption of the new and revised IFRSs has had no significant financial effect on these financial statements.

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 and solar energy-this segment develops, manages and operates wind power and solar energy plants and generates electric power for sale to external power grid companies.

In 2013, certain of the wind power generation subsidiaries of the Group expanded their operation into solar energy power generation business. Presently, the Group managed and reported the operating performance of the solar energy power generation and wind power generation as one operation because of the similar economic characteristics of two businesses: their revenues are recognised upon the transmission of electric power to the power grid companies, as determined based on the volume of electric power transmitted and the applicable fixed tariff rates agreed with the respective electric power grid companies. In this regard, solar energy power generation and wind power generation are aggregated into a single operating segment by the management.

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 the unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude the 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 2013 and 2012.

Year ended 31 December 2013

	Natural gas	Wind power and Solar energy	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue:			
Sales to external customers	3,327,464	1,333,455	4,660,919
Intersegment sales	–	–	–
Total revenue	3,327,464	1,333,455	4,660,919
Segment results	547,108	744,449	1,291,557
Interest income	522	1,079	1,601
Finance costs	(52,216)	(371,498)	(423,714)
Income tax expense	(131,645)	(19,204)	(150,849)
Profit of segments for the year	363,769	354,826	718,595
Unallocated interest income			7,443
Unallocated interest expense			(176)
Corporate and other unallocated expenses			(44,407)
Unallocated income tax expense			(6,653)
Profit for the year			674,802
Segment assets	3,263,259	13,258,159	16,521,418
Corporate and other unallocated assets			892,569
Total assets			17,413,987
Segment liabilities	2,125,696	8,153,636	10,279,332
Corporate and other unallocated liabilities			28,090
Total liabilities			10,307,422
Other segment information:			
Impairment of trade receivables and other receivables	(13,789)	(19,987)	(33,776)
Depreciation and amortisation	(71,532)	(477,149)	(548,681)
Unallocated depreciation and amortisation			(1,706)
			(550,387)
Share of profits of associates	–	39,912	39,912
Investments in associates	3,280	370,515	373,795
Investment in a joint venture	60,000	–	60,000
Capital expenditure *	410,449	1,125,337	1,535,786
Unallocated capital expenditure *			7,941
			1,543,727

Year ended 31 December 2012

	Natural gas *RMB'000*	Wind power and Solar energy *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	2,569,338	1,132,741	3,702,079
Intersegment sales	–	–	–
Total revenue	2,569,338	1,132,741	3,702,079
Segment results	469,208	706,101	1,175,309
Interest income	324	908	1,232
Finance costs	(38,932)	(314,255)	(353,187)
Income tax expense	(58,606)	51,191	(7,415)
Profit of segments for the year	371,994	443,945	815,939
Unallocated interest income			9,982
Unallocated interest expense			(436)
Corporate and other unallocated expenses			(29,462)
Profit for the year			796,023
Segment assets	2,063,642	12,488,691	14,552,333
Corporate and other unallocated assets			710,278
Total assets			15,262,611
Segment liabilities	1,306,891	7,300,606	8,607,497
Corporate and other unallocated liabilities			32,426
Total liabilities			8,639,923
Other segment information:			
Impairment of trade receivables and other receivables	(1,131)	(51,723)	(52,854)
Depreciation and amortisation	(58,072)	(409,230)	(467,302)
Unallocated depreciation and amortisation			(715)
			(468,017)
Share of profits of associates	–	89,937	89,937
Investments in associates	–	412,260	412,260
Capital expenditure *	283,869	1,129,519	1,413,388
Unallocated capital expenditure *			50,495
			1,463,883

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 2013, revenue generated from sales to one of the Group's customers in the wind power segment amounting to RMB764,965,000 (2012: RMB774,371,000) 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:

	2013	2012
	RMB'000	*RMB'000*
Revenue		
Sales of natural gas	**3,207,119**	2,449,497
Sales of electricity	**1,327,503**	1,128,082
Construction and connection of natural gas pipelines	**71,600**	72,972
Natural gas transportation revenue and others	**48,745**	46,869
Wind power services	**5,952**	4,659
	4,660,919	3,702,079
Other income and gains, net		
CERs income, net	**2,645**	44,219
Value-added tax refunds	**6,258**	1,008
Bank interest income	**9,044**	11,214
Gain from held-to-maturity investments	**493**	1,290
Gain from available-for-sale investments	**11,152**	11,167
Others	**1,487**	9,044
	31,079	77,942

