大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

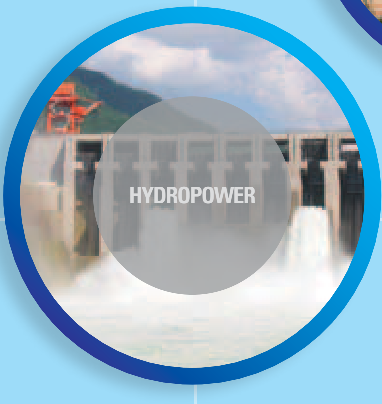
(Stock Code: 00991)

REFINING STRUCTURE TO CEMENT ADVANTAGES

STRIVING FOR PERFECTION AND HIGHER RETURNS

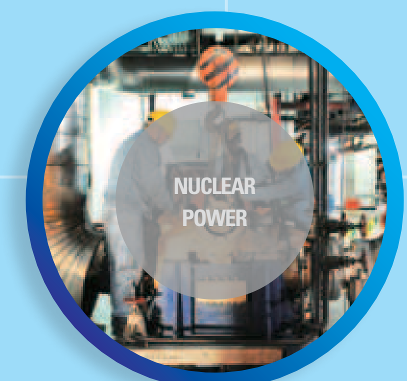
2013 ANNUAL REPORT


COAL-FIRED
POWER


HYDROPOWER


WIND POWER


COAL
CHEMICAL


NUCLEAR
POWER

The Chinese chess game of Go emphasises strategy and tactics to consolidate a player's own position as he seeks expansion. With vision and resolution, Datang Power devises development strategies and adjusts its moves in a flexible manner to respond to the electricity market which is undergoing profound transformation. Datang Power strives to consolidate its competitive advantages in the power generation business and to continuously optimise its business structure in its path to perfection so as to achieve better operating results and to stand out from its peers.

COMPANY PROFILE

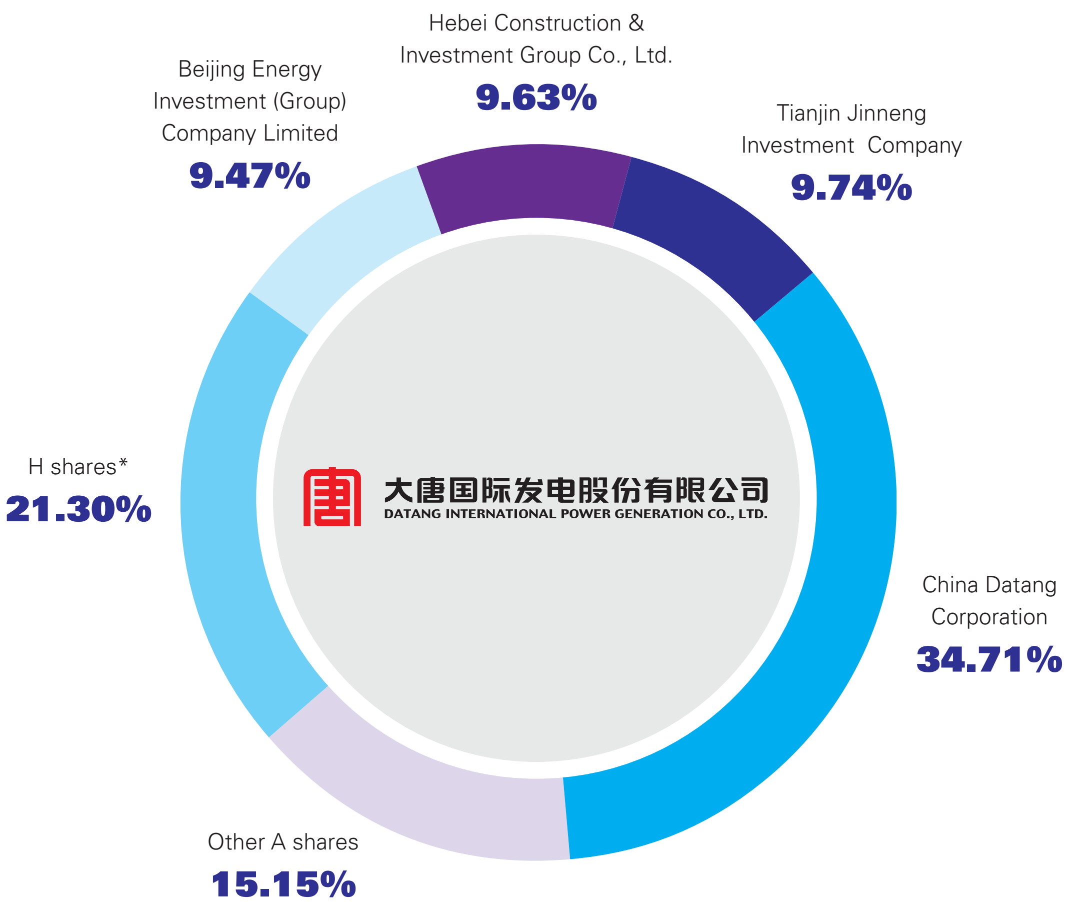
COMPANY OVERVIEW

Datang International Power Generation Co., Ltd. ("Datang Power" or the "Company") is one of the largest independent power generation companies in the People's Republic of China (the "PRC") and primarily engages in power generation businesses with its main focus on coal-fired power generation. The Company was incorporated on 13 December 1994 in the PRC. Its H shares were listed in Hong Kong and London, respectively, on 21 March 1997, and its A shares were listed on the Shanghai Stock Exchange on 20 December 2006. As at 31 December 2013, the total consolidated assets of the Company amounted to RMB298.480 billion, and the Company ranked first in terms of the size of assets among other listed power generation companies in the PRC. Total installed capacity in operation of the Company amounted to 39.187 million KW, making the Company rank top among other listed power generation companies in the PRC. The power generation, coal, coal-to-chemical, transportation and other projects owned by the Company are ramified over 18 provinces (autonomous regions and municipalities directly under the Central Government) throughout the PRC.

DEVELOPMENT GOALS

To adjust and optimise the Company's regional structure, industrial structure, power generation structure and shareholding structure; to consolidate the leading position of its principal power generation business; and to develop the Company into an integrated energy company with an operation-cum-holding orientation, enjoying a domestic leadership position and international reputation for having strong development capabilities, profitability and competitiveness.

Equity Structure and Shareholding of the Company



* *Does not contain H shares from China Datang Corporation*

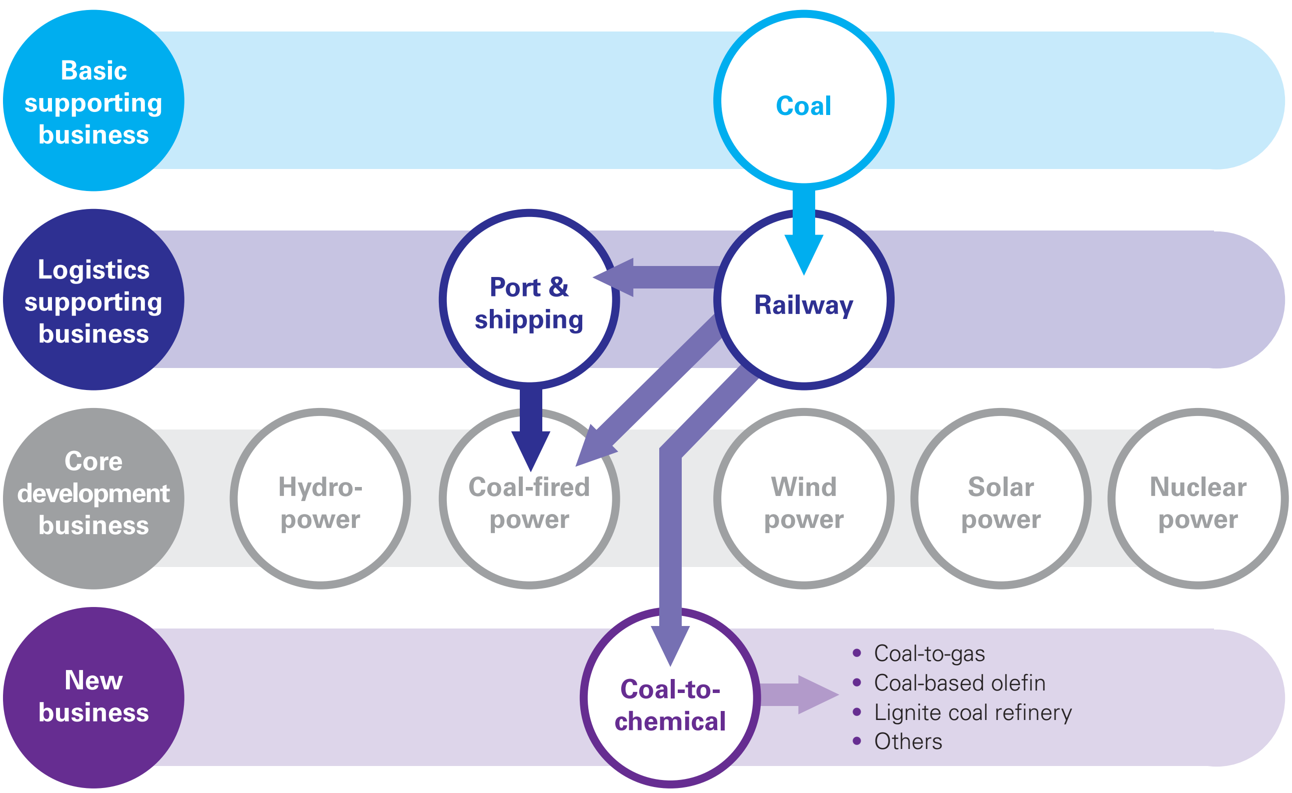
CONCEPT OF DEVELOPMENT

Datang Power always adheres to the core concept of "value-oriented and effective thinking", and follows the road to scientific development unswervingly in pursuit of high-quality and rapid advancement, in which it is able to build a sustainable model and strive to create more economic value for stakeholders.

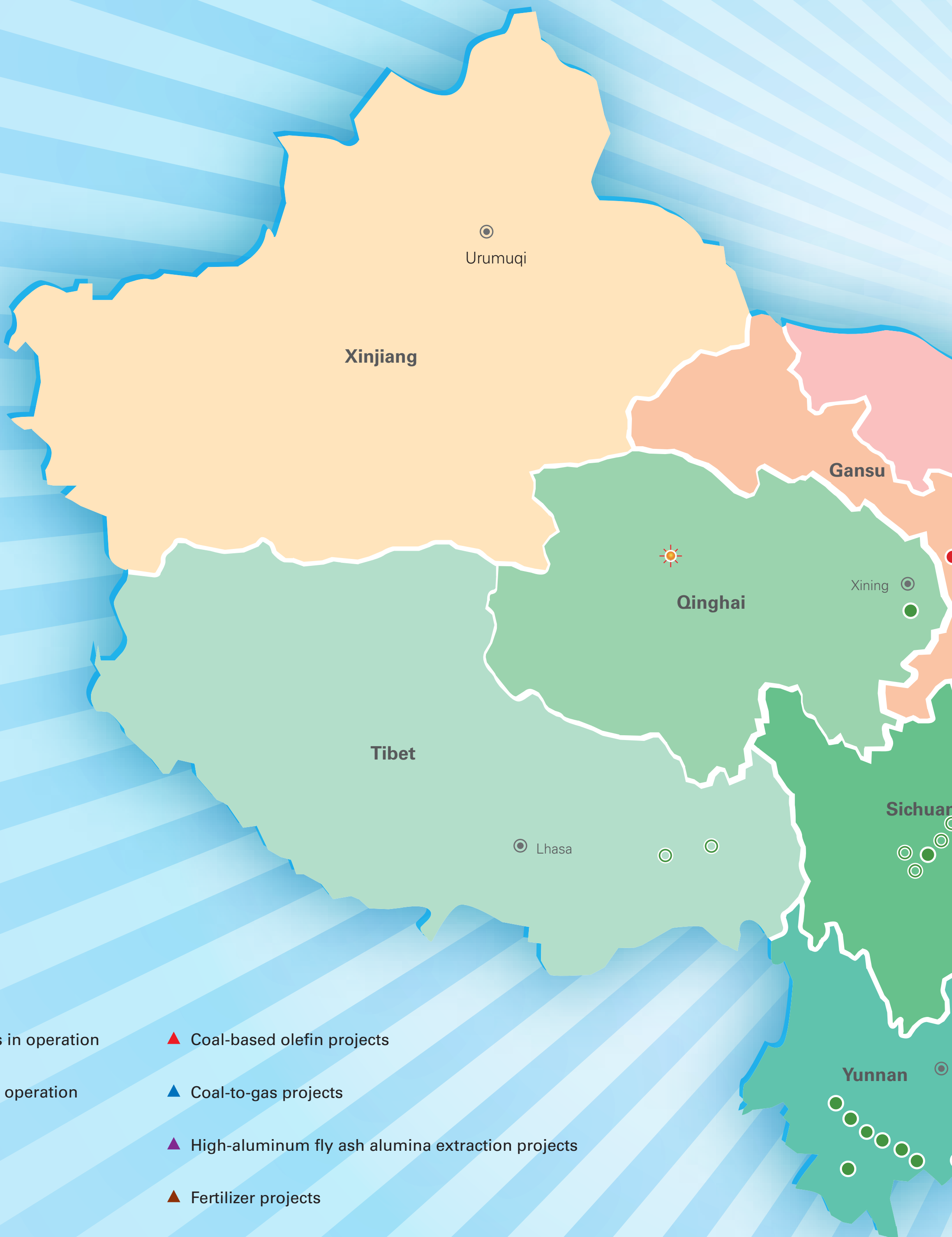
DEVELOPMENT STAGES

After 19 years of development, Datang Power showcases relatively distinct characteristics during its three different development stages: the first stage of leapfrog development is marked by the successful listings in Hong Kong and London; the second stage of leapfrog development is marked by building power generation projects outside Northern China and establishing a nationwide network covering Western China and coastal areas; and the third stage of leapfrog development is being propelled by becoming an integrated energy company with a domestic leadership and international reputation.

BUSINESS SEGMENT STRUCTURE



DISTRIBUTION OF PROJECTS



- Thermal power projects in operation
- Hydropower projects in operation
- Wind power projects
- PV projects
- Thermal power projects under construction
- Hydropower projects under construction
- Nuclear projects (partial shareholding)
- Coal-based olefin projects
- Coal-to-gas projects
- High-aluminum fly ash alumina extraction projects
- Fertilizer projects
- Shipment projects
- Coal mining projects

Heilongjiang
Harbin
Changchun
Jilin
Shenyang
Liaoning
Inner Mongolia
Hohhot
Beijing
Tianjin
Hebei
Shijiazhuang
Shanxi
Taiyuan
Yinchuan
Ningxia
Lanzhou
Shaanxi
Xi'an
Shandong
Jinan
Zhengzhou
Henan
Jiangsu
Nanjing
Anhui
Hefei
Shanghai
Hubei
Wuhan
Chengdu
Hangzhou
Zhejiang
Hunan
Changsha
Nanchang
Jiangxi
Fujian
Fuzhou
Guizhou
Guiyang
Kunming
Guangxi
Nanning
Guangdong
Guangzhou
Hong Kong
Macau
Haikou
Hainan
Diaoyu Island
Taipei
Taiwan
Dongsha Islands
Xisha Islands
Zhongsha Islands
Huangyan Island
South China Sea
Nansha Islands

MAJOR EVENTS IN 2013

First Quarter

1 On 30 January, the Development and Reform Commission of Shenzhen Municipality issued an official reply to approve Baochang Gas Power's 2 × 400 MW gas-steam combined cycle thermal power cogeneration units, and the construction of an auxiliary heat-supply network project.

2 From February to March, Ningxia, Qinghai and Yunnan Datang International Renewable Power Co., Ltd. were established by the Company with the overall responsibility for the preliminary stage development, project construction, production safety and business management of the Company's wind power, solar power and other new energy projects in the aforementioned regions.

3 On 7 March, generating unit no. 1 of Zhejiang Datang International Shaoxing Jiangbin Thermal Power Co., Ltd. was put into commercial operation after completing a 168-hour test run.

4 On 26 March, the Development and Reform Commission of Yunnan Province approved a photovoltaic power plant project at Laoyingyan, Binchuan County, Dalizhou, Yunnan. The project had a planned installed capacity of 200 MW, and the installed capacity for the current period was 30 MW.

Second Quarter

5 On 15 April, generating unit no. 1 (1,089 MW) of Fujian Ningde Nuclear Power Co., Ltd. was put into commercial operation after completing a 168-hour test run.

6 On 15 May, the first phase (2 × 115 MW) of the natural gas thermal power cogeneration project of Zhejiang Datang International Jiangshan Xincheng Thermal Power Co., Ltd. was put into commercial operation after completing a "72+24"-hour full load test run simultaneously.

Third Quarter

7 On 1 July, the Development and Reform Commission of Inner Mongolia Autonomous Region approved a photovoltaic project of Zhuozi Jiushijiuquan.

8 On 9 July, the first phase project (2 × 1,000 MW) of Jiangxi Datang International Fuzhou Power Generation Co., Ltd. was officially approved by the National Development and Reform Commission.

9 On 29 September, generating unit no. 2 of the natural gas thermal power cogeneration project of Zhejiang Datang International Shaoxing Jiangbin Thermal Power Co., Ltd. officially commenced power generation after completing a 168-hour test run smoothly.

Fourth Quarter

10 On 10 December, the Company officially entered into a Coal-based Natural Gas Sale and Purchase Agreement with PetroChina Company Ltd. in Beijing.

11 On 18 December, a series of facilities of the coal-based natural gas model project of Inner Mongolia Datang International Keshiketeng Qi commenced operation successfully and were formally incorporated into the piped network for the transmission of clean coal-based natural gas.

12 On 23 December, the first phase of a 10 MWp photovoltaic project of Inner Mongolia Datang International Zhuozi Wind Power Co., Ltd. commenced power generation.

13 On 29 December, the entire 20 MWp photovoltaic project of Hongsibao energy project preparatory office of Ningxia Datang International commenced power generation at 11:58.

14 On 30 December, the first phase of a 20 MWp photovoltaic project of Inner Mongolia Datang International Hongmu Wind Power Co., Ltd. commenced power generation at 12:18.

15 On 31 December, the Company officially entered into a Strategic Cooperation Framework Agreement with PetroChina's Pipeline Bureau in Beijing.

16 On 31 December, the entire first and second phases of a 40 MWp photovoltaic project of Qinghai Datang International Gonghe Photovoltaic Power Co., Ltd. commenced power generation at 16:38.

MAJOR HONORS AND AWARDS IN 2013

1. **On 12 March, the Company received a gold award for 2012 social and environmental responsibility as well as investor relations management from Hong Kong's *"The Asset"* magazine. The Company was the only award-winning large power generation company among China's power/energy companies.**
2. **On 25 May, the Company was named among the "Top 100 Chinese Listed Companies in Terms of Capital Brand Value in 2013" at the 7th Summit Forum on the Market Capitalisation Management of Listed Companies in China.**
3. **On 28 October, the Company ranked 116th in terms of the general ranking among the "2013 Top 25 Global Energy Companies" rated by Platts Energy Information, which was 29 higher than 2012, and ranked 29th in terms of overall performance in Asia, which was 9 higher than 2012.**
4. **On 28 November, the Company received the awards for the "Listed Company with the Highest Sense of Social Responsibility in 2013" and the "Listed Company with the Best Investor Relations Management" at the China Securities Golden Bauhinia Awards Ceremony organised by *Ta Kung Pao*. The Company was the only power generation company which received these two awards among A + H share companies.**

FINANCIAL AND OPERATING HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts expressed in millions of RMB)

For the year ended 31 December	2009 (restated)	2010 (restated)	2011 (restated)	2012 (restated)	**2013**
Operating revenue	47,943	60,672	72,382	77,598	**75,227**
Profit before tax	3,131	4,681	3,691	7,544	**8,098**
Income tax expense	(615)	(873)	(669)	(1,363)	**(2,355)**
Profit for the year attributable to:					
– Owners of the Company	1,536	2,557	1,959	4,019	**3,529**
– Non-controlling interests	980	1,251	1,063	2,162	**2,214**

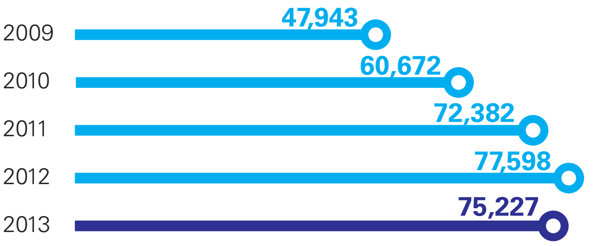
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in millions of RMB)

As at 31 December	2009 (restated)	2010 (restated)	2011 (restated)	2012 (restated)	**2013**
Total assets	184,149	212,902	247,670	275,245	**298,480**
Total liabilities	(151,379)	(174,493)	(196,981)	(218,673)	**(233,937)**
Non-controlling interests	(6,649)	(7,572)	(11,773)	(14,983)	**(20,375)**
Equity attributable to owners of the Company	26,121	30,837	38,916	41,589	**44,168**

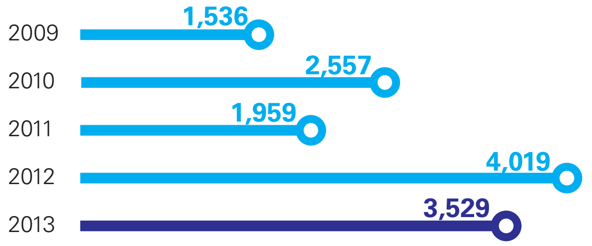
CONSOLIDATED OPERATING REVENUE

(RMB million)



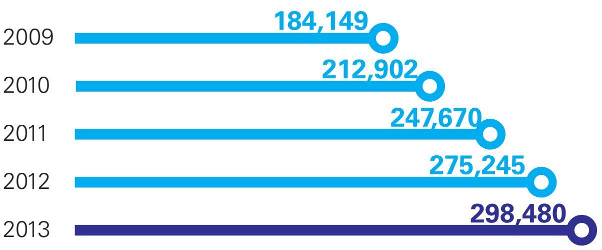
CONSOLIDATED PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

(RMB million)



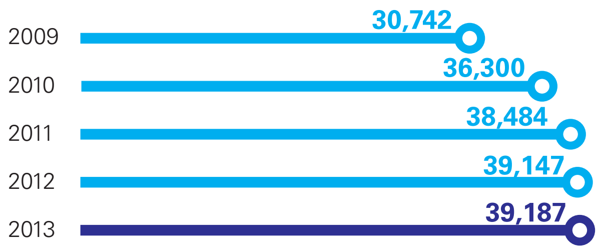
TOTAL CONSOLIDATED ASSETS

(RMB million)



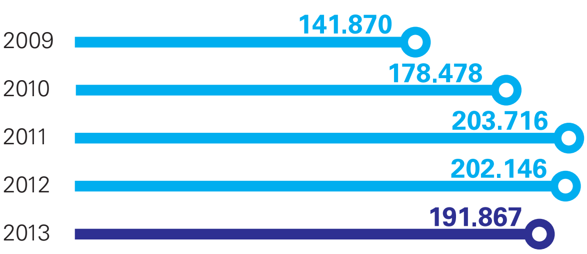
TOTAL INSTALLED CAPACITY

(MW)



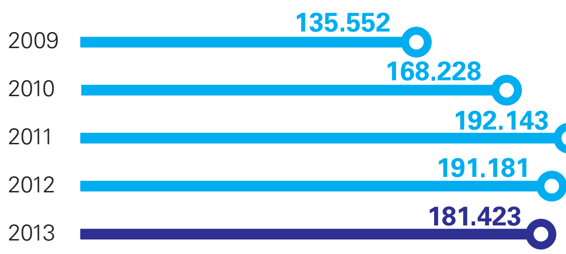
GROSS GENERATION

(billion kWh)



ON-GRID GENERATION

(billion kWh)



CHAIRMAN'S STATEMENT

All the staff of the Company firmly followed the value-based thinking and profit-oriented core concepts by reducing costs and enhancing efficiency in every possible way as well as carrying out benchmarking and unleashing potential within the slimmest margins, so that the Company's operating results reached a record high level again.

Mr. Chen Jinhang
Chairman

2013 was a year during which the Company underwent numerous tests and made major breakthroughs. Under the adverse condition where there was negative growth in power generation for two consecutive years, all the staff of the Company firmly followed the value-based thinking and profit-oriented core concepts by reducing costs and enhancing efficiency in every possible way as well as carrying out benchmarking and unleashing potential within the slimmest margins. In particular, the Company caught hold of coal price reductions, a breakout in the business operations, so that the Company's operating results reached a record high level again. Under the external environment where the power generation industry was increasingly competitive, we always kept optimising the structure which was the main line of development such that Fuzhou's one million KW generating unit project was smoothly approved and Pengshui's "Luban Award"-winning quality project was successfully created, which won a number of awards in the capital market once again so that the image of Datang Power brand was raised. Under the unprecedented challenging and difficult situation faced by non-power development, we braved the difficulties and carried out solid work, as demonstrated by the smooth connection to grid of the first series of facilities of the first phase of the Keqi coal-based natural gas project, and the significantly improved stability of the Duolun coal-to-chemical gasification plant. This suggested that a new breakthrough was made in the non-power projects.

New progress has been made in industrial development over the past year. We accelerated the implementation of the "Twelfth Five-Year" development plan, strived to change the Company's development mode and achieved continuous optimisation and upgrade of the business structure. In 2013, seven sets of the Company's power generating units were named "Reliable Gold Medal Generating Units in Nationwide Thermal Power Generation", representing 15.6% of the total number of awards received across the country. Zhangjiakou's power generating unit 1 was continuously operating on-grid for over a thousand days, creating a new national record again. These were a complete showcase of the management standards of Datang Power's principal power generation business. Profits from the power sector amounted to over ten billion, up more than 50% year-on-year, further highlighting the superiority of the Company's principal power generation business in profitability. In the face of the challenging situation for the non-power industry development to "pass five checkpoints", the Company established a vertical management mechanism for the coal-to-chemical segment, which allowed the three teams of national experts to play a major role in further mobilising the crucial resultant forces across the Company so that gratifying progress was made in all projects during the year.

CHAIRMAN'S STATEMENT

Corporate development has reaped new results once again over the past year. We formulated the "Twelfth Five-Year" development plan, completed an analysis of the investment direction and investment capability, and further defined the future development focuses and investment principles of the Company. We continued to promote clean development and energy-saving development in an effort to make the Company a resource-saving and environment-friendly enterprise. As a result, coal consumption for power supply by thermal power generating units continued to decline; the denitrification equipment ratio was far above the national average; and the standard discharge rates for sulfur dioxide, nitrogen oxides, dust and sewage were 100% completed. We continued to promote scientific, technological and management innovations; we had 4 projects selected as CEC Management Innovative Achievements and 13 projects as Beijing Management Innovative Achievements; we won two China Electric Power Science and Technology Awards and were granted 163 new patents. In 2013, the Company ranked among the "Top 250 Global Energy Company Rankings" by Platts Energy Information for the seventh consecutive year, ranked 116th in the general ranking, which ranked 29th place higher than last year, and 5th among independent power generation enterprises around the world, which ranked 3rd place higher than last year. It ranked 29th in Asia's overall performance, up 9th place from last year. It also ranked 41st among "Top 100 Chinese Listed Companies in Terms of Capital Brand Value", which ranked 5th place higher than last year.

Staff development has achieved new results over the past year. We focused on the ways to match the Company's development, vigorously optimised the allocation of human resources, revitalised the Company's reserve of human resources by unleashing internal potential, and ensured the availability of manpower required for key enterprises in the non-power segment and infrastructure work units through external recruitments. We stepped up efforts to implement various measures for the benefit of employees by expediting the progress in the construction of production dispatch centres and living facilities to ensure that employees lived and worked in peace and contentment, and could share the fruits of development with the Company. We stepped up strengthening the education and training of staff. As a result, we received reports of victory in various technical contests. A total of nine people were named central enterprise technical experts during the year.

Our social development has risen to a new level over the past year. We focused on fulfilling social responsibilities and building a good image as a central enterprise. The fifth social responsibility report was successfully published and the brand of Datang Power was further recognised. It received the "Gold Award for Social and Environmental Responsibilities as well as Investor Relations Management" from *"The Asset"* Magazine, making it the only award-winning large power generation company. In the "Bauhinia Awards" event organised by various Chinese securities associations, it was named as the "Listed Company with the Highest Sense of Social Responsibility" and the "Listed Company with the Best Investor Relations Management". It won the award for "Top 10 Chinese Listed Companies in Terms of Corporate Governance" from Nanfang Media Group and 21st Century Business Herald.

2014 marks the beginning of the comprehensive implementation of the spirit of the Third Plenary Session of the 18th CPC Central Committee, and the comprehensive deepening of reforms. 2014 is also a crucial year for the Company to speed up the implementation of the "Twelfth Five-Year" development plan and constantly improve the quality and benefits of development. During this important year that marks the twentieth anniversary of the founding of the Company, the development of the Company is both opportunistic and extremely challenging. We will promptly seize opportunities for development at home and abroad to consolidate our dominant position in power generation, accelerate the optimisation of the four structures and enhance the corporate image based on production safety, economic benefits and development as the top priority, striving to accomplish the new achievements made from scientific development under the "Twelfth Five-Year" development plan, and to rise to a new level.

Mr. Chen Jinhang
Chairman

25 March 2014

MANAGEMENT DISCUSSION AND ANALYSIS

I. OVERVIEW

The Company, primarily engaged in power generation businesses with its main focus on coal-fired power generation, is one of the largest independent power generation companies in the PRC. In 2013, the Company continued to adhere to value-focused and efficiency-oriented principles, to strive to improve management and efficiency, accurately seize market changes and trends, so as to give prominence to its strengths in operating its core power generation businesses and fully optimise its business structure. During the year, the Company showed healthy signs of overall development and operational conditions, and achieved sustainable and healthy development.

II. REVIEW ON THE OPERATING RESULTS OF VARIOUS BUSINESSES

1. Power Generation Business

The power generation businesses of the Company and its subsidiaries are primarily distributed across Beijing, Tianjin, Hebei Province, the Inner Mongolia Autonomous Region, Shanxi Province, Liaoning Province, Gansu Province, Jiangsu Province, Zhejiang Province, Yunnan Province, Fujian Province, Guangdong Province, Chongqing, Jiangxi Province, the Ningxia Autonomous Region, Qinghai Province and Sichuan Province. As at 31 December 2013, the Company managed an installed capacity of approximately 39,187 MW.

(1) Power production. During the year, total power generation of the Company and its subsidiaries amounted to 191.8671 billion kWh, representing a year-on-year decrease of approximately 2.19%. The accumulative on-grid power generation amounted to 181.4230 billion kWh, representing a year-on-year decrease of approximately 2.23%. Utilisation hours of generating units accumulated to 4,982 hours, representing a year-on-year decrease of 237 hours. The equivalent availability coefficient of the operational generating units amounted to 91.77%, representing a year-on-year decrease of approximately 2.01%. No casualties or material damage to the facilities occurred to the Company and its subsidiaries during the course of power production.

(2) Energy conservation and emission reduction. In 2013, the Company adhered to target management, dynamic benchmarking, the focus on economic operation of power generation facilities, and the intensification of technological renovation on energy conservation and facilities treatment. During the year, total coal consumption for power supply was 313.77 g/kWh, representing a year-on-year decrease of 3.54g/kWh. Electricity consumption rate of power plants was 4.27%, representing a year-on-year decrease of 0.29%. The total desulfurisation facilities operation rate and the total overall desulfurisation efficiency rate amounted to 99.88% and 94.47%, respectively. The Group's emission rates of sulfur dioxide, nitrogen oxides and waste water were 0.34 g/kWh, 0.84 g/kWh and 0.038 kg/kWh respectively, representing a year-on-year decrease of 8.11%, 31.15% and 24%, respectively. The emission rate of smoke ash was 0.10 g/kWh, which was the same level as previous year. During the year, a total of 30 power generating units of certain power generation companies of the Company carried out denitrification transformation projects.

(3) Preliminary works. In 2013, the Group obtained official approvals on 20 power generation projects, including 3 thermal power projects, 9 wind power projects, 7 photovoltaic projects, and 1 hydropower expansion project, with a total approved capacity of 4,330 MW in total. Details are as follows:

Thermal power projects: Fuzhou 2 x 1,000 MW thermal power project; Shenzhen Baochang 2 x 467 MW gas-fired thermal power project; Shendong 700 MW thermal power project, 3,634 MW in total.

Hydropower project: Yunnan Longma hydropower station 45 MW expansion project.

Wind power projects: Hebei Xiqiaoliang phase 2 48 MW wind power project; Shanxi Ying County Baimashi phase 1 16 x 3MW wind power project; Jiangxi Shaling 49.5 MW wind power project; Hebei Batou phase 2 48 MW wind power project; Inner Mongolia Hongwu phase 3 49.5 MW wind power project; Inner Mongolia Wulan No. 5 100 MW wind power project; Jiangxi Shitoushan 32.5 MW wind power project; Jiangxi Shenghuashan 26 MW wind power project; Liaoning Sanshengtun 49.5 MW wind power project, 451 MW in total.

Photovoltaic projects: Qinghai Gonghe 20 MWp photovoltaic project; Yunnan Binchuan phase 1 (Laoying Yan) 30 MWp photovoltaic project; Yunnan Binchuan phase 2 (Baini Gou) 30 MWp photovoltaic project; Inner Mongolia Zhuozi Jiushijiuquan 20 MWp photovoltaic project; Inner Mongolia Hongmu wind and photovoltaic field Phase 2 30 MWp photovoltaic project; Xilinhaote Shengli 20 MWp photovoltaic project, Ganzi Huogulong 50 MWp photovoltaic project, 200 MWp in total.

(4) Project construction. In 2013, the Company focused on optimising its designs with an aim to develop high quality projects. During the reporting period, the Company added a unit capacity of 1,240 MW for clean or renewable energy. During the year, Pengshui Hydropower Station was awarded the "Luban Award" for construction projects of China while Keqi Coal-based Natural Gas phase one was awarded the "Chemical Industry Construction Quality Award" and Lvsigang Power Generation Project was awarded the "State Quality Investment Project Award".

MANAGEMENT DISCUSSION AND ANALYSIS

As at the end of 2013, coal-fired generating units, thermal combustion engines, hydropower, wind power and photovoltaic power accounted for 79.66%, 3.86%, 12.32%, 3.98% and 0.18% of the Company's installed power generation capacity, respectively. The proportion of capacity in clean and renewable energy reached 20.34%, suggesting a continuous improvement in the power generation structure.

2. Coal Chemical Business

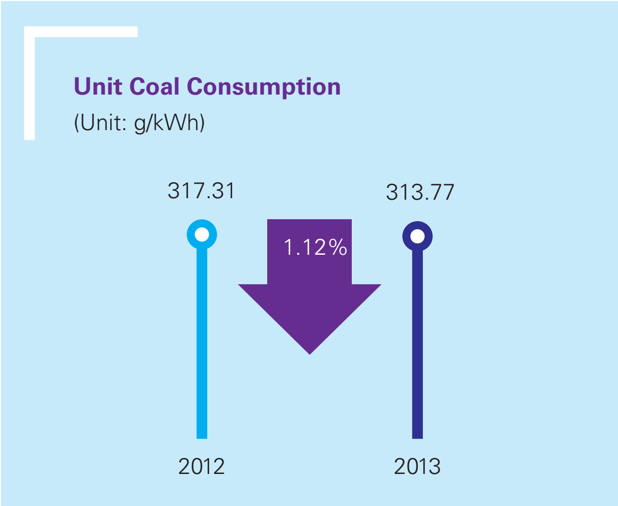
During the reporting period, the Duolun Coal Chemical Project with an annual output of 460,000 tonnes of polypropylene, the Keqi Coal-based Natural Gas Project with an annual output of 4 billion cubic meters of natural gas, and the Fuxin Coal-based Natural Gas Project with annual production scale of 4 billion cubic meters of natural gas, being constructed by the Company with controlling interests, achieved initial success. Of these projects:

(1) The Duolun Coal Chemical Project: The Duolun Coal Chemical Project, developed and constructed by the Company with controlling interests is located at Duolun County, Xilinguole League, the Inner Mongolia Autonomous Region. It uses lignite coal from the Shengli Open-cut Coal Mine East Unit 2 in Shengli area of Inner Mongolia as raw materials; and it applies advanced technologies in the world including the technology of vaporising coal ash, the syngas purification technology, the large-scale ethanol synthesis technology, the technology to convert methanol to propylene, and the propylene polymerisation technology to produce polypropylene and other chemical by-products.

The project officially started to undergo trial production in March 2012. With prolonged practice and innovative improvements, the project has reached its expected usable condition. Since December 2012, the construction-in-progress was successively transferred to fixed assets.

During the reporting period, the Duolun Coal Chemical Project produced 213,023 tonnes of polypropylene, 68,721 tonnes of BTX aromatics and 46,979 tonnes of LPG.

(2) The Keqi Coal-based Natural Gas Project: The Keqi Coal-based Natural Gas Project with an annual output of 4 billion cubic meters, developed and constructed by the Company with controlling interests, is located in Keshiketeng Qi, Chifeng City, the Inner Mongolia Autonomous Region. Upon its completion, the major supply targets of the project



are Beijing and cities along the gas transmission pipeline. As a political, cultural and financial centre of the PRC, Beijing has a strong demand for clean energy such as natural gas, given the city's higher requirement for the quality of air environment. Following the completion of the Keqi Coal-based Natural Gas Project, it will benefit from the growing demand for clean energy in Beijing and cities along the gas transmission pipeline, and thereby increase the overall profitability of the Company.

The project is the first large-scale coal-based natural gas project for demonstration approved by the National Development and Reform Commission ("NDRC"). The most outstanding feature of the project is the use of poor quality lignite as raw materials for production and this is unprecedented in the world. Construction of the project will be carried out in three phases and after fully putting into operation, production capacity will reach 4 billion cubic meters per year. The NDRC approved the project on 20 August 2009 and construction commenced on 30 August 2009. In August 2012, first phase of the project went through all procedures and the A Unit successfully passed the high load test at the first attempt. In July 2013, B Unit of the first phase of the project successfully passed the production plant high load performance test. Up to the time, the first phase of the project completed trial run with load. On 18 December 2013, plants of the demonstrating Keqi Coal-based Natural Gas Project phase one was successfully put into operation and officially included in piped natural gas network to transport clean coal-based natural gas products.

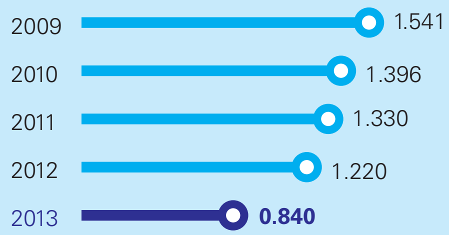
Up till now, the basic construction of air separation plants in the second phase of the project has completed. 90% of gasification plants and phenol recovery equipment have been installed while rectisol purification tower has been erected and pressure test has completed. Convertible cooling equipment has been installed. All of the on-site flare stack equipment has been installed and sulfur

SO_2 Emission

(Unit: g/kWh)

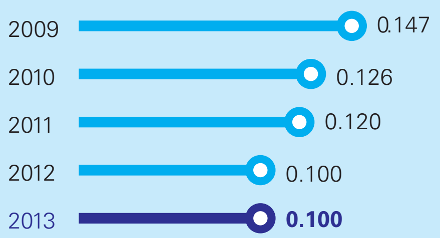
NO_x Emission

(Unit: g/kWh)



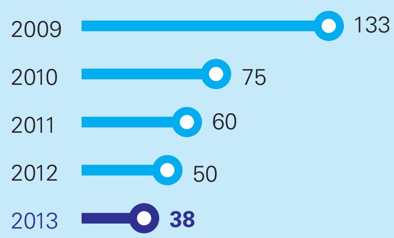
Ash Emission

(Unit: g/kWh)



Waste Water Emission

(Unit: g/kWh)



MANAGEMENT DISCUSSION AND ANALYSIS

recovery equipment installation has completed. 92% of methanation plant equipment installation has been completed and the construction of comprehensive wastewater treatment regulation pool, acid hydrolysis pool, A/O pool, biological aerated filter pool and waterproofing of sedimentation pond was completed. The construction of underground piped natural gas network was completed and 90% of water circulating system equipment has been installed.

On 10 December 2013, Datang Energy and Chemical Marketing Company Limited, a wholly-owned subsidiary of the Company, entered into the Coal-based Natural Gas Sale and Purchase Agreement (the "Agreement") with branch marketing company of PetroChina Company Limited. After the trial operation period stipulated in the Agreement, initial contractual amount will be 1.2 billion cubic meter per year and the initial settlement will be at a price of RMB2.75 per cubic meter (including 13% VAT).

(3) The Fuxin Coal-based Natural Gas Project: The Fuxin Coal-based Natural Gas Project with an annual output of 4 billion cubic meters of natural gas, developed and constructed by the Company with controlling interests, is located in Fuxin City, Liaoning Province. The project was approved and commenced construction in 2010. Upon its completion, its natural gas will be mainly supplied to Shenyang City of Liaoning Province and the nearby cities such as Tieling, Fushun, Benxi and Fuxin. Liaoning Province has experienced fast economic growth. With the acceleration of urbanisation, the reform in coal-fired boilers and the development of gas buses and industries using natural gas as raw materials, the shortage of natural gas in the above cities will intensify. Following the completion of the Fuxin Coal-based Natural Gas Project, the Company will benefit from the growing demand for clean energy in Shenyang and nearby cities which have experienced rapid economic development, thereby increasing the overall profitability of the Company.

As at the end of the reporting period, power boilers no. 1 and 2 in the power zone of Fuxin coal-based gas project and coal transportation system have commenced operation. Structural construction of dumper room and power distribution plants was completed. Series B and A of air separation plants produced qualified oxygen and nitrogen on 18 September 2013 and 25 October 2013 respectively. Performance assessment of air separation was passed. Construction and equipment installation in gasification and purification zones were basically completed. Installation of all methanation equipment and sulfur recovery equipment were completed. Constructions of utility facility and installation of underground pipeline network and equipment were basically completed. 95% of total natural gas pipeline welding was finished while welding of engineering pipelines of water pipeline was completed. Construction and installation of equipment of pump station was completed. The main concrete structure of the 0.39 million-cubic-metre water tank for biochemical accident of the sewage treatment plant and 85% of the construction of the main structure of the sewage treatment station were completed. Materials and equipment are being purchased by means of tendering and some materials are under delivery.

3. The Coal Business

The Shengli Open-cut Coal Mine East Unit 2 in Shengli area of Inner Mongolia, developed and constructed by the Company, is located in the central part of Shengli Coal Mine in Inner Mongolia, with a planned construction scale of 60 million tonnes. Its coal products will be primarily supplied as raw materials to the coal chemical and coal-based natural gas projects such as the Duolun Coal Chemical Project, the Keqi Coal-based Natural Gas Project and the Fuxin Coal-based Natural Gas Project. Among which, the annual production capacity of Phase 1 project reached 10 million tonnes; Phase 2 project with an annual production capacity of 20 million tonnes is currently undergoing construction of infrastructure as scheduled.

The Company's controlled subsidiary, Inner Mongolia Baoli Coal Company Limited, is located in Erdos, Inner Mogolia. It operates open-pit mining with a rated annual capacity of 1.2 million tonnes. Geological structure of the Baoli mine is not complicated with an approximate stripping ratio of 6:1. The coal mined is non-caking coal of low ash, medium sulfur, and medium-high heating nature. Inner Mongolia Baoli Coal Company Limited is now grasping an excellent opportunity to form a regional business chain for production, transportation and sale. Through scientific co-ordination and planning, business chains are rationally planned to expand product value, turning the Company into an efficiency-driven coal company with standardised management in western Mongolia.

As at the end of the reporting period, the volume of coal produced by Inner Mongolia Datang International Xilinhaote Mining Company Limited, a subsidiary of the Company, amounted to 8.5593 million tonnes. The volume of coal produced by Inner Mongolia Baoli Coal Company Limited amounted to 388,000 tonnes.

As at the end of the reporting period, the volume of coal produced by the Yuzhou Coal Mine and the Tongmei Tashan Coal Mine, in which the Company holds equity interests, amounted to 7.6217 million tonnes and 20.0618 million tonnes, respectively.

During the reporting period, the preliminary development works of the Wujianfang Coal Mine, the Kongduigou Coal Mine and the Changtan Coal Mine carried out by the Company in Inner Mongolia region proceeded in an orderly manner. The successful development of the abovesaid coal mine projects would also increase the coal self-sufficiency ratio of the coal consumption of the Company's power plants.

MANAGEMENT DISCUSSION AND ANALYSIS

III. MAJOR FINANCIAL INDICATORS AND ANALYSIS

Operating Revenue

During the year, the Group realised a consolidated operating revenue of approximately RMB75,227 million, representing a decrease of approximately 3.06% over the previous year, among which, revenue from electricity sales decreased by approximately RMB3,125 million over the previous year.

Operating Costs

During the year, total operating costs of the Group amounted to approximately RMB59,884 million, representing a decrease of approximately RMB4,246 million or 6.62% over the previous year. Among which, fuel cost accounted for approximately 58.58% of the operating costs, and depreciation cost accounted for approximately 16.72% of the operating costs. Since the standard coal unit price of the Company for power generation decreased by RMB112.02/tonne over the previous year, the fuel cost for power generation of the Company decreased by RMB5,811 million as a result.

Net Finance Costs

During the year, finance costs of the Group amounted to approximately RMB8,237 million, representing a decrease of approximately RMB331 million or approximately 3.86% over the previous year. The reason for the decrease lies on the increase in capitalisation amount.

Total Profit and Net Profit

During the year, the Group reported a total profit before tax amounting to approximately RMB8,098 million, representing an increase of approximately 7.35% over the previous year. Net profit attributable to equity holders of the Company amounted to approximately RMB3,529 million, representing a decrease of 12.19% over the previous year. The increase in the Group's profit before tax is mainly due to the decrease in fuel cost.

Electricity segment of the Company realised a total profit of RMB9.495 billion, representing a year-on-year increase of RMB3.877 billion. (Thermal power (including combustion engine) realised a total profit of RMB9.570 billion, representing a year-on-year increase of RMB3.493 billion.)

Major factors contributing to the profit increase are as follows:

(1) Unit price of standard coal-into-furnace and coal equivalent recorded a year-on-year decrease of RMB111.66 per tonne, leading to an increase of profit of 6.084 billion;

(2) Financial expenditure recorded a year-on-year decrease, leading to an increase in profit of RMB1.144 billion;

(3) Profit of other businesses recorded a year-on-year increase of RMB315 million;

Major factors contributing to the profit decrease are as follows:

(1) Investment returns recorded a year-on-year decrease, leading to a decrease in profit of RMB1.800 billion;

(2) On-grid electricity recorded a year-on-year decrease of 7.994 billion kWh, leading to a decrease in profit of RMB1.123 billion;

(3) Fixed cost recorded a year-on-year increase, leading to a decrease in profit of RMB799 million;

(4) Provision for fixed asset depreciation led to a year-on-year decrease in profit of RMB718 million.

Financial Position

As at 31 December 2013, total assets of the Group amounted to approximately RMB298,480 million, representing an increase of approximately RMB23,234 million as compared to the end of 2012. The increase in total assets was mainly due to the increase in construction-in-progress and fixed-assets as a result of the development strategy implemented by the Group.

Total liabilities of the Group amounted to approximately RMB233,937 million, representing an increase of approximately RMB15,264 million over the end of 2012. Of the total liabilities, non-current liabilities increased by approximately RMB10,751 million over the end of 2012. The increase in total liabilities was mainly due to the increase in borrowings and amount of debentures to support daily operation and infrastructure development.

Equity attributable to equity holders of the Company amounted to approximately RMB44,168 million, representing an increase of approximately RMB2,578 million over the end of 2012. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB3.32, representing an increase of approximately RMB0.20 per share over the end of 2012.

1. Liquidity

As at 31 December 2013, the assets-to-liabilities ratio of the Group was 78.38%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 284.80%.

As at 31 December 2013, cash and cash equivalents of the Group amounted to approximately RMB7,881 million, among which deposits equivalent to approximately RMB21 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the year.

As at 31 December 2013, short-term loans of the Group amounted to approximately RMB18,239 million, bearing annual interest rates ranging from 1.71% to 7.00%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB138,054 million and long-term loans repayable within one year amounted to approximately RMB12,351 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.13% to 6.55%. Loans equivalent to approximately RMB1,651 million were denominated in US dollar, while loans equivalent to approximately RMB291 million were denominated in Hong Kong dollar. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

2. Welfare Policy

As at 31 December 2013, the staff of the Group totalled 23,305. The Group adopts the basic salary system on the basis of position-points salary distribution. The Group is concerned about personal growth and occupational training of its staff. Led by the strategy of developing a strong corporation with talents, the Group relies on a three-tier management organisational structure and implements an all-staff training scheme for various levels.

IV. OUTLOOK FOR 2014

In 2014, the state will fully implement a comprehensive overall reform plan. This will further boost internal dynamic and vitality of domestic economic development, enabling energy enterprises to achieve continuous expansion of scientific development. In the meantime, electricity and coal price will remain at a low level and full implementation of tax reform policies will reduce enterprises' tax burden. In general, power enterprises will remain in the stage of the operational improvement.

In 2014, nationwide power growth will slow down. Year-on-year utilisation hours of the Company's equipment in some regions will reduce. Moreover, tighter requirements of emission reduction, implementation of new standard of pollutant emissions and time constraint of equipment fixing will possibly affect enterprises' normal production and operation.

In face of opportunities and challenges, the Company will cement the competitive advantage of power generation business, improve the profitability of the non-power generation segment, speed up the progress of optimising business structure, enhance corporate image, and open a new chapter for the Company's development, by upholding its value and efficiency-oriented philosophy, enhancing safety and stability, setting the realisation of economic benefits as the major goal and ensuring solid execution.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2014, the Company will carry out the following key measures:

1. Continue to maintain safe production foundation

With protecting human safety as the major emphasis, the "safety first" principle will be reinforced, stringent examination will be carried out and guidelines will be strictly followed and kept in order to fully strengthen production safety management for the Company, so as to achieve the goal of "nine preventions" and implement the "four responsibilities".

Special attention will be paid to strengthen the safety control of non-power generation segment and improve the management and indicator systems for the safe production of coal and chemical, aluminum and coal businesses. A comprehensive safety valuation of non-power generating projects will be launched and the preparation of emergency response plans for high risk enterprises will be continuously improved.

2. Enhance corporate profitability by all means

The Company will further expand power generation, and will strive for more planned power generation volume and all kinds of power trade and power export which are profitable. The marketing and sales management of non-power generation enterprises will be stepped up and every non-power generation enterprise will be examined to determine operation models and improve the system of performance indicators. The financial managements will also be further refined, aiming at expanding the financing channels, optimising debt structures, so as to ensure the capital chain is safe and reliable, and the financial expenses can be reduced. The Company will step up the work in obtaining tax exemptions and various financial subsidies, and coordinate the price negotiation work.

3. Consolidate the strength of our power generation business

By emphasising both stocking and increasing production, stressing on quality, efficiency, overcoming weaknesses and boosting technological advancement, the Company will continue to consolidate and strengthen leading advantages of the principal power generating business. The Company will strive to achieve power generation to over 193.5 billion kWh for the year.

Accelerate the approval for key power projects. Expedite the approval for projects with advantages in marketing, resources and policy, and with guaranteed returns to fully consolidate profitability for power generation segment. Aim at achieving the target of getting approval for an installed capacity of 4.52 million KW of 3 coal-fired projects.

Carry on with building high quality power generating projects, optimise design on all newly constructed projects and apply the refined design concepts throughout the whole process from early stage work, planning to construction, in order to ensure the goal of building high quality projects are accomplished on schedule. In 2014, the Company will have 17 power generation projects of 2.9657 million KW commencing production.

4. Strive to improve profitability of the non-power generation business

The Keqi coal-based natural gas project will put its best effort in achieving the goal of long-cycle heavy-load operation, and strive to raise product quality and reduce costs and expenses.

The Duolun coal-based alkene project will conduct facility diagnosis and system improvement and commence the study on technology of gasification furnace to significantly reduce the unit energy consumption level of major installations.

The Shengli Coal Mine East Unit 2 project will ensure the safe and stable supply of coal used for raw materials in chemical projects, according to its position as the raw material coal source base.

5. Emphasis put on capital operation

The Company will further expand funding channels and reduce financing costs. The optimisation and consolidation of regional and equity assets will be carried out. Asset quality will be continuously improved and operation risks will be lowered.

6. Consistently improve the Company's management and governance standard

Enhance management efficiency, optimise accountability system and consolidate management orientation to improve the three-level management system. Further optimise the management mechanism of early stage, infrastructure and production.

Further enhance internal control and improve risk assessment mechanism of investment to prevent risk of decision-making. Further consolidate internal control of key businesses to continue to use internal control assessment to facilitate internal control.

FULFILLMENT OF SOCIAL RESPONSIBILITIES

WE ARE COMMITTED TO BECOMING A RELIABLE, RESPONSIBLE AND STRONG COMPREHENSIVE ENERGY COMPANY. BY MANAGING AND PRACTICING OUR SOCIAL RESPONSIBILITY, WE AIM AT INTEGRATING OUR OPERATIONS WITH SOCIAL PROSPERITY AND ECOLOGICAL CIVILISATION. WE WANT TO MEET THE NEEDS OF SOCIAL DEVELOPMENT WHILE BEING SUSTAINABLE AND PROFITABLE AND ARE WORKING HARD TO ACHIEVE SUSTAINABLE DEVELOPMENT FOR OURSELVES AND THE SOCIETY.

OUR BUSINESS

Datang International Power Generation Co., Ltd. was incorporated in December 1994 with its headquarters located in Beijing, and was listed in Hong Kong and London in 1997 and on Shanghai Stock Exchange in 2006. Our business operations cover power generation (thermal power, hydropower, wind power, nuclear power, and solar power), coal, coal chemistry, transportation (railway, shipping and ports) and cyclic-economy. Over the years we have transformed our operations from a pure power generator into a comprehensive energy company.

In 2013, we were named to Platts' Top 250 Global Energy Companies for the seventh consecutive year with the comprehensive ranking rising to 116th, and to 5th among the world's independent power generation companies. We were awarded "Gold Award for Social and Environmental Responsibility and Investor Relations Management" by "*The Asset*" Magazine, and we were the only large power generation company from China that won the award. For two years in a row, we received the "Top 100 Chinese Listed Companies in Terms of Capital Brand Value" with the ranking moving up to 41st on the list. At the "Golden Bauhinia Awards", we received the "Listed Company with the Highest Sense of Social Responsibility," and were named as the "Listed Company with Best Investor Relations Management" for a second time. We also won the "Top 10 Chinese Listed Company in Corporate Governance " award organised by "21st Century Report".

OUR RESPONSIBILITY

We are committed to becoming a reliable, responsible and strong comprehensive energy company. By managing and practicing our social responsibility, we aim at integrating our operations with social prosperity and ecological civilisation. We want to meet the needs of social development while being sustainable and profitable and are working hard to achieve sustainable development for ourselves and the society.

ESSENCE OF SOCIAL RESPONSIBILITY

- **Scientific Development**

  We steadfastly honor our core philosophy, namely "orientation for value thinking and benefits". We pursue an intellectual, high-quality, sound and rapid development as well as a sustainable development model. We aim to build the Company to be a domestic renowned and world renowned leading comprehensive energy company with strong development capacity, profitability and competitiveness, thus creating more economic value for the stakeholders.

- **All-win Harmony**

  We adhere to the "pragmatic, dedicated, innovative, progressive" spirit that characterises Datang Power. We adhere to business ethics and conduct business with integrity. We contribute to the local economy, safeguard social stability, engage ourselves in public welfare, and pursue mutual cooperation. As such, we balance our development with our contribution to the society.

- **Safe Production**

  We are building an intrinsically safe enterprise. We place top priority on safety, focus on prevention and promote safety in a comprehensive way. We strengthen our scientific and safe development philosophy to ensure our long-standing safety record and reputation.

- **Staff Growth**

  We hold our employees in the highest regard. We respect, trust and care for their well-being. We safeguard their health and security, we encourage and unit them and foster their work skills. We facilitate an environment where they can share the company's growth and expansion.

- **Green Operations**

  We strive to be a resource conserving and environmentally friendly company. We are committed to transforming resource constraints into new opportunities that will stimulate our development and we will continue to pursue coordinated development between economic benefits and environmental protection.

FULFILLMENT OF SOCIAL RESPONSIBILITIES

SOCIAL RESPONSIBILITY MANAGEMENT

At Datang Power we have integrated the concept of social responsibility into our whole corporate decision-making and production and operation process to ensure that our corporate mission, vision and values are aligned with such concept. By developing policies and systems, implementing organisational support, and strengthening our supervision and appraisal systems, we have optimised our business model and process. We have also incorporated our responsibility to stakeholders into our management system so as to enhance overall transparency and information disclosure, to strengthen social communication, and to systematise and standardise our work concerning holistic social responsibility.

Social Responsibility Management Structure

- **Social Responsibility Leading Team**

  Coordinates the construction of the social responsibility management system; organises major social responsibility activities; approves and issues the annual social responsibility reports; approves social responsibility planning and important systems.

- **Social Responsibility Office**

  Provides day-to-day social responsibility management; organises the preparation of the corporate social responsibility reports; contacts, communicates and coordinates with all the relevant organisations; collects and studies social responsibility information and trends both domestically and overseas.

Stakeholder Engagement

Fulfilling our social responsibility requires us to pay more attention to how we communicate and respond to stakeholders. In 2013, we enhanced our overall transparency by conducting targeted, close communication with stakeholders and by paying closer attention to and actively responding to the issues that they raised. Effective communication helps us enhance the transparency of the information we disclose and helps us gain a better understanding and support from stakeholders. It also helps us to optimise our business strategy and gives an indication of how we can improve the social value that we bring to society.

Stakeholders	Communication Methods	Responsibilities and Expectations	Performance Indicators
Government	Laws, regulations and policies Relevant meetings Work report Statistical statements Information submission High-level meetings	National policies and energy security Power and heat supply Legal compliance Tax Structural optimisation Energy conservation and emission reduction Employment expansion Management and technological innovation	Scale of installed capacity Power generation capacity Total profit and tax Jobs created Energy conservation indicators Emissions reduction indicators Proportion of clean and renewable energies Innovation results
Shareholders	General meeting of shareholders Company announcements Periodic reports Contracts and agreements	Honesty and commitment adherence Profitability Standardised operations	Shareholder dividends Shareholders' rights and interests Revenue Company profits
Staff	Staff representatives Reasonable suggestions Interview Collective contracts Labour contracts Openness of company affairs	Democratic rights Health and safety Remuneration and benefits Personal development Education and training	Work environment Accident rate Labour union membership rate Collective contract coverage ratio Remuneration levels Investment in staff training Staff turnover rate
Community	Collaborative construction Public interest activities Safety and environmental protection publicity	Harmonious community Public interest Safety and environmental protection	Investment in community building Public interest investment Number of pollution complaints
Clients	Contracts and agreements Power and heat products Relevant technical services	Safe and stable supply Electricity price and heat price	Client satisfaction levels
Suppliers	Contracts and agreements Product services	Honesty and legal compliance Long term cooperation	Creditability Contract completion rate Duration of cooperation Profits
Social Organisations	Meetings Activities	Contributions to organisations Influence on sustainable development	Frequency and depth of participation in activities Membership fees

FULFILLMENT OF SOCIAL RESPONSIBILITIES

OPTIMISING THERMAL POWER DEVELOPMENT

Datang Power is a thermal power-based company with more than 82% of our installed capacity coming from this power source. Therefore, we must continue to optimise our thermal power structure if we are to achieve our sustainable development goal. By prioritising the development of our large-capacity, high-parameter, low-consumption, low-emissions, and environmentally friendly generating units and our energy-efficient cogeneration and gas-fired units, we are taking steps to achieve our goal. We also regularly optimise our thermal power structure and generation mix to consolidate our inherent advantages in this sector. As of 2013, we successfully put 32,731MW of installed thermal power capacity into business operation.

PROVIDING CLEAN ENERGY

The expansion of the low-carbon economy has moved green growth to the forefront of today's business operations in China. Providing a steady stream of clean energy to communities is one of our primary responsibilities. We are therefore developing clean, efficient and environmentally-friendly thermal power, as well as hydropower, wind power, solar power and other renewable energy sources. In 2013, clean energy and renewable energy generation accounted for 10.56% of our total power generation.

ADHERING TO TECHNOLOGICAL INNOVATION

We work hard to create a favourable atmosphere where technological innovation, technical talent and education are valued. We strive to improve our independent capacity for innovation so that it suits our overall development strategy. We also deepen scientific and technological management to establish a long-term mechanism that ensures the steady growth of our investment in science and technology. In addition, we established a company-led and market-based scientific and technological innovation system that will provide strong scientific and technological support for the company.

In 2013, our abundant human resources and strong technological advantages allowed us to conduct 11 major scientific research projects, including national scientific and technological support projects and 863 projects. We were awarded 163 patents, including 10 innovation patents. We also won 2 China Electric Power Science and Technology awards, 5 awards from the Fifth Electric Power Worker Technical Award, 1 Science and Technology Award from the China Association of Resources Comprehensive Utilisation, 3 excellent science promotion awards, as well as 3 electricity industry management innovation awards.

DEEPENING ENVIRONMENTAL PROTECTION MANAGEMENT

At Datang Power we strictly abide by the state's environmental protection laws and regulations and have built an energy-saving and emissions reduction and supervision system as well as a performance appraisal system that cover a number of sectors. We evaluate our environmental production activities to facilitate the construction of an environmentally friendly enterprise. Moreover, we continue to strengthen the supervision of our online environmental data, and conduct onsite checks as well as the monitoring of technical equipments. We also implement integrated, digital and normalised environmental management approaches to improve our overall environmental protection standard.

In 2013, we strengthened the establishment of our environmental protection system and conducted in-depth environmental impact assessments and environmental checks. We particularly devoted ourselves to the management and implementation of the "simultaneous policy" for pollution emissions performance, operation rate of our environmental facilities and environmental protection. We built a long-term environmental monitoring mechanism that includes daily supervision, a weekly newsletter, a monthly review, seasonal dynamics, and annual checks.

PROMOTING ENERGY CONSERVATION AND EMISSIONS REDUCTION

The development of the power industry relies on the environment and resources. It is significant to further promote energy conservation and emissions reduction in the power industry for the growth of a green and low-carbon economy in China. We are integrating the concept of green operation into our entire production and operation process, intensively promoting new energy-saving technologies, and carrying out large-scale FGD, DeNOx, and dust removal equipment modification with an emphasis on the comprehensive utilisation of slag, fly ash, desulfurised gypsum and wastewater. In 2013, we fully met the discharge standards for flue gas, sulfur dioxide, nitrogen oxides, and wastewater and maintained our role as a industry leader.

FULFILLMENT OF SOCIAL RESPONSIBILITIES

PROTECTING THE ECOLOGICAL ENVIRONMENT

At Datang Power we respect and seek harmony with nature. We are committed to integrating the concept of ecological civilisation into our production and operation and are closely monitoring the implementation of the "simultaneous policy" for environmental protection at all stages of our pre-project period, infrastructure and operations. During the construction, we lay emphasis on the conservation of water and soil and the protection of biodiversity so as to build a win-win situation where resources are reasonably exploited and used and the ecological environment is well protected. We are taking actions to create a beautiful and livable ecological environment in favour of the society.

BUILDING A GREEN COAL CHEMICAL PROJECT DEEP IN THE GRASSLAND

The Duolun Coal Chemical Project is located in the hinterland of grasslands. To protect the ecological environment in the region, we strictly abide by all the relevant laws and regulations, on the basis of which, we are continuously reinforcing our environmental protection management; and we are reducing adverse impacts on the environment, and pursuing zero emissions in our production through our ongoing efforts in improving environmental protection facilities and developing and introducing new environmental technologies.

FIRST STAGE OF LEAPFROG DEVELOPMENT MARKED BY DATANG POWER'S SUCCESSFUL LISTING 1994-1997

SECOND STAGE OF LEAPFROG DEVELOPMENT MARKED BY THE NATIONAL LAYOUT OF THE CONSTRUCTION OF POWER SOURCE PROJECTS WHICH ARE LOCATED OUTSIDE NORTH CHINA, IN WEST CHINA AND TOWARDS COASTAL AREAS 1998-2006

1997

H-shares were issued in Hong Kong and London with total assets of RMB 13.2 billion; the first Chinese power company listed in Hong Kong and the first Chinese company listed in London

2006

Listed on the Shanghai Stock Exchange; first power generation company listed in London, Hong Kong and Shanghai

2007

Installed generation capacity exceeded 20,000 MW; named in Top 100 Chinese Listed Company

2008

Developed Power Generation Based and Synergistic Strategy as well as the Medium Term Development Plan; the generation mix, installed capacity exceeded 25,000 MW following the optimisation of the company's generation mix

2009

Installed capacity exceeded 30,000 MW; industrial structure, power source mix and staff structure were optimised

2010

Installed capacity exceeded 35,000 MW; diversified strategy was further implemented with synergistic development of five sectors; first stage tasks for industrial layout were completed

2011

Developed Datang Power's "Twelfth Five-Year Development Plan"; promoted the overall construction of the "Six Profit Clusters" in key areas.

2012

Installed capacity reached 39,147MW; operation results hit an all-time high

2013

Installed capacity reached 39,187 MW; named to Platts' Top 250 Global Energy Companies for the seventh consecutive year; profits hit an all-time high

AT DATANG POWER WE ADHERE TO THE "ORIENTATION FOR VALUE THINKING AND BENEFITS" AND ARE STRIVING TO BECOME AN INTERNATIONALLY RENOWNED AND NATIONALLY LEADING INTEGRATED ENERGY COMPANY. WE BELIEVE THAT OUR CURRENT APPROACH WILL HELP US ADVANCE TO THE THIRD "LEAPFROG DEVELOPMENT"

HUMAN RESOURCES OVERVIEW

THE COMPANY OPTIMISED THE ALLOCATION OF HUMAN RESOURCES; IMPROVED THE INCENTIVE MECHANISM AND CONSOLIDATED STAFF TRAINING, ASSURING A SOLID ORGANISATION AND HIGH-POTENTIAL STAFF ARE IN PLACE.

1. COMPOSITION OF EMPLOYEES (SPECIALTY, EDUCATIONAL BACKGROUND)

Total number of employees: 23,305.

By category: Corporate management: 5,680; professional technicians: 4,545; production personnel: 12,885; logistic staff: 195.

By educational background: Doctoral graduate and above: 35; Postgraduate: 638; Undergraduate: 11,218; College graduate: 6,903; Secondary technical school & vocational school: 2,407; high school and below: 2,104.

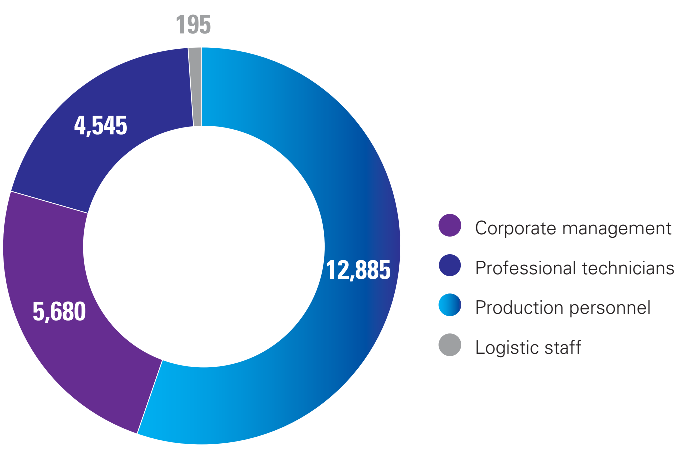
2. MANAGEMENT

2013 was a crucial year that connected the past and future development following the implementation of the "Twelfth Five-Year Plan", and marked the start of the third stage of the Company's medium-term development plan. The Company's human resources tasks closely focused on the annual missions and objectives set at the first staff representative meeting of the fifth session of the Company by strengthening the leadership and the build-up of staff teams; pushing forward the setup of a three-tier management system; optimising the allocation of human resources; improving the pay incentive mechanism; consolidating staff education and training; as well as overcoming difficulties, stepping up implementation and carrying out solid work so that the capability of the leadership at all levels to perform its duties was improving; the strategy for high-potential staff to make the enterprise strong was implemented further; innovations were being introduced to performance assessments; the total number of staff was kept under effective control; and the standards of human resource management were rising. This has assured a solid organisation and high-potential staff are in place for the achievement of the goals throughout the year.

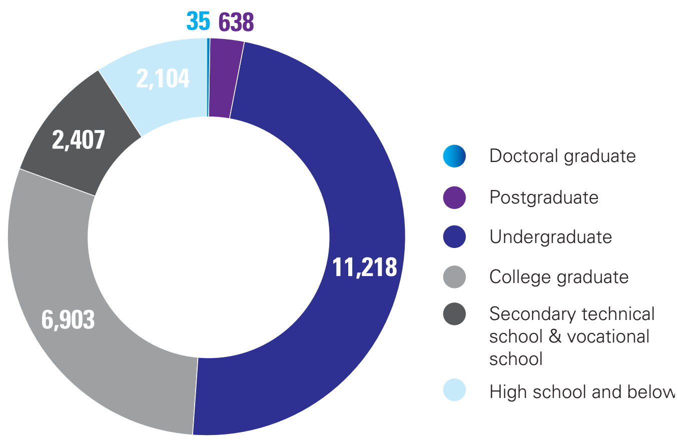
3. TRAINING

The Company vigorously implemented a strategy which focuses on talent development to ensure that the business continues to thrive with the establishment of three teams of talented staff. It employed training programmes as an important tool to improve the overall quality of employees, enhance corporate cohesion and shape an excellent corporate culture. By taking a number of initiatives such as the compilation and the implementation of third-grade training programmes, the development of well-targeted professional training and the establishment of a platform to attract a pool of talented staff, and by adopting a number of supporting measures such as the establishment of an ongoing training mechanism, the constant reinforcement of the training infrastructure and the increased commitment to training, the Company pushed forward the development of its vocational training programmes in a comprehensive and vigorous manner. These initiatives have helped ensure that there is enough talented staff to drive the implementation of the Company's strategy to a deeper

By category



By educational background



HUMAN RESOURCES OVERVIEW

level to achieve synergistic diversifications. In 2013, the Company's training courses were cumulatively attended by 438,128 man-times, of which 116,127 were on corporate management and professional skills and 307,057 on production skills. A total of 2,484 employees of the Company achieved professional and technical qualification assessments during the year, of whom 80 received senior titles; 291, intermediate titles; and 2,113, junior titles. 128 people obtained technician qualification through the Company's system 2013 and total accumulated number reaching 1,264, of whom 19 acquired senior technician qualifications while total accumulated number reaching 216.

4. IMPLEMENTING MEASURES

(1) Continued to strengthen the build-up of a leadership team, optimised the appraisal management and emphasised on specificity, normativity and routine appraisals to improve the overall level of staff evaluation for enhancing the staff team's capability for the discharge of duties; 4 training sessions were held for our staff members with leadership role in order to raise their capabilities to perform their duties, the staff management system was smoothened and improved for constantly raising the management standards.

(2) Pushed forward the build-up of a reserve staff team vigorously. Staff were seconded to other positions to gain more experience at different levels; absorbed outstanding young people to study in the classes for the enhancement of youth staff's leadership, and improved staff follow-up and development after these classes. Made full use of various means such as exchange, temporary positions and on-the-job training to continue improving the size and overall quality of the Company's reserve staff team.

(3) Continued to improve the salary distribution policy and smoothen the salary and insurance systems. further reinforced pay incentives. Implemented the "Measures for the Dynamic Management of Salary Point System and Wages for Different Positions" aggressively, and stepped up efforts to strengthen the positive incentive functions of salary distribution to make the dynamic management of the salary point system a long-term incentive mechanism to be implemented for strengthening the role of pay incentives and stepped up salary distribution based on the Company's performance to emphasise performance orientation in total wage/salary distribution.

(4) Carried out the management of labour organisation steadily. Continued to improve the three-tier management system and optimise the management interface at all levels, further enhance the capability of subordinate enterprises to perform their duties and standardise the production and management models.

(5) Concentrated efforts on optimising the allocation of human resources with guidance of the "Twelfth Five-Year" plan for human resources, concentrated efforts on carrying out the optimisation of the allocation of human resources; carried out the recruitment of professional technical staff and senior skilled staff outside the system by conscientiously launching the recruitment of fresh graduates and strengthening the activation of the stock of human resources within the system. Various initiatives were taken to assure the availability of human resources for the rapid development of the Company.

(6) Strengthened the build-up of three teams of talented staff vigorously. Conducted training programmes for mid-level staff and professionals earnestly; strengthened the development and evaluation of high-potential staff by further carrying out the accreditation of professional skills. Strengthened the build-up of a team of skilled staff and launching contest activities of vocational skill. Strengthened the establishment of an institutional mechanism for vocational training for generally setting up the Company's system for a training base.

5. ACHIEVEMENTS AND AWARDS

Title of Outstanding Individual		Granted by
Technical Expert of Central Enterprise	9	State-owned Assets Supervision and Administration Commission
Technical Expert in China Power Industry	2	China Electricity Council
Outstanding Technical Expert in China Power Industry	7	China Electricity Council
Top Twenty Outstanding Talents of the Corporation	3	China Datang Corporation
"112 Talent" of the Corporation	726	China Datang Corporation
Technical Expert of the Corporation	19	China Datang Corporation
Outstanding Technical Contestants of the Corporation	11	China Datang Corporation

HUMAN RESOURCES OVERVIEW

6. BOARD, SUPERVISORY COMMITTEE AND SENIOR MANAGEMENT OVERVIEW (AS AT THE DATE OF REPORT)

Chen Jinhang

Chairman and Non-executive Director

Aged 58, is a professor-grade senior engineer with postgraduate qualifications. Mr. Chen is currently Chairman and Party Committee Secretary of China Datang Corporation ("CDC"). He started to work at First Power Plant in Heze, Shandong, in December 1972, and has successively served as Director and General Manager of Shandong Electric Power Group Corporation, Party Secretary and General Manager of Shanxi Electric Power Corporation, Party Committee Member and Deputy General Manager of State Grid Corporation of China as well as Director, General Manager and Party Committee Member of CDC. He took up the current position since April 2013. He has long been engaged in electricity production and business management, and has extensive knowledge and practical experience in electricity production and business management. Mr. Chen became a Director of the Company since July 2013.

Hu Shengmu

Non-executive Director

Aged 53, university graduate, is a senior accountant. He is currently the Party Committee Member and Chief Accountant of China Datang Corporation. Mr. Hu joined North China Power Corporation as he worked in Beijing Power Supply Bureau in 1981. He had been the Deputy Head and the Deputy Manager of the Finance Department of the North China Power Administration Bureau (NCPGC), the Chief Accountant (Financial Manager) of the Company, the Chief Accountant of NCPGC, and Chief Accountant of CDC. He was appointed the current position in August 2004. Mr. Hu has long been involved in financial management of power system. He is knowledgeable in financial management and has extensive experience in financial practices. Mr. Hu became a Director of the Company since April 1998.

Wu Jing

Vice-Chairman, Executive Director, President of the Company

Aged 57, is a professor-grade senior engineer who holds a post-graduate degree. He is currently President and deputy Party Committee Secretary of the Company. He served as the Deputy Chief of the maintenance division, Deputy Chief of biological technology division, Assistant to General Engineer, Deputy General Engineer and Deputy Chief of Han Cheng Power Plant; Deputy Chief and Chief of Weihe Power Plant; Deputy Chief of Weihe Power Generation Company Limited and Chief of Weihe Power Plant; Party Committee Member and Vice President of Xinjiang Electric Power Corporation; Party Committee Member and Deputy General Manager of Shaanxi Electric Power Corporation; the Chief of the Development and Planning Department, Deputy Chief Economist and the Chief of the Development and Planning Department, and Chief Economist of CDC. Mr. Wu is also a director of China Datang Corporation Renewable Power Co., Limited, a company listed on the Stock Exchange (Stock Code: 01798). Mr. Wu has long been involved in power generation and economic management. He has extensive experience in management of power generation and enjoys special government allowances by the State Council. Mr. Wu was appointed as an Executive Director of the Company on 24 January 2014.

Fang Qinghai

Non-executive Director

Aged 59, post-graduate, is a senior engineer. He is currently the Head of the planning, Investment and Financing Department of CDC. Mr. Fang joined Anshan Power Plant in 1974 and since then took up various positions including Head of the Boiler Office of Anshan Power Plant, Director of the Fund Raising Office of Northeast Power Administration Bureau, Deputy Head of the Integrated Planning Department, Deputy Head and Head of the Development and Planning Department of the State Power Corporation (Northeast Company), Head of the Power Exchange Centre of Northeast China Power Grid, Deputy Chief Engineer and Head of the Development and Planning Department of Northeast China Power Grid Company Ltd. He became Deputy Chief of the Development and Planning Department of CDC in April 2005, and has become Head of the Planning, Investment and Financing Department of CDC since November 2006, and took up the current position since August 2011. Mr. Fang has been involved in the power system for many years and is well experienced in power generation and operation. Mr. Fang became a Director of the Company since November 2005.

Zhou Gang

Executive Director, Vice President of the Company and Secretary to the Board

Aged 50, master, is a senior engineer. He is currently Vice President of the Company and Secretary to the Board. Mr. Zhou started his career in 1985 in Fu Chun Jiang Hydropower Plant of East China Electricity Administrative Bureau. Mr. Zhou later worked for China National Water Resources & Electric Power Materials & Equipment Co., Ltd. as Deputy Manager of the Information Department, Deputy Director and then Director of the General Manager's Office, Deputy General Engineer and Deputy General Manager; Deputy General Manager of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. and General Manager of its Shanghai company as well as Deputy Director of the International Cooperation Division of the General Manager's Office of CDC. Mr. Zhou took up the current position since June 2007. Mr. Zhou has extensive experience in international cooperation, power resources management and power generation enterprise operation and management. Mr. Zhou became a Director of the Company since July 2007.

Li Gengsheng

Non-executive Director

Aged 53, a Ph. D holder. and enjoys special government allowances, a professor-grade senior engineer, graduated from Northeast Power College with a bachelor's degree in thermal dynamic, China Europe International Business School with a MBA degree and Northeast Power College with a bachelor's degree in thermal engineering doctoral student. Mr. Li is currently the General Manager of Tianjin Jinneng Investment Company. Mr. Li joined Hebei Electric Construction Company in 1983, and subsequently worked as Deputy Head of the Thermal Control Office of Tianjin Power Scientific Institute, Deputy Manager of Tianjin Power Infrastructure Subcontracting Company, Deputy General Manager of Huaneng Yangliuqing Thermal Power Co., Ltd., Deputy General Manager of Tianjin Jinneng Investment Company, and has been General Manager of Tianjin Jinneng Investment Company since 2007. He is now the Party Committee Secretary and general manager of Tianjin Jinneng Investment Company. Mr. Li has been engaged in power corporate management and corporate investment for a long time, and has rich experience in corporate management and investment. Mr. Li became a Director of the Company since July 2007.

HUMAN RESOURCES OVERVIEW

Cao Xin

Non-executive Director

Aged 42, is a doctoral candidate at Renmin University of China with a major in national economics, and is a principal senior economist. Mr. Cao started to work at Hebei Construction Investment Company in July 1992, and has successively served as project manager and assistant to manager of the industrial branch office of Hebei Construction Investment Company, Assistant to Manager and deputy manager of the asset management branch company of Hebei Construction Investment Company, manager of public utilities second department of Hebei Construction Investment Company cum General Manager of Hebei Construction Investment New Energy Co., Ltd., Assistant to General Manager of Hebei Construction Investment Company cum General Manager and Secretary of Party Committee of Hebei Construction Investment New Energy Co., Ltd., a standing member of the Party Committee of Hebei Construction Investment Company and President and Secretary of Party Committee of China Suntien Green Energy Corporation Ltd. (a company listed on the Stock Exchange), Secretary of Party Committee and General Manager of Hebei Construction Investment New Energy Co., Ltd., member of the standing committee of Party Committee of Hebei Construction & Investment Group Co., Ltd. and the Chairman of China Suntien Green Energy Corporation Ltd. He has been serving as member of the standing committee of Party Committee and Vice General Manager of Hebei Construction & Investment Group Co., Ltd. as well as the Chairman of China Suntien Green Energy Corporation since January 2014. He has long been engaged in the management of energy projects and has extensive knowledge and practical experience in energy production and business management. Mr. Cao is currently a director of China Suntien Green Energy Corporation Limited. Mr. Cao was appointed as a Non-executive Director of the Company since 26 June 2013.

Cai Shuwen

Non-executive Director

Aged 51, is a doctoral candidate at Nankai University with a major in global economy, and is a senior engineer. Mr. Cai started to work at a machinery factory in Huiyang, Baoding, in August 1984 and has successively served as Director and Manager of Zhuhai Jintong Plastics Co. Ltd., Associate of Energy Project Office, Energy and Transport Project Division and Energy Branch Company of Hebei Construction Investment Company, Deputy General Manager of Hebei Hanfeng Power Generation Co., Ltd., Deputy General Manager of Energy Business Second Department of Hebei Construction Investment Company cum Deputy General Manager of Hebei Hanfeng Power Generation Co., Ltd., Manager of Energy Business Department of Hebei Construction Investment Company and Chief of Infrastructure Management Department of Hebei Construction & Investment Group Co., Ltd. Since July 2013, he has been serving as General Manager and director of Hebei Construction Investment Energy Investment Co., Ltd. He has long been engaged in electricity production, technology and business management, and has extensive knowledge and practical experience in electricity production and business management. Mr. Cai is currently a Director of Hebei Construction Investment Energy Investment Co., Ltd. (which is listed on Shanghai Stock Exchange). Mr. Cai was appointed as a Non-executive Director of the Company on 26 June 2013.

Liu Haixia

Non-executive Director

Aged 52, graduated from North China Power College majoring in power plant thermal energy. He subsequently pursued a postgraduate degree in Business Administration in Renmin University of China. He is a senior engineer and Vice President of Beijing Energy Investment Holding Company Limited. Mr. Liu joined Beijing Electric Power Company in 1983 and since then took up positions of Technician, Engineer and Assistant to Manager and Deputy Manager. He has been Assistant to President of Beijing International Power Development and Investment Company since 1998. He has been Assistant to President of Beijing Energy Investment (Group) Company Limited since December 2004. He has been Vice President of Beijing Energy Investment (Group) Company Limited since May 2009. With his long-standing involvement in corporate management and planning management of power companies, Mr. Liu has acquired extensive experience in corporate management and industrial planning and investment. Mr. Liu became a Director of the Company since April 2000.

Guan Tiangang

Non-executive Director

Aged 46, graduated from North China Power College majoring in thermal dynamics and received a master degree in Finance from the Renmin University of China. She is a senior engineer and currently the Chief Engineer of Beijing Energy Investment (Group) Company Limited. She started her career in 1990, and had worked as a teacher in Shijingshan Thermal Power Plant Education Centre and as Project Manager of the Investment Department of Beijing International Power Development and Investment Company. She then became the Deputy Manager of the Power Investment and Management Department of Beijing International Power Development and Investment Company and Manager of the Power Generation and Operation Department of Beijing International Power Development and Investment Company. She has become the Manager of the Power Generation and Operation Department of Beijing Energy Investment (Group) Company since December 2004. Since January 2007, she has become the Vice President and the Secretary to the Board of Directors of Beijing Jingneng International Energy Company Limited. She has been the Chief Engineer of Beijing Energy Investment (Group) Company Limited since May 2009. Ms. Guan has long been engaged in the work of power investment operation, and has extensive experience in power investment and finance planning and management. Ms. Guan became a Director of the Company since April 2004.

HUMAN RESOURCES OVERVIEW

Dong Heyi

Independent Non-executive Director

Aged 62, graduated with a bachelor's degree majoring in mechanical manufacturing technology and equipment from the Department of Mechanical Engineering of Northeastern University. Mr. Dong currently serves as Vice President and Secretary General of China National Association of Engineering Consultants. He commenced career in 1982 and has successively worked in the office of the State Economic and Trade Commission, State Planning Commission and National Development and Reform Commission as Chief of the Secretariat, Deputy Director of Office and Inspector. He has long been engaged in national macroeconomic research and management, and has extensive experience in economic management. Mr. Dong became a Director of the Company since July 2013.

Ye Yansheng

Independent Non-executive Director

Aged 62, is a senior economist with postgraduate qualifications. He commenced career in 1970 and has successively served as Deputy General Manager of the Personnel Department, Secretary of Commission for Discipline Inspection and Deputy General Manager of Shandong Electric Power Corporation, as well as Deputy General Manager of North China Power Grid Co., Ltd. and the Party Committee Secretary, Vice President and Vice Editor of State Grid News, the Chairman of labour union of Huabei Dianweiwang Co., Ltd., and the Principal Bureau-level Researcher of North China Power Grid Co., Ltd. He has long been engaged in the management power enterprises and has extensive experience in the management of power enterprises. Mr. Ye became a Director of the Company since July 2013.

Li Hengyuan

Independent Non-executive Director

Aged 70, a senior engineer and currently Vice President of Technology Standards Committee of All-China Environment Federation. Mr. Li started working in Mining and Metallurgical Research Institute of Chinese Academy of Sciences in 1965. He took the office of Head of Environmental Protection Bureau of Zigong City, Sichuan Province and then the Chief Director of the Laws and Regulations Department in the State Environmental Protection Administration. Mr. Li has become a part-time professor and guest professor of Jilin University and a part-time professor of Beijing Normal University since 1994. He has been Deputy Secretary General of All-China Environment Federation since 2004. Mr. Li has long been engaged in environmental protection studies including environment capacity and pollution prevention. He has extensive academic knowledge and years of practical experience in environmental protection. He, through his research results, has won the National Scientific and Technological Progress Award (Second Prize), the Ministerial and Provincial Scientific and Technological Progress Award (Second Prize) and the Ministerial and Provincial Scientific and Technological Progress Award (Third Prize), and has presented a considerable number of academic papers at international academic conferences and in national academic journals. Mr. Li has also participated in drafting various laws, regulations and codes in relation to environmental protection. Mr. Li became a Director of the Company since May 2008.

Zhao Jie

Independent Non-executive Director

Aged 57, holder of a bachelor's degree from Tsinghua University, is currently Deputy General Manager of China Energy Construction Group Corporation. Ms. Zhao joined the North China Electric Power Design Institute after graduating with a bachelor's degree from the Department of Electrical Engineering of Tsinghua University Branch Campus in 1983, and has previously served as Deputy Head, Deputy Chief Design Engineer, Deputy Director, Project Manager, Deputy Chief Engineer and Deputy Dean. Ms. Zhao served as Deputy Dean of the Electric Power Planning and Design Institute in 1998, General Manager of China Power Engineering Consulting Corporation in 1999, and Deputy General Manager of China Power Engineering Consulting Group Corporation in 2003 and Deputy General Manager of China Energy Construction Group Corporation and Dean of its Electric Power Planning and Design Institute. She has long been engaged in electric power design and planning, with extensive experience in electric power design and planning. Ms. Zhao became a Director of the Company since August 2010.

Jiang Guohua

Independent Non-executive Director

Aged 42, graduated from University of California, Berkeley, with a doctorate degree in accountancy, is currently Professor of Accountancy of the Guanghua School of Management at Peking University, as well as a doctoral supervisor, Vice President of Graduate School of Peking University, Executive Director of MPACC Project, Executive Director of the Sixth and Seventh Session of Branch of Financial cost of Accounting Society of China, and Committee Member of Education Committee of Accounting Society of China. Dr. Jiang has long been engaged in theoretical and practice researches in the field of accountancy, and analysis of issues regarding investor protection, corporate governance and the regulation of the stock market. Mr. Jiang became a Director of the Company since August 2010.

Yu Meiping

Chairman of the Supervisory Committee

Female, aged 51, started to work in September 1984. With a bachelor degree, she is a senior economist as well as a senior political officer, and currently a Party Committee Member, Leader of the discipline inspection team and the Chairperson of the labour union of the Company. Ms. Yu started to work in the economic committee of Xi'an Municipal Government in 1984, and has served as a cadre in the economic research centre of Xi'an Municipal Government, the Principal Staff Member of the first supervision bureau of the State's Ministry of Supervision, the Deputy Director of the fourth unit of the first discipline and inspection office and the Director of the corporate guidance division of the first discipline, inspection and supervision office of the Central Commission for Discipline Inspection, the Deputy Chief of the corporate supervision bureau of the CDC and Deputy Director (Person-in-Charge) of the department of corporate supervision (office of discipline and inspection division of the Party Committee) of CDC. Ms. Yu has long been engaged in roles in relation to discipline, inspection and supervision, and has extensive experience in discipline, inspection, supervision and corporate supervision and management. Ms. Yu became a Supervisor of the Company since October 2013.

HUMAN RESOURCES OVERVIEW

Li Baoqing

Member of the Supervisory Committee

Aged 48, is a graduate of public finance studies from the Research Institute for Fiscal Science of the Ministry of Finance, a doctoral candidate, and a senior accountant. Mr. Li started to work at the North China power grid system in 1987, and has successively served as the Deputy Manager cum chief engineer of the Fourth Company of Beijing Coal-fired Power Generation Construction Company, the Deputy Director and Director of the funding division, finance department of North China Power Group Company, the Deputy Director (Person-in-Charge) and Director of the funding and property rights division, finance department of CDC, and Deputy General Manager of China Datang Finance Co., Ltd.. He is currently the Director of the financial management department of CDC cum general manager and Deputy Party Committee Secretary of China Datang Finance Co., Ltd., and the General Manager of China Datang Corporation Capital Holding Co., Ltd.. Mr. Li became a Supervisor of the Company since October 2013.

Zhang Xiaoxu

Vice Chairman of the Supervisory Committee

Aged 50, university graduate, is a senior accountant. He started his career in the First Construction Company of Fushun, Liaoning Province in 1982. He has been the accountant of the First Construction Company of Fushun, Liaoning Province, Chief Accountant and accountant of Liaoning Power Plant; and Deputy Head and Head of Finance Department, Deputy Chief Accountant, Chief Accountant of Liaoning Nenggang Power Generation Co., Ltd.. He is currently Manager of Financial Department of Tianjin Jinneng Investment Company and the Manager of the settlement center of Tianjin Energy Investment Group Co. Ltd.. He has long been engaged in financial management and has extensive practical working experience. Mr. Zhang became a Supervisor of the Company since May 2008.

Guo Hong

Member of the Supervisory Committee

Female, aged 45. She graduated from Tsinghua University majoring in business administration. With a post-graduate master degree, she is a senior economist, and currently an officer of the human resources department of the Company. Ms. Guo Hong started her career in China National Water Resources & Electric Power Materials & Equipment Co., Ltd. in 1991, and has served as Deputy Manager of the development department, Deputy Officer and then officer of the human resources department, Deputy Chief economist of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. and concurrently as the Manager of the Import and Export Company of China National Water Resources & Electric Power Materials & Equipment Co., Ltd.. From May 2007, she acted as the department head of the senior management personnel management office of the human resources department of CDC, and has been an officer of the human resources department of the Company since March 2014. Ms. Guo Hong is familiar with the development and management of human resources in power generation companies and has extensive experience in human resources management in power generation companies. Ms. Guo became a Supervisor of the Company since April 2014.

Wang Guoping

Vice President of the Company

Aged 57, a postgraduate, a senior accountant and currently the Party Secretary and Deputy General Manager of the Company. Mr. Wang once served as Deputy Section Chief of the Finance Office of Electric Power Bureau of Hunan Province; Deputy Chief of Hunan Yiyang Electric Power Bureau; Deputy Director of the Finance Office and Audit Office, Director of the Finance Office and Deputy Chief Accountant of Electric Power Bureau of Hunan Province; Deputy Supervisor of the Audit Department of State Power Corporation of China; Supervisor of the Audit Department, Deputy Chief Auditor cum Supervisor of the Audit Department as well as Chief Auditor cum Supervisor of the Audit Department of CDC. Mr. Wang has long been engaged in the financial management and auditing for power companies, and has extensive experience in financial management and auditing.

Fu Guoqiang

Vice President of the Company

Aged 50, university graduate, is a senior accountant and a Certified Public Accountant. He is currently a member of the Party unit and Deputy General Manager of the Company. He was previously Head of the Finance and Assets Management Department of Hebei Power Company and Manager of the Finance Department of North China Power Generation Corporation. Mr. Fu has been Head of the Finance and Assets Management Department of CDC since December 2003. He has been Deputy General Manager since October 2011. Mr. Fu has long been engaged in finance management in power system and has extensive practical experience in operation and management.

Wei Yuan

Vice President of the Company

Aged 58 and obtained a university degree. He is a senior economist and is now a Party Committee Member and the Vice President of the Company. Mr. Wei started his career in 1970. He has served as Deputy General Manager and General Manager of Tangshan Power Plant; Party Secretary of Dou He Power Plant; General Manager of Qinhuangdao Thermal Power Plant; Deputy Chief Economist and Manager of Planning and Development Department of Beijing Datang Power Generation Co., Ltd.; Party member and Deputy General Manager of Datang International Power Generation Co., Ltd.; General Manager and Deputy Party Secretary of Hunan Branch of CDC and Hunan Huayin Electric Power Company Limited. Mr. Wei has long been involved in production and operation management as well as administrative management of power generation enterprises. He also has extensive experience in operation of power generation.

HUMAN RESOURCES OVERVIEW

Wang Zhenbiao

Vice President of the Company

Aged 49. He is a senior engineer with a post-graduate degree. He is currently the Deputy General Manager of the Company. Mr. Wang joined Beijing Power Construction Company in 1984. He successively held the positions of Deputy Chief and Engineer Director of the Production and Technology Department of North China Power Corporation, and then Chief Engineer of Tuoketuo Power Generation Company. He was Deputy Manager and Manager of the Engineering and Construction Department of the Company since February 2001, and then served as Deputy Chief Engineer of the Company. He has been Chief Engineer of the Company since September 2007, and Deputy General Manager of the Company since March 2009. Mr. Wang has extensive working experience and is familiar with the management of power system infrastructure construction as well as the management of production and technology.

Fu Dong

Vice President of the Company

Aged 46 with a bachelor degree. He is a senior engineer and is now a Party Committee Member and the Vice President of the Company. Mr. Fu started his career in Xia Hua Yuan Power Plant in 1989 and served as Chief Engineer there; Deputy General Manager and Chief Engineer of Panshan Power Generation Company; General Manager of Ningde Power Generation Company; General Manager and Deputy Party Committee Secretary of Datang Fujian branch company; Deputy Director of Planning and Development Department of CDC; the Deputy General Manager (person-in-charge) and Vice Secretary of the Party unit of the Henan branch of CDC and Party Committee Secretary and General Manager of Henan Branch of CDC. Mr. Fu is knowledgeable in operation management of power plants production. He also has extensive experience in corporate production and management.

Wang Xianzhou

Chief Financial Officer of the Company

Aged 59, university graduate. He is a senior accountant and currently the Chief Financial Officer of the Company. Mr. Wang joined North China Power Corporation in 1970 and had held various positions including Head of the Financial Department of Xia Hua Yuan Power Plant and Deputy Chief Accountant and Head of the Financial Division of Zhangjiakou Power Plant. Since 1995, Mr. Wang had held various positions including Deputy Financial Manager and Manager of the Finance Department of North China Power Generation Corporation, Financial Manager and Chief Accountant of the Company. He has been Chief Financial Officer of the Company since August 2000. Mr. Wang has acquired extensive experience in the financial management of power companies from his longstanding focus in this area.

7. RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Due to succession of the Board and work adjustment of some directors, and as considered and approved by general meeting of the Company, Mr. Liu Shunda, Mr. Cao Jingshan, Mr. Li Yanmeng, Mr. Zhao Zunlian, Mr. Ye Yonghui and Mr. Mi Dabin resigned respectively during 2013 and before the date of the Report.

2. Due to work adjustment of some supervisors, and as considered and approved by the general meeting and staff representative meeting of the Company, supervisor Mr. Zhou Xinnong and the staff's representative supervisors Mr. Qiao Xinyi and Mr. Guan Zhenquan resigned respectively during 2013 and before the date of the Report.

3. As considered and agreed by the Board, vice presidents of the Company Mr. Liu Lizhi and Mr. An Hongguang resigned within the reporting period.

4. Biography of the resigned directors, supervisors and senior management are as follows:

   Liu Shunda: Aged 59, a professor-grade senior engineer with a post-graduate degree. He has been a non-executive director and the Chairman of the Company. Mr. Liu ceased to be an non-executive director and The Chairman of the Company due to work adjustment since 1 July 2013.

   Cao Jingshan: Aged 51, holds a doctorate degree, and is a senior economist and a senior engineer. He was appointed as the President of the Company since April 2008, and has been a executive director and the Vice Chairman of the Company. Mr. Cao ceased to be an executive director and Vice Chairman of the Company due to work adjustment on 30 June 2013. Mr. Cao has long been engaged in electricity production, technical and operation management, with extensive knowledge and practical experience in electricity production and operation and management.

   Mi Dabin: Aged 46, holds a master's degree and is a senior engineer. He has been a non-executive director of the Company. Mr. Mi ceased to be a non-executive director of the Company due to succession of the Board since 1 July 2013. Mr. Mi has long been engaged in electricity production, technology and operations management, with a wealth of knowledge and practical experience in electricity production and operations management.

   Ye Yonghui: Aged 62, and has been a non-executive director of the Company. Mr. Ye ceased to be a non-executive director of the Company due to succession of the Board since 1 July 2013. With his long-standing involvement in corporate management and planning management, Mr. Ye has acquired extensive experience in corporate management and industrial planning and investment.

   Li Yanmeng: Aged 69, senior engineer, and has been a non-executive director of the Company. Mr. Li ceased to be a non-executive director of the Company due to succession of the Board since 1 July 2013. Mr. Li has long been engaged in production, management and construction in the power industry, with extensive experience in electricity production, management and construction.

   Zhao Zunlian: Aged 68, a professor-grade senior engineer and a master degree holder in engineering, is a doctoral supervisor. He has been an independent non-executive director of the Company. Mr. Zhao ceased to be an independent non-executive director of the Company due to succession of the Board since 1 July 2013. He has long been engaged in production and management of the power industry, with extensive experience in power generation and management.

   Qiao Xinyi: Aged 61, is university educated and a senior economist. He has been the Head of the Disciplinary Division, Chairman of the Labour Union of the Company and Chairman of the supervisory committee. Mr. Qiao ceased to be the supervisor representing the staff and Chairman of the supervisory committee of the Company due to work adjustment since 18 October 2013. Mr. Qiao has long been engaged in the management of power generation companies and has extensive experience in human resources management and corporate management in power generation companies.

HUMAN RESOURCES OVERVIEW

Zhou Xinnong: Aged 45, university graduate, a senior accountant. He has been a supervisor of the Company. Mr. Zhou ceased to be the supervisor representing the shareholders due to work adjustment since 29 October 2013.

Guan Zhenquan: Aged 49, is university educated and a senior economist. He has been the Director of the Human Resources Department of the Company and a supervisor of the Company. Mr. Guan ceased to be the supervisor representing the staff due to work adjustment since 3 April 2014. Mr. Guan is familiar with the development and management of human resources in power generation companies and has extensive experience in human resources management in power generation companies.

An Hongguang: Aged 55, is a post-graduate and a senior engineer. He has been a member of the Party unit and Vice President of the Company. Mr. An ceased to be the Vice President due to work adjustment since 23 August 2013. Mr. An has been long engaged in power plant production and administration management. He is well experienced in power generation and operation, with specific expertise in production safety management of power plants.

Liu Lizhi: Aged 47, is a senior economist and senior engineer with a post-graduate degree. He has been a member of the Party unit and Vice President of the Company. Mr. Liu ceased to be the Vice President due to work adjustment since 23 August 2013. Mr. Liu is familiar with power system project management, investment and financing management. He has extensive experience in capital operation and corporate management.

The resignations of the abovementioned directors, supervisors and senior management all complied with relevant procedures and regulations of the Stock Exchange.

MANAGEMENT OF INVESTOR RELATIONS

The philosophy of Datang Power's investor relations practice hinges on integrity as the basis and communication as the means. In order to maintain smooth communication with investors, a special office has been set up and staff has been assigned to be responsible for the management of investor relations work, and various channels have been set up to enable investors to establish contact with the Company. During 2013, the Company conducted active and sincere communication with investors at large and analysts by various channels including results presentation, domestic and overseas roadshows, reverse roadshows, investor forums, company visits and telephone conferences as well as through answering enquiry phone calls and replying to emails, of which, the Company met analysts and fund managers 645 man-times through results presentations, domestic, overseas roadshows and reverse roadshows; met analysts and fund managers 175 man-times at investor forums; and met analysts and fund managers 354 man-times through company visits and telephone conferences.

MAJOR INVESTOR RELATIONS ACTIVITIES CONDUCTED IN 2013

Month	Information on Investor Relations Activities	Speaker at the Conference	No. of One-on-one Meeting	No. of People Met
January	Deutsche Bank Access China Conference	No	5	14
	UBS Greater China Conference	No	7	18
March	Annual Results Presentation	Yes	–	140
	Annual Results Domestic Roadshow	No	7	20
	Annual Results Hong Kong Roadshow	No	9	29
April	Company's First Quarter Results Telephone Conference	No	–	83
May	Bank of China International Investors Conference	No	10	14
	CLSA Investors Conference	No	11	13
	Annual Results European Roadshow	No	14	19
	Great Wall Securities' First Quarter Strategic Conference	No	5	8
	Morgan Stanley Investment Forum	No	15	15
June	JP Morgan China Investors Forum	No	12	21
July	Company's Reverse Roadshow to Ningde Nuclear Power Plant	No	–	32
August	Company's Interim Results Domestic Presentation	Yes	–	35
	Company's Interim Results Overseas Presentation	Yes	–	104
	Company's Interim Results Domestic Roadshow	Yes	8	28
	Company's Interim Results Hong Kong Roadshow	No	8	28
September	Nomura China Investment Forum	No	10	15
	Haitong Securities Third Quarter Strategic Conference	No	3	8
	UBS Autumn Strategic Conference	No	7	16
October	Third Quarter Report Telephone Conference	Yes	–	100
November	Bank of America Merrill Lynch China Investment Summit	No	11	26
December	Company's Reverse Roadshow to Chaozhou Thermal Power and Zhangzhou Wind Power Plants	No	–	27
	Haitong Securities Annual Strategic Conference	No	5	7

INVESTOR Q&A

1. What is the Company's view on the trends of nationwide power supply and demand in 2014?

The Chinese economy will continue to maintain a steady growth momentum in 2014. According to forecasts by the China Electricity Council, GDP is expected to grow by 7.5% year-on-year and power consumption across the society to grow by approximately 7% year-on-year. Newly added installed capacity is estimated to be approximately 96 million kilowatts on a nationwide basis in 2014, of which approximately 30 million kilowatts will be generated by coal-fired power plants, and the nationwide installed generating capacity will reach 1.34 billion kilowatts by the end of the year. Utilisation hours of power generation facilities across the country are estimated to be 4,430-4,480 hours in 2014, of which utilisation hours of coal-fired power generation facilities will be over 5,100 hours. There will be a general balance in the overall electricity supply and demand across the country. Annual power generation by the Company is estimated to be at 193.5 billion kWh,

2. What is the Company's estimate for coal contracts to be signed up in 2014?

In 2014, coal prices are expected to decline slightly as a whole and to fluctuate at a low level within a narrow range as compared with 2013. As at 20 March 2014, the Company has signed up long-term agreements for an amount of 21 million tonnes of coal. The total amount of thermal coal under medium-term and long-term agreements to be signed up during the year are anticipated to reach 62.62 million tonnes, an increase of 4.57 million tonnes year-on-year. Compared with 2013, the Company's composition of coal and suppliers has been significantly optimised, with anticipations that the overall level of long-term contract prices will decline as compared with the coal prices under long-term agreements in early 2013, and that the annual average standard coal unit price will fall approximately 5% year-on-year.

3. What progress did the Company make in obtaining approval for its projects in 2013?

During 2013, 20 power generation projects of the Company were officially approved with a total capacity of 4,330 MW.

(1) Coal-fired power (gas turbine) projects: Fuzhou 2 x 1,000 MW thermal power project, Shenzhen Baochang 2 x 467 MW gas-fired thermal power project and Shendong 700 MW thermal power project, being 3,634 MW in total.

(2) Hydropower project: Yunnan Longma hydropower station 45 MW expansion project, being 45 MW in total.

(3) Wind power projects: Hebei Xiqiaoliang phase II 48 MW wind power project; Shanxi Ying County Baimashi phase I 16 x 3MW wind power project; Jiangxi Shaling 49.5 MW wind power project; Hebei Batou phase II 48 MW wind power project; Inner Mongolia Hongmufeng wind power station phase III 49.5 MW project; Inner Mongolia Wulan No. 5 100 MW wind power project; Jiangxi Shitoushan 32.5 MW wind power project; Jiangxi Shenghuashan 26 MW wind power project; and Liaoning Sanshengtun 49.5 MW wind power project, being 451 MW in total.

(4) Photovoltaic projects: Qinghai Gonghe 20 MWp photovoltaic project; Yunnan Binchuan phase I (Laoying Yan) 30 MWp photovoltaic project; Yunnan Binchuan phase II (Baini Gou) 30 MWp photovoltaic project; Inner Mongolia Zhuozi Jiushijiuquan 20 MWp photovoltaic project; Inner Mongolia Hongmu wind and photovoltaic field Phase II 30 MWp photovoltaic project; Xilinhaote Shengli 20 MWp photovoltaic project and Ganzi Huogulong 50 MWp photovoltaic project, being 200 MWp in total.

4. What progress did the Company make in its coal-to-chemical projects in 2013, and what are the work targets for 2014?

The Company made significant progress in the three super-large coal-to-chemical projects under construction in 2013. The progress made in 2013 and the work targets for 2014 are outlined below:

Duolun Coal Polypropylene Project:

All projects were successively transferred to fixed assets during 2013;

During the year, approximately 213,000 tonnes of polypropylene, approximately 68,700 tonnes of BTX aromatics and approximately 47,000 tonnes of LPG were produced;

The work target for 2014 is to achieve an annual output of 300,000 tonnes of polypropylene.

Keqi Coal-based Natural Gas Project:

On 10 December 2013, the Company entered into the Coal-based Natural Gas Sale and Purchase Agreement with a branch marketing company of PetroChina Company Limited in which the term of the contract, volume of natural gas to be supplied and pricing principles were determined;

On 18 December 2013, gas supply to Beijing formally commenced;

"Quality Project Award for Construction in the Chemical Industry" was granted to the first phase of the project by the China National Association of Chemical Construction Enterprises;

The work target for 2014 is to achieve an annual output of 1 billion cubic metres of natural gas.

Fuxin Coal-based Natural Gas Project:

During 2013, equipment installation was completed at the power, air separation, methanation and sulfur recovery zones;

Equipment installation was almost completed at the gasification, purification, public works and other zones;

The work target for 2014 is to commence production by a series of facilities during the year.

5. What are the Company's capital expenditure plans and structures for 2013 and 2014?

The capital expenditure on a consolidated basis actually incurred in 2013 was approximately RMB27,759 million, and the capital expenditure on a consolidated basis to be incurred in 2014 is expected to be approximately RMB22,174 million. Details of the structure are set out in the table below.

Table showing the percentages of capital expenditure of the Company by business sector for 2013-2014:

Investment Sector	Proportion in 2013	Proportion in 2014
Company's total (on a consolidated basis)	100%	100%
Coal-fired	24.02%	31.34%
Hydropower	29.59%	33.67%
Wind power and solar power	6.04%	9.90%
Coal	7.39%	2.79%
Coal-to-chemical	31.53%	21.81%
Others	1.41%	0.45%

CORPORATE GOVERNANCE REPORT

The Company was incorporated in December 1994. Its H shares were listed in both Hong Kong and London in March 1997, while its A shares were listed on the Shanghai Stock Exchange in December 2006. Since its incorporation, the Company has established a standardised and sound corporate governance structure under the "Company Law", "Securities Law" and the Articles of Association of the Company ("Articles of Association"). Shareholders' general meeting is the highest authority of the Company; the Board is the business decision-making body of the Company; and the Supervisory Committee is the supervisory body of the Company. The Board and the Supervisory Committee are accountable to shareholders' general meetings and execute the resolutions made at shareholders' general meetings. The management is specifically responsible for conducting day-to-day production and business activities of the Company, and implementing the decision schemes of the Board. Over the years, the shareholders' general meetings, the Board, the Supervisory Committee and the management have been operating according to the laws and protecting the interests of shareholders, having received high recognition from the capital market.

ABIDE BY CONVENTIONAL CORPORATE GOVERNANCE CODE

In 2013, the actual situation of corporate governance of the Company did not deviate substantially from the rules and requirements under the China Securities Regulatory Commission (the "CSRC") and relevant regulatory authorities. None of the Company, the Board or the directors of the Company was subject to the inspection, administrative punishment or criticism by means of circular by the CSRC, nor were they penalised by any other regulators or reprimanded by any other stock exchanges.

The Company has been in full compliance with all the code provisions under the Corporate Governance Code (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for the period from 1 January 2013 to 31 December 2013, with the exception of the following:

During the year, the legal action which the directors may face is covered in the internal risk management and control of the Company. As the Company considers that no additional risk exists, insurance arrangements for directors have not been made as required under code provision A.1.8 of the Code.

During the year, the Nomination Committee, the Remuneration and Appraisal Committee as well as the Audit Committee set up by the Company carried out their work in accordance with their respective terms of reference. Their terms of reference have covered the responsibilities to be performed as required by the code provisions A.5.2, B.1.2 and C.3.3 of the Code. The only discrepancies existed were the expressions or sequence between such terms of reference and the afore-said code provisions.

The Company places great importance in fulfilling its corporate responsibilities. The directors and the staff of the Company are fully dedicated to discharging their duties in ways to ensure that the Company is operating in compliance with the principle of maintaining fairness and impartiality as well as safeguarding the interests of all shareholders.

CORPORATE GOVERNANCE ORGANISATION AND ITS OPERATION

1. Shareholders and Shareholders' General Meeting

For years, apart from committing itself to the operation and expansion of its businesses in order to attain appropriate returns for shareholders, the Company also provides details on the Company's operations management and relevant information to shareholders in a timely and accurate manner through a variety of channels and methods, including: convening and holding shareholders' general meetings in strict compliance with the Articles of Association, the Listing Rules and relevant regulations stipulated by the Securities and Futures Commission (the "SFC"), and timely announcing relevant information to shareholders on an irregular basis according to the requirements of the Listing Rules. During the year, the Company held a total of five shareholders' general meetings and a professional lawyer was invited to each shareholders' general meeting as a witness to ensure all shareholders were treated equally and exercised their rights adequately.

The following matters were considered at the shareholders' general meetings of the Company in 2013:

(1) work reports of the Board and the Supervisory Committee of the Company;

(2) final accounts;

(3) profit distribution plan for 2012 which approved cash dividends of RMB0.10/share to the shareholders recorded on the register of members as of 8 August 2013;

(4) changes in directors of the Company – Mr. Chen Jinhang, Mr. Hu Shengmu, Mr. Cao Jingshan, Mr. Fang Qinghai, Mr. Zhou Gang, Mr. Liu Haixia, Ms. Guan Tiangang, Mr. Cao Xin, Mr. Cai Shuwen, and Mr. Li Gengsheng are non-independent directors for the eighth session of the Board. Mr. Dong Heyi, Mr. Ye Yansheng, Mr. Li Hengyuan, Ms. Zhao Jie and Mr. Jiang Guohua are the independent non-executive directors for the eighth session of the Board. They will serve as a director of the eighth session of the Board from 1 July 2013 until 30 June 2016;

(5) changes in the members of the Company's supervisory committee, members include: Ms. Yu Meiping, Mr. Zhang Xiaoxu, Mr. Li Baoqing, and Mr. Guan Zhenquan. They will serve until 30 June 2016;

(6) the provision of guarantees to several subsidiaries of the Company based on its actual needs for the construction of certain major projects;

(7) certain connected transactions approved by independent shareholders in relation to the Company's provision of entrusted loans to connected parties and the deployment of the sale of coal business;

(8) granted a mandate to the Board to determine the issuance of new shares of not more than 20% of each class of shares.

For details about the resolutions passed at shareholders' general meetings in 2013, please refer to the announcements on such resolutions made at previous shareholders' general meetings published by the Company on the Hong Kong Stock Exchange's website.

In 2013, the Company placed particular emphasis on shareholders' relations, specifically to maintain communication with shareholders relationship through various channels to facilitate mutual understanding between the Company and its shareholders. In particular, the Company established a division to assign designated staff to receive visitors, making its contact numbers available to the public, to answer telephone enquiries at any time. In addition, the Company's website was set up to provide updates and past results of the Company, as well as an organisational map of the Company's management, so as to facilitate a comprehensive understanding of the Company by its shareholders and investors.

For details about the Company's communication with shareholders and investors in 2013, please refer to the "Management of Investor Relations" section of this Annual Report.

2. Directors and the Board

The Company has established a Board whose members come from diverse backgrounds. The Board members possess remarkable professional characteristics. In the overall composition of the Board, the knowledge mix and the area of expertise of each of the directors are both specialised and complementary, thus ensuring the Board makes decisions in a scientific manner. Pursuant to the Articles of Association, the Board currently comprises 15 members, including five independent non-executive directors (i.e. independent directors). The respective non-executive directors have extensive experiences in various areas such as macroeconomic management, power industry management and financial accounting management, thus ensuring the Company makes major decisions in an effective and scientific way.

As at the date of this report, the members of the Board of Directors are:

Chen Jinhang (Chairman), Hu Shengmu, Wu Jing (Vice Chairman), Fang Qinghai, Zhou Gang, Li Gengsheng, Cao Xin, Cai Shuwen, Liu Haixia, Guan Tiangang, Dong Heyi*, Ye Yansheng*, Li Hengyuan*, Zhao Jie*, Jiang Guohua* (* Independent Directors)

The directors fully understood their responsibilities, powers and obligations, and managed to discharge their duties with truthfulness, integrity and diligence. In order to enhance the decision-making mechanism, increase the scientific nature of decision-making and improve the quality of substantial decisions, the Board has established four specialised committees, namely the Nomination Committee, Audit Committee, Strategic Development and Risk Control Committee and the Remuneration and Appraisal Committee, with detailed work rules devised for the respective committees. The conveners of the four specialised committees are independent directors. In particular, independent directors make up a majority in the Nomination Committee, Audit Committee and the Remuneration and Appraisal Committee.

CORPORATE GOVERNANCE REPORT

The Board formulated the "Rules of Proceedings for Board Meetings", which clarify the matters to be decided by the Board as well as the terms of reference and the rules of proceedings for the Board. During the year, the Board held 11 meetings. The convening and voting procedures of the meetings were in compliance with the requirements under the Articles of Association and the "Rules of Proceedings for Board Meetings". Major particulars of the resolutions made at the previous Board meetings include:

(1) consideration of matters related to the operating results of the Company, which primarily include:

- the annual budget and final accounting plans, and the annual profit distribution plan of the Company
- 2012 annual results announcement, half-year and quarterly results announcement for 2013 of the Company
- 2012 Social Responsibility Report of the Company
- 2012 Internal Control Report of the Company, etc

(2) consideration of investment and financing plans, which primarily include:

- Investment in the construction of the Baochang gas thermal power expansion project (in which the Company owned a controlling interest) of Guangdong Datang International, and equity investment in the construction of the Tibet Wangpai hydropower project
- Capital injection for some wholly-owned subsidiaries (mainly wind power companies) of the Company
- Investment in the construction of the Meishan well-field project (in which the Company owned a controlling interest) at the Jianjia mine area in Jiangxi, and capital increase for Xiduo Railway Company (in which the Company had an equity investment) in proportion to shareholding
- Equity investment in establishing China Datang Corporation Nuclear Power Co., Ltd., capital increase for CNNC Liaoning Nuclear Power Co., Ltd. ("Liaoning Nuclear Power", in which the Company had an equity investment) in proportion to shareholding and joint acquisition of a 10% equity interest in Liaoning Nuclear Power
- corporate bonds, private placement notes, super short-term debentures, etc.

(3) consideration of the guarantee and entrusted loan plans, which primarily include:

- the provision of a guarantee for the financing of certain companies controlled or invested by the Company
- the provision of entrusted loans to certain subsidiaries of the Company or invested by the Company, etc

(4) consideration of connected transactions, which primarily include:

- Coal sale and purchase, coal transportation as well as equipment overhauling and maintenance between the subsidiaries of the Company
- Coal sale and purchase between some subsidiaries of the Company and some subsidiaries of CDC
- The commissioning by the Company a subsidiary of CDC to carry out centralised procurement of production materials and construction materials, etc.
- The Company or its subsidiary entered into a contract for invitation of tenders for a technical transformation project and a contract for general contracting, procurement with certain subsidiaries (China Datang Environmental Technology Company Limited, China Datang Technologies & Engineering Company Limited, and China National Water Resources & Electric Power Materials & Equipment Co., Ltd.) of CDC respectively
- Transfer of land use rights and projects under construction for the Jinyiyuan (quadrangle courtyard) Project at the Financial Street in Beijing
- Entry into a financial services agreement with China Datang Finance Co., Ltd.

- Entry into a leasing business cooperation agreement with Datang Financial Leasing Co., Ltd. for conducting the financial leasing business for the enterprises under the Company, etc.

(5) consideration of the relevant documents in relation to the improvement in corporate governance system and organisation, which primarily include:

- Revised the registered capital of the Company
- Amended the Articles of Association, dividend distribution policy and Approval Certificate for Foreign Investment Enterprise
- Changed the members of the special committees under the Board in line with the changes in the composition of the membership of the eighth session of the Board, etc.

(6) changes in the composition of the Board and the supervisory committee:

- Appointed Mr. Wu Jing as General Manager of the Company and Mr. Wang Guoping, Mr. Wei Yuan and Mr. Fu Dong as Deputy General Managers of the Company
- Submitted the proposal for appointment of Mr. Li Baoqing as shareholder representative supervisor for shareholders' consideration and approval at the general meeting
- Ms. Yu Meiping was approved as the Employee Representative at the employee's general assembly

(7) The engagement of the Company's accountant for 2013:

- Engaged Ruihua Certified Public Accountants (Special General Partnership) and RSM Nelson Wheeler Certified Public Accountants as auditors for 2013
- Engaged Ruihua Certified Public Accountants (Special General Partnership) as auditors for the 2013 internal controls

In 2013, all Directors attended all the meetings either in person or by authorising proxies to attend the meetings on their behalf. 11 Board meetings were held in 2013, of which 6 were on-site meetings and 5 were meetings held through various means of communication.

Executive Directors	**Attendance (%)**	**Attendance in person (%)**
Wu Jing (Vice Chairman)	–	–
Cao Jingshan* (Vice Chairman)	100	73
Zhou Gang	100	100

Non-executive Directors	**Attendance (%)**	**Attendance in person (%)**
Chen Jinhang* (Chairman)	100	100
Liu Shunda* (Chairman)	100	67
Hu Shengmu	100	91
Fang Qinghai	100	100
Li Gengsheng	100	91
Cao Xin*	100	100
Cai Shuwen*	100	100
Mi Dabin*	100	100
Ye Yonghui*	100	100
Liu Haixia	100	82
Guan Tiangang	100	91

Independent Non-executive Directors	**Attendance (%)**	**Attendance in person (%)**
Li Yanmeng*	100	100
Zhao Zunlian*	100	83
Dong Heyi*	100	100
Ye Yansheng*	100	100
Li Hengyuan	100	100
Zhao Jie	100	100
Jiang Guohua	100	91

* Mr. Chen Jinhang, Mr. Cao Xin, Mr. Cai Shuwen were elected as the Company's Non-executive Directors as resolved at the general meeting since 1 July 2013. Mr. Liu Shunda, Mr. Mi Dabin, Mr. Ye Yonghui no longer assumed the Non-executive Director position of the Company as of 1 July 2013. Mr. Dong Heyi, Mr. Ye Yansheng were elected as the Company's Independent Non-Executive Directors as resolved at the general meeting since 1 July 2013. Mr. Li Yanmeng and Mr. Zhao Zunlian no longer assumed the Independent Non-executive Director position of the Company as of 1 July 2013.

* Mr. Wu Jing was appointed as the Company's Executive Director and Vice Chairman of the Board since 24 January 2014.

* Mr. Cao Jingshan no longer assumed the position as an Executive Director and Vice Chairman of the Board since 24 January 2014.

CORPORATE GOVERNANCE REPORT

3. Supervisors and the Supervisory Committee

Pursuant to the Articles of Association, the Company's Supervisory Committee comprises four members, of whom two are supervisors representing the staff. The membership and composition of the Supervisory Committee comply with the requirements of the laws and regulations. Supervisory Committee members shall exercise their supervisory duty as mandated by the laws, regulations, the Articles of Association and the rights granted by the shareholders' general meeting, and shall be accountable to the shareholders' general meeting in order to ensure that shareholders' interests, the Company's interests and the staff's lawful interests are not violated. During the year, the Supervisory Committee held seven meetings and attended all Board meetings and Audit Committee meetings. Through various channels and methods, the Supervisory Committee carried out regular inspections on the Company's finances and substantial matters, as well as supervising the lawfulness and compliance of the Directors, the President and other management members in discharging their duties.

As at the date of this report, the members of the Supervisory Committee are:

Yu Meiping (Chairman of the Supervisory Committee), Zhang Xiaoxu (Vice-Chairman of the Supervisory Committee), Li Baoqing, and Guo Hong.

Shareholders' Representative	Attendance (%)	Attendance in person (%)
Zhang Xiaoxu (Vice-Chairman of the Supervisory Committee)	100	86
Li Baoqing*	100	100
Zhou Xinnong*	100	71

Employee's Representative	Attendance (%)	Attendance in person (%)
Yu Meiping* (Chairman of the Supervisory Committee)	100	100
Qiao Xinyi* (Chairman of the Supervisory Committee)	100	100
Guan Zhenquan*	100	100
Guo Hong*	–	–

* Mr. Li Baoqing was elected as Shareholder's Representative supervisor as resolved at the general meeting since 29 October 2013. Mr. Zhou Xinnong no longer assumed as the Shareholder's Representative supervisor as of 29 October 2013. Ms. Yu Meiping was approved as the employee representative at the Fifth Employee Representative Third Group Congress Leader supervisor (Enlarged) Meeting at 18 October 2013. Mr. Qiao Xinyi no longer assumed as the employee representative supervisor as of 18 October 2013.

* Ms. Guo Hong was appointed as the supervisor of the Supervisory Committee since 3 April 2014.

* Mr. Guan Zhenquan no longer assumed as the supervisor of the Supervisory Committee since 3 April 2014.

4. Non-executive Directors and Independent Non-executive Directors

The Company has a total of 13 non-executive directors, of whom five are independent non-executive directors. According to the Articles of Association, the term of service of each of the directors (including non-executive directors) shall not exceed three years, and the directors are eligible for re-election and reappointment upon the expiry of their terms of service. Any new director shall take office only after being elected and approved at a shareholders' general meeting. The consecutive term of service of each of the independent non-executive directors (i.e. Independent Directors) shall not exceed six years.

Pursuant to the rules of the CSRC, the Company has formulated a "Work System for Independent Directors" and an "Annual Report Work System for Independent Directors" to govern a number of areas such as the requirements and procedures for Independent Directors, the principles of the exercise of their functions and powers, the rights to which they are entitled and their corresponding responsibilities and obligations. The systems contain explicit rules specifying the duties, responsibilities and other aspects of Independent Directors during the preparation and review of the Company's annual reports.

The Independent Directors of the Company discharged the relevant duties faithfully with integrity and diligence towards the Company and all shareholders (especially small and medium shareholders). During the year, the Independent Directors proactively attended the shareholders' general meetings, Board meetings and relevant meetings of the specialised committees; discharged their duties conscientiously; offered positive recommendations on the business development and operational management of the Company making full use of their expertise and experience in financial, corporate management and other aspects; and conducted cautious review and presented independent opinions on the material connected transactions, external guarantees and other matters of the Company. During the preparation of the 2013 Annual Report, the Independent Directors played an active role in the Company as they listened to and inspected carefully details of the Company's annual production and operations in strict compliance with the requirements of the securities regulatory authorities and the "Annual Report Work System for Independent Directors"; maintained communication with the accountants for the annual audit to acquire a comprehensive understanding of the Company's annual audit arrangements and process; and carried out supervision and inspection duties.

5. Chairman and Chief Executive Officer (President)

The positions of Chairman (chairman of the Board) and President of the Company are held by two different person. As at the date of this annual report, Mr. Chen Jinhang and Mr. Wu Jing are the Chairman and President of the Company, respectively. The power of the Chairman and the President is expressly provided in the Articles of Association. The main duties of the Chairman include presiding over the shareholders' general meetings, convening and presiding over Board meetings and reviewing the status of the implementation of the Board's resolutions. The main duties of the President include: (1) to take charge of the production and operation management of the Company, and coordinate the implementation of the Board resolutions; (2) to coordinate the implementation of the Company's annual operation plans and investment proposals; (3) to formulate the plan for establishing the Company's internal management institutions; (4) to lay down the Company's fundamental management system; (5) to formulate the fundamental constitution of the Company; (6) to propose the appointments or dismissals of the Vice President and the person in charge of finance; and (7) to appoint or dismiss other officers who are not appointed or dismissed by the Board.

Pursuant to the Articles of Association, the general manager of the Company shall draft a special "Work Report of General Manager" on details of the implementation of the Board resolutions and the operation of the Company, and shall present the same to the Board for consideration; the Chairman (Chairman of the Board) shall draft a special "Work Report of the Board" on behalf of the Board regarding the details of the Board's work and present it to the Company's annual general meeting for consideration.

Training of Directors

As stipulated by the Listing Rules, directors are required to acquaint their respective responsibilities. In order to provide better assistance to directors for discharging their duties, the Company will, pursuant to the requirements of the regulators, actively arrange directors to participate in various training programmes such as the business of a listed company and corporate governance. Moreover, the Company will provide the directors with written information on specific policies and regulations issued by the regulators so as to enable them to comprehend relevant laws, regulations and policies instantly during the process of discharging their respective duties, thereby assisting the directors to better set the Company's production and business objectives. After the newly appointed directors assume the position, the Company will provide them written information which covers laws, regulations and other details related to the director's duties to enable them to clearly acquaint their duties as required by laws and regulations, and to discharge related duties accordingly. Directors will be invited to conduct on-site inspections on the Company's projects in response to the Company's development, and to make reasonable suggestions and comments to the Company based on their respective areas of expertise.

Details of the training attended by the directors in 2013 are set out below:

Director	Position	Participation of Training Types	Training Type
Chen Jinhang*	Chairman	A, B, C, D	A. Training provided by regulators
Liu Shunda*	Chairman	A, B, C, D	B. Attending seminars/forums
Hu Shengmu	Director	A, B, C, D	C. Reading economic, financial and business articles, as well as articles and information related to the duties of a director and the Company
Cao Jingshan	Director	A, B, C, D	
Fang Qinghai	Director	A, B, C, D	D. Conduction on-site inspections on the Company's business
Zhou Gang	Director	A, B, C, D	
Li Gengsheng	Director	A, B, C, D	
Cao Xin*	Director	A, B, C	
Cai Shuwen*	Director	A, B, C	
Mi Dabin*	Director	A, B, C	
Ye Yonghui*	Director	A, B, C	
Liu Haixia	Director	A, B, C	
Guan Tiangang	Director	A, B, C	
Dong Heyi*	Independent Director	A, B, C, D	
Ye Yansheng*	Independent Director	A, B, C, D	
Li Yanmeng*	Independent Director	B, C, D	
Zhao Zunlian*	Independent Director	B, C, D	
Li Hengyuan	Independent Director	B, C, D	
Zhao Jie	Independent Director	B, C, D	
Jiang Guohua	Independent Director	B, C, D	

CORPORATE GOVERNANCE REPORT

* Due to the change in the session of the Board, Mr. Liu Shunda, Mr. Mi Dabing, Mr. Ye Yonghui, Mr. Li Yanmeng and Mr. Zhao Zunlian no longer assumed the director position of the Company as of 1 July 2013 as resolved at the general meeting. Mr. Chen Jinhang, Mr. Cao Xin, Mr. Cai Shuwen, Mr. Dong Heyi and Mr. Ye Yansheng were elected as the Company's directors since 1 July 2013.

REMUNERATION OF SENIOR MANAGEMENT

As of 31 December 2013, the annual remuneration of the Company's senior management (excluding directors and supervisors) by band are as follows:

RMB0 to RMB700,000	3 persons
RMB700,001 to RMB800,000	3 persons
RMB800,001 to RMB900,000	3 persons

Details of remuneration of directors, supervisors and senior management are set out in note 13 to the Consolidated Financial Statements on page 125 to page 127.

DUTIES AND OPERATION OF SPECIALISED COMMITTEES UNDER THE BOARD

1. Strategic Development and Risk Control Committee

(1) **Composition:** The Board establishes the Strategic Development and Risk Control Committee, which consists of eight directors, three of whom are Independent Directors. The Committee has a convener to be selected and appointed by the Board. The convener is an Independent Director of the Company who is in charge of the work of the Committee.

As of the date of this report, the members of the Committee are:

Convener: Dong Heyi (Independent Director)

Members: Ye Yansheng (Independent Director), Zhao Jie (Independent Director), Wu Jing, Fang Qinghai, Liu Haixia, Li Gengsheng, Cao Xin

(2) **Rules of Proceedings:** The Committee convenes a meeting at least once every year and holds irregular meetings based on the needs of work. Committee meetings can be held as on-site meetings or through other means of communication (including teleconference, facsimile, etc.).

(3) **Major Duties:**

(i) to conduct research and make recommendations on the Company's long-term strategic development plan;

(ii) to conduct research and make recommendations on major investment and financing plans which are subject to the Board's approval as according to the Articles of Association;

(iii) to conduct research and make recommendations on major capital operations and asset management projects which are subject to the Board's approval as according to the Articles of Association;

(iv) to conduct research and make recommendations on other significant matters that may have an impact on the development of the Company;

(v) to conduct prior risk assessments and discussions on matters set out in (i) to (iv) above, and recommend corresponding control and preventive measures;

(vi) to conduct risk assessment and make recommendations on the sectors or industries in which Company intends to operate;

(vii) to inspect the execution of the above matters, and to conduct follow-up research on the risk factors that may exist or occur during the execution process, and to make recommendations accordingly;

(viii) the Committee is accountable to the Board. Any proposals made by the Committee shall be submitted to the Board for consideration and decision.

(4) **Meetings:**

In 2013, a meeting was held to consider "The Accomplishment of the Company's "Twelfth Five-Year" Development Plan and Report on the Development Strategy for the Year".

Committee Members	Attendance (%)
*Li Yanmeng (Convener and Independent Director)	100
Zhao Zunlian* (Independent Director)	0
Cao Jingshan*	100
Fang Qinghai	100
Liu Haixia	100
Li Gengsheng	100
Mi Dabin*	100
Zhao Jie (Independent Director)	100
Dong Heyi* (Independent Director)	/
Ye Yansheng* (Independent Director)	/
Wu Jing	/
Cao Xin*	/

* Zhao Zunlian, Independent Director, did not attend the meeting due to business engagement.

* Members of the Committee were changed in 2013, among which Directors as Dong Heyi, Ye Yansheng and Cao Xin, assumed the position of the committee members on 1 July 2013, while Director Wu Jing assumed the position of a committee member on 24 January 2014.

* Directors Li Yanmeng, Zhao Zunlian and Mi Dabin will no longer assume as the members of the Committee as of 1 July 2013 due to the adjustment of the members of the committee. Mr. Cao Jingshan will no longer assume as the member of the committee as of 24 January 2014 due to the adjustment of the work.

2. Nomination Committee

(1) **Composition:** The Board establishes a Nomination Committee comprising five directors, which Independent Directors make up more than half of the membership. The Committee has a convener selected and appointed by the Board. The convener is an Independent Director of the Company who is in charge of the work of the Committee.

As of the date of this report, the members of the Committee are:

Convener: Zhao Jie (Independent Director)

Members: Li Hengyuan (Independent Director), Jiang Guohua (Independent Director), Hu Shengmu, and Zhou Gang

(2) **Rules of Proceedings:** The Committee shall convene at least one meeting each year and hold irregular meetings based on work requirements. Committee meetings may be convened by way of on-site meetings or through other means of communication (including teleconference, facsimile, etc).

(3) **Major Duties:**

(i) to make recommendations to the Board with respect to the scale, constitution and composition (including skills, knowledge and experience) of the Board based on the of operating activities, asset scale and shareholding structure of the Company;

(ii) to examine the selection criteria and procedures of directors and managers and to make recommendations to the Board;

(iii) to identify broadly candidates suitably qualified to become directors and managers;

(iv) to investigate the candidates of directors and managers and other senior management staff, and to make recommendations;

(v) to assess the independence of Independent Directors;

(vi) to execute other matters as authorised by the Board.

(4) **Meetings:** Four meetings were held during 2013, at which elections on a new session of the Board and changes to the general manager and deputy general managers of the Company were considered, resolutions were formed ultimately and it was agreed to submit the same to the Board for consideration and approval.

Committee Members	Attendance (%)
Zhao Jie (Convener and Independent Director)	100
Li Hengyuan (Independent Director)	100
Jiang Guohua (Independent Director)	100
Hu Shengmu	100
Zhou Gang	100

CORPORATE GOVERNANCE REPORT

(5) **Policy for the diversification of Board membership:**

Since an appropriate balance in the diversification of skills, experience and specialisation of the members of the Board, will be conducive to enhancing the effective functioning of the Board and to maintaining high standards of corporate governance, the Nomination Committee therefore adopted a board diversity policy during the shortlisting of qualified directors' candidates.

Particulars of the policy: candidates for directors shall be shortlisted on the basis of diversification, with reference to the Company's business model and specific requirements, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and service term.

Supervision and responsibility: the Nomination Committee shall hold discussions on the structure, size and composition of the Board annually and propose improvement recommendations to the Board based on the actual situation of the Company. The Nomination Committee is responsible for the review of the measurable objectives adopted for implementing the board diversity policy and the progress on achieving the objectives.

The Board shall hold discussions on the policy and revise the policy when necessary in accordance with the relevant rules, and disclose its policy or policy summary in the annual Corporate Governance Report of the Company.

3. Audit Committee

(1) **Composition:** The Board establishes an Audit Committee that currently comprises five directors, among which, Independent Directors made up more than half of the membership. The Committee has a convener selected and appointed by the Board. The convener is an Independent Director of the Company who is in charge of the Committee's work.

As at the date of this report, the members of the Committee are:

Convener: Jiang Guohua (Independent Director)

Members: Li Hengyuan (Independent Director), Ye Yansheng (Independent Director), Guan Tiangang, Cai Shuwen

(2) **Rules of Proceedings:** The Committee shall convene at least one meeting each year and hold irregular meetings according to work requirements. Committee meetings may be convened by way of on-site meetings or through other means of communication (including teleconference, facsimile, etc).

(3) **Major Duties:**

(i) to be accountable to the Board; the proposals of the Committee shall be submitted to the Board for consideration and approval;

(ii) to make recommendations on the appointment and replacement of external audit firms;

(iii) to supervise the Company's internal audit system and its implementation;

(iv) to be responsible for the communication between internal and external auditors;

(v) to review the Company's financial information and its disclosures;

(vi) to complement with the Supervisory Committee and the supervisors in reviewing the Company's financial matters;

(vii) to review the establishment of the comprehensive internal control system;

(viii) to review the "Internal Control Evaluation Report" and the "Internal Control Assessment Report";

(ix) to inspect the completeness of the establishment of the comprehensive internal control system;

(x) to coordinate the audit of the internal controls and other related matters.

(4) **Meetings:** The Audit Committee held three meetings in 2013 to review the Company's 2012 annual results and 2013 interim results announcement. Review of the Company's internal control system work was conducted and the Company's change of auditors was considered.

Committee Members	Attendance (%)
Jiang Guohua* (Convener and Independent Director)	67
Li Hengyuan (Independent Director)	100
Zhao Jie (Independent Director)	100
Guan Tiangang	100
Ye Yonghui	100
Ye Yansheng* (Independent Director)	100
Cai Shuwen*	100

* Jiang Guohua, Independent Director, did not attend the second meeting of Supervisory Committee in 2013 due to business engagement.

* Members of the Committee were adjusted in 2013, among which Directors Ye Yansheng and Cai Shuwen, assumed the position of the Committee members, while Directors Zhao Jie, Ye Yonghui ceased to assume the position of Committee Members after the first meeting was held.

4. Remuneration and Appraisal Committee

(1) **Composition:** The Board has established a Remuneration and Appraisal Committee that comprises five directors, among which, Independent Directors made up more than half of the membership. The Committee has a convener selected and appointed by the Board. The convener is an Independent Director of the Company who is in charge of the work of the Committee.

As at the date of this report, the members of the Committee are:

Convener: Zhao Jie (Independent Director)

Members: Li Hengyuan (Independent Director), Jiang Guohua (Independent Director), Hu Shengmu, Zhou Gang

(2) **Rules of Proceedings:** The Committee shall convene at least one meeting each year and hold irregular meetings according to work requirements. Committee meetings may be convened by way of on-site meetings or through other means of communications (including teleconference, facsimile, etc).

(3) **Major Duties:**

(i) to be accountable to the Board;

(ii) proposals of the Committee shall be submitted to the Board for consideration and approval; to make remuneration plan or proposal according to the major scopes of work, duties and significance of the directors, supervisors and senior management positions as well as the remuneration levels of comparable positions in other comparable companies; remuneration plan or proposal include but not limited to performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty plans and systems;

(iii) to review the fulfillment of the responsibilities of the Company's directors, supervisors and senior management and to conduct annual performance appraisal thereon;

(iv) to supervise the implementation of the remuneration system of the Company's directors, supervisors and senior management;

(v) to execute other matters as authorised by the Board.

(4) **Meetings:** A meeting was held in 2013 to review the level of remuneration for the Company's executive directors and members of the senior management for 2012 and the plan of the level of remuneration for 2013.

Committee Members	Attendance (%)
Zhao Jie (Convener and Independent Director)	100
Li Hengyuan (Independent Director)	100
Jiang Guohua (Independent Director)	100
Hu Shengmu	100
Zhou Gang	100

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE RESPONSIBILITIES

The Board is responsible for establishing and facilitating the implementation of corporate governance functions and for ensuring that the established effective management structure continues to improve the relevant corporate governance requirements under the changing operating environment as well as relevant rules and regulations.

The duties of the Board in corporate governance primarily include:

- to formulate and inspect the Company's corporate governance policies and practices, and make recommendations;
- to organise and inspect the training of directors and senior management;
- to supervise and monitor the Company's compliance with policies and practices under laws, regulations and regulatory requirements;
- to formulate, inspect and monitor the compliance of conduct code by the employees and directors of the Company;
- to inspect the Company's compliance with the Corporate Governance Code in Appendix 14 of the Listing Rules and the Company's disclosures in the "Corporate Governance Report".

In the report and in the previous years, the Company has compiled and published certain regulations or documents related to the corporate governance policies and practices. These regulations or documents primarily include:

- the Terms of Reference of the Board
- Rules of Proceeding for the Board, Supervisory Committee and Shareholders' General Meetings
- the Duties and Operation of Specialised Committee under the Board
- Work System for Independent Directors
- the Terms of Reference of General Manager
- Information Disclosure System
- Registration System for Informed Parties with Access to Insider Information
- Management System for Connected Transactions
- Management System for Investor Relations
- Management system governing the changes in the Company's shares held by directors, supervisors and senior management
- the Policy of Shareholder communications
- Procedures for the nomination of candidates for directors, etc.

The Audit Committee of the Board has been delegated the corporate governance functions by the Board to supervise and facilitate the Company's compliance with the internal corporate governance code. A specialised office has been set up within the Company to assist the Audit Committee to review the Company's corporate governance structure on an ongoing basis and advise on the latest requirements of corporate governance and day-to-day operation of the Company's corporate governance office. The 2013 Internal Control Evaluation Report compiled by the Company pursuant to the requirements of the Chinese domestic regulators has been examined by the Audit Committee, considered by the Board and audited by the accountants. For more details, please refer to the "Establishment of the Company's Internal Control System" section.

ESTABLISHMENT OF THE COMPANY'S INTERNAL CONTROL SYSTEM

Improving and effectively implementing the internal control is an ongoing responsibility of the Board and the management of the Company. The objectives of the Company's internal control are to provide reasonable assurances that the Company's operations management is lawful and compliant, the assets are safe, the financial statements and related information are truthful and complete, and operational efficiency and effectiveness are enhanced, thereby promoting the achievement of the development strategy of the Company. Since its incorporation, the Company has been continuously building and improving the risk management- oriented internal control system to safeguard its sustainable, rapid, healthy, stable and orderly development, and to protect the interests of its shareholders pursuant to the requirements of the "Company Law of the People's Republic of China", the "Law of the People's Republic of China on Securities", the "Governance Standards for Listed Companies", the "Basic Standards for Enterprise Internal Control", the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange", and "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" as well as other relevant laws, regulations, rules and normative documents, and in line with any changes in the internal and external environments.

The Board has conducted an assessment of the internal control pursuant to the requirements of the "Basic Standards for Enterprise Internal Control" and considered that it was effective as of 31 December 2013 (the benchmark date).

1. Establishment of Internal Control System

In 2013, the Company has continuously deepened the establishment of internal control system on the basis of the "six-in-one" philosophy for establishment and in accordance with the regulatory requirements and the management needs of the Company, measures of which mainly include:

(1) constant optimisation of business processes. Pursuant to the standard requirements for "clearance+smoothness+ goodness+economy+speed", broke down departmental barriers, with a focus on solving practical problems such as process turnaround, redundancy, breakpoint and isolation. Continued to carry out electronicalisation on the business processes.

(2) further regulation of policy administration. Published policy administrative measures; improved policy administrative system; established a five-tier system library comprising national, industry, CDC, Datang Power and grass root enterprises; and compiled a category of administrative policies covering ten industries.

(3) aggressive improvement of an office platform. Devised a Plan for the "Design and Implementation of a Management Demand-oriented Office System"; optimised and improved the office platform based on "office needs + monitoring needs + information needs + communication needs + execution needs + safety needs + burden needs + auxiliary needs" as the starting points for integrating internal control standards into day-to-day office work.

(4) constant optimisation of the performance evaluation system. Revised performance assessment methods and constantly strengthened the scientific aspect and credibility of performance evaluation. Incorporated risk events into performance evaluation to carry out closed-loop management of internal controls.

2. Evaluation of Internal Control System

In 2013, the enterprises included into the scope of the evaluation covered various sectors such as the power generation (coal-fired power, hydropower and wind power), coal-to-chemical, coal, transportation (shipping) and metallurgy sectors, while the total amount of assets of these enterprises accounted for more than 90% of the total amount of assets in the Company's consolidated financial statements, and the total operating revenue accounted for more than 90% of the total operating revenue in the Company's consolidated financial statements. The major businesses and matters included into the scope of the evaluation covered the business processes at the corporate level such as organisational structure, human resources and social responsibility, as well as the business processes for the operation and management of the Company such as budget management, capital management, fuel management, materials management, fixed asset management, engineering project management, contract management and information system management; key high-risk areas primarily covered market supply and demand, capital management, fuel management, safety management, environmental management, project investment, sales management, connected transactions as well as social and public opinions. The aforesaid enterprises, businesses, matters and high-risk areas included in the scope of the evaluation covered the major aspects of the Company's operation and management, and no other major aspects were missed out.

Based on the identification of material defects in the internal control pertinent to the Company's financial report, there was no material defect in the internal control pertinent to the financial report as at the benchmark date of the internal control evaluation report. The Board was of the view that the Company had maintained effective internal control pertinent to the financial report in all material respects in accordance with the corporate internal control regulatory system and related requirements.

CORPORATE GOVERNANCE REPORT

3. Internal Control Audit

The Company has engaged Ruihua Certified Public Accountants (Special General Partnership) ("Ruihua") to carry out an internal control audit for the year of 2013. The internal control audit was carried out in accordance with the "Audit Guidelines on Enterprise Internal Control" and "China Auditing Standards". Ruihua carried out an audit in respect of the design and operational effectiveness of the internal control system as of the specific benchmark date by the use of a top-to-bottom approach.

Each of the total assets, operating revenue and total net profit of the enterprises (including the headquarters of the Company) included in the scope of audit accounted for over 90% of the corresponding indicators of the consolidated financial statements (figures in 2013 on a consolidated basis).

Ruihua has carried out an audit on the effectiveness of the internal control system of the Company and did not identify any major defects related to the financial statements of the Company. Accordingly, Ruihua issued an unqualified audit report on internal control.

For the "Self-assessment Report of the Board of Directors of Datang International Power Generation Co., Ltd. on the Internal Control of the Company" and the "Audit Report on the Self-assessment Report of the Board of Directors of Datang International Power Generation Co., Ltd. on the Internal Control of the Company", please refer to the relevant announcements of the Company dated 25 March 2014 on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

4. Internal Control Work Plan

In 2014, the Company will be committed to the continuous improvement of the internal control system. We will make full use of the methods and means of internal control assessment to carry out supervision and inspection on the implementation of the internal control system on a regular and continuous basis according to the relevant requirements. We will also verify whether there are any defects or weaknesses in the implementation of the internal control system, in order to facilitate the continuous improvement and optimisation of the internal control system. Our measures are mainly in the following areas:

(1) to embark on the research and preparation of the "Internal Control Standards for Datang International". By learning from the experience of multinational companies in the preparation of internal control standards, make the business processes clearer, solve the compliance issues regarding internal control setup, internal control evaluation and risk assessment. Based on these standards, integrate the internal control setup, internal control evaluation and risk assessment into one single system.

(2) to further improve the institutional policy and embark on conducting an evaluation of policy execution. Firstly, design a plan for policy formulation, continue to improve all areas of the management policy category, and use it as a standard to complete the formulation, change and cancellation of the policy. Secondly, together with the evaluation of internal control, try to conduct an evaluation of the policy execution by carrying out an inspection of the effectiveness of the new and revised policies of the Company, and of the implementation of the published policies.

COMPANY'S AUDITORS

In 2013, the Company engaged Ruihua and RSM Nelson Wheeler as its domestic and international auditors respectively, which are responsible for providing impartial and objective opinion on the Company's financial statements. The Company's Audit Committee has confirmed the independence and objectivity of the auditors. In 2013, the fee payable to Ruihua and RSM Nelson Wheeler for the provision of audit service amounted to RMB15.24 million. There were no non-statutory audit services provided by Ruihua. While the sum of RMB1.8 million and RMB170 thousand paid by the Company as internal audit and non-audit services fees, respectively. The non-audit service fees were professional service fees in relation to cash flow projection review for major transactions of the Company, and taxation filing and handling correspondence with the Hong Kong Inland Revenue Department for a subsidiary of the Company.

COMMUNICATION WITH SHAREHOLDERS AND THE RIGHTS OF SHAREHOLDERS

Shareholders can convene an extraordinary general meeting

Pursuant to the Articles of Association, two or more shareholders collectively holding more than 10% of the voting shares of the Company can sign one or more copies of a written request with the same format and content to be submitted to the Board requesting for convening an extraordinary general meeting, and to set out the meeting agenda. The Board shall convene an extraordinary general meeting as soon as possible upon receipt of the aforesaid written request. If the Board fails to issue notice convening such meeting within 30 days upon receipt of such written request, the shareholders who made the request can convene a meeting by themselves within four months upon the Board's receipt of the request. The procedures for convening the meeting shall be as far as possible the same as those procedures of the Board for convening a shareholders' general meeting.

A written proposal made by shareholders holding more than 5% of the voting shares of the Company should be considered at a shareholders' general meeting of the Company.

Procedures for shareholders to inquire information

Pursuant to the Articles of Association, shareholders can inquire about the following information:

(1) the Articles of Association will be available upon payment of costs by shareholders;

(2) shareholders have the right to inspect and make copies of the register of all classes of shareholders upon payment of a reasonable fee;

(3) the personal data of the Company's directors, supervisors, managers and other senior management;

(4) the status of the Company's share capital;

(5) the total nominal value, the number as well as the highest and lowest prices of the shares of each class repurchased by the Company since the previous fiscal year, and a report on the Company's payment of all the fees therefor;

(6) the minutes of shareholders' general meetings;

(7) the shareholders have the right to inspect the copies of corporate bonds;

(8) the resolutions made at Board meetings;

(9) the resolutions made at the meetings of Supervisory Committee;

(10) financial and accounting reports, etc.

Shareholders can access information through the following means

Notices, communications or other written materials sent by the Company to shareholders are given in following forms:

(1) served by hand;

(2) served by mail;

(3) served by fax or e-mail;

(4) published on the Company's website and/or the website designated by the stock exchange of the place where the Company's shares are listed, provided that such publishing is in compliance with the laws and administrative regulations as well as the relevant rules of the securities regulators of the place where the Company's shares are listed;

(5) announcements on newspapers and/or other designated media;

(6) other forms approved by the securities regulators of the place where the Company's shares are listed.

(7) shareholders and investors of the Company can visit the Company's website (www.dtpower.com) to access the Company's relevant information timely and efficiently.

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries (by post, fax or email) to the following addresses, fax numbers or email addresses of the Company:

No. 9 Guangningbo Street, Xicheng District, Beijing, People's Republic of China
Fax: 86 (10) 8800 8672
E-mail: weiyuping@dtpower.com

Amendments to Articles of Association

Amendments were approved to be made to certain articles of the Articles of Association during the year, details of which please refer to the circular of the Company dated 25 February 2013.

REPORT OF THE DIRECTORS

The directors are pleased to present the audited results of the Company for the year ended 31 December 2013.

COMPANY RESULTS

During the year, operating revenue of the Group was approximately RMB75,227 million, representing a decrease of approximately 3.06% as compared to the previous year. Total profit before tax amounted to RMB8,098 million, representing an increase of approximately 7.35% as compared to the previous year. Net profit attributable to equity holders of the Company amounted to approximately RMB3,529 million, representing a decrease of approximately 12.19% as compared to the previous year. Net profit excluding extraordinary gains and losses was RMB4,088 million, representing an increase