5. PROFIT BEFORE TAX

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

	Notes	**2013** **RMB'000**	2012 *RMB'000*
Cost of goods sold		**3,161,408**	2,424,260
Cost of services rendered		**40,394**	39,472
Total cost of sales		**3,201,802**	2,463,732
Depreciation of items of property, plant and equipment (note (a))		**440,904**	361,271
Amortisation of prepaid land lease payments		**6,327**	4,212
Amortisation of intangible assets		**103,156**	102,534
Total depreciation and amortisation		**550,387**	468,017
Minimum lease payments under operating leases of land and buildings		**9,365**	6,676
Auditors' remuneration		**3,154**	3,059
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration):			
Wages, salaries and allowances		**127,726**	102,586
Pension scheme contributions (defined contribution schemes) (note (b))		**12,288**	8,394
Welfare and other expenses		**50,972**	33,288
Gain from held-to-maturity investments		**(493)**	(1,290)
Gain from available-for-sale investments		**(11,152)**	(11,167)
Loss on disposal of items of property, plant and equipment, net		**523**	1,108
Foreign exchange (gain)/loss, net		**(153)**	63
Impairment of trade receivables	*10*	**33,776**	39,825
Impairment of other receivables		**–**	13,029

Notes:

(a) Depreciation of approximately RMB412,574,000 (2012: RMB334,172,000) is included in the cost of sales on the face of the consolidated statement of comprehensive income for the year ended 31 December 2013.

(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 2013 and 2012, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

6. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings wholly repayable within five years	**373,245**	299,236
Interest on bank loans and other borrowings wholly repayable beyond five years	**119,169**	139,235
Total interest expense	**492,414**	438,471
Less: interest capitalised to items of property, plant and equipment	**(68,524)**	(84,848)
	423,890	353,623

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

	2013	2012
Capitalisation rates	**5.4%-6.7%**	5.8%-7.4%

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 Guofa [2007] No. 39 *Notice of the State Council on the Implementation of the Transitional Preferential Tax Policies* (國務院關於實施企業所得稅過渡優惠政策的通知), this subsidiary has started enjoying the tax holiday from the year 2008 due to the income tax reform and was subject to income tax rate at a rate of 25% in 2013.

Pursuant to Caishui [2008] No. 46 *Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment* (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 (the "3+3 tax holiday"). As at 31 December 2013, certain 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 holiday.

Pursuant to Caishui [2012] No. 10 *Notice on Preferential Tax Treatment for Projects relating to Public Infrastructure, Environment 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, certain subsidiaries of the Company, which were established before 1 January 2008 and are engaging in public infrastructure projects, are entitled to the 3+3 tax holiday commencing 1 January 2008. These entities obtained the approval from the respective tax authorities in 2012 to deduct from their future income tax liabilities by income tax paid during 2008 to 2011.

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 2013 and 2012.

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 2013 and 2012.

	2013	2012
	RMB'000	*RMB'000*
Current income tax – Mainland China	**161,032**	7,522
Deferred income tax	**(3,530)**	(107)
Tax charge for the year	**157,502**	7,415

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:

	2013	2012
	RMB'000	*RMB'000*
Profit before tax	**832,304**	803,438
Income tax charge at the statutory income tax rate of 25%	**208,076**	200,860
Effect of tax exemption for specific locations or enacted by local authorities	**(56,231)**	(118,713)
Adjustment of current income tax of previous periods	**–**	(59,159)
Tax effect of share of profits of associates	**(9,978)**	(22,484)
Non-taxable income	**(119)**	–
Expenses not deductible for tax	**10,370**	15,203
Tax losses not recognised	**6,679**	2,333
Tax losses utilised from previous periods	**(1,295)**	(10,625)
Tax charge for the year at the effective rate	**157,502**	7,415

8. DIVIDENDS

The dividends for the year are set out below:

	2013	2012
	RMB'000	*RMB'000*
Dividends:		
Declared:		
– Final 2011 dividend (note (a))	**–**	187,829
– Final 2012 dividend (note (b))	**64,769**	–
	64,769	187,829
Proposed:		
– Final dividend – RMB4.6 cents (2012: RMB2 cents) per ordinary share (note (c))	**170,897**	64,769

Notes:

(a) At the annual general meeting held on 4 June 2012, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2011 of RMB0.058 per share, which amounted to RMB187,829,000 and was settled in full in June 2012.

(b) At the annual general meeting held on 6 June 2013, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2012 of RMB0.02 per share, which amounted to RMB64,769,000 and was settled in full in July 2013.

(c) The Board of Directors of the Company proposed, on 24 March 2014, the payment of a final dividend of RMB4.6 cents per ordinary share in respect of the year ended 31 December 2013, based on the enlarged issued share capital of the Company of 3,715,160,396 shares. The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. As further described in Note 12, the Company issued, in January 2014, 476,725,396 new H shares, thereby increasing the total issued ordinary shares of the Company from 3,238,435,000 as at 31 December 2013 to 3,715,160,396 upon completion of the issue of the new shares on 28 January 2014.

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 Guofa [1993] No. 45 *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* (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]45號)), the Company is required from 4 January 2011 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 2013 and 2012.

	2013	2012
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**459,516**	549,701

	Number of shares	
	2013	2012
Shares:		
Weighted average number of ordinary shares in issue during the years used in the basic earnings per share calculation	**3,238,435,000**	3,238,435,000

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 2013	31 December 2012
	RMB'000	*RMB'000*
Trade and bills receivables	**923,565**	882,621
Impairment	**(77,881)**	(39,825)
	845,684	842,796

Included in the trade receivables as at 31 December 2013 are receivables under two service concession arrangements in the amount of RMB43,993,000 (31 December 2012: RMB122,259,000).

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

	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
Within 3 months	**730,853**	615,115
3 to 6 months	**74,401**	84,186
6 months to 1 year	**38,377**	138,701
1 to 2 years	**1,237**	4,047
2 to 3 years	**740**	747
Over 3 years	**76**	–
	845,684	842,796

The movements in provision for impairment of trade receivables are as follows:

Group

	2013	2012
	RMB'000	*RMB'000*
At 1 January	**39,825**	–
Impairment losses recognised (note 5)	**33,821**	39,825
Transferred from provision for impairment of other receivables	**4,280**	–
Reversal (note 5)	**(45)**	–
At 31 December	**77,881**	39,825

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB77,881,000 (31 December 2012: RMB39,825,000) with an aggregate carrying amount before provision of RMB85,043,000 (31 December 2012: RMB45,847,000).

The individually impaired trade receivables relate to customers that were in default in principal payments or were in financial difficulties and only a portion of the receivables is expected to be recovered.

An aged analysis of the trade and bills receivables, that are neither individually nor collectively considered to be impaired, is as follows:

Group

	31 December 2013 RMB'000	31 December 2012 RMB'000
Neither past due nor impaired	**773,712**	821,788
Less than 3 months past due	**59,385**	10,416
3 to 6 months past due	**2,515**	4,265
6 months to 1 year past due	**1,284**	–
1 to 2 years past due	**1,321**	305
2 to 3 years past due	**305**	–
	838,522	836,774

Receivables that were neither past due nor impaired primarily relate to either those long-term customers or various local power grid companies for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The amount due from fellow subsidiaries of the Group included in the trade receivables is as follows:

	31 December 2013 RMB'000	31 December 2012 RMB'000
Fellow subsidiaries	**304**	910

The above amount is unsecured, non-interest-bearing and repayable on similar credit terms to those offered to the major customers of the Group.

11. TRADE PAYABLES

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

Group

	31 December 2013 RMB'000	31 December 2012 RMB'000
Trade payables	**223,689**	197,248

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

	31 December 2013 RMB'000	31 December 2012 RMB'000
Within 6 months	**157,924**	151,704
6 months to 1 year	**28,352**	14,489
1 to 2 years	**26,380**	23,269
2 to 3 years	**6,336**	5,832
More than 3 years	**4,697**	1,954
	223,689	197,248

12. EVENT AFTER THE REPORTING PERIOD

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

On 28 January 2014, the Company issued 476,725,396 new H shares, which were listed on The Hong Kong Stock Exchange on the same day. The issue price of these H shares was HK$3.35 per share. The net proceeds received from the issue of 476,725,396 H shares amounted to RMB1,230,987,000. The registered capital of the Company increased from RMB3,238,435,000 to RMB3,715,160,000, accordingly, upon completion of the issue of the new shares.

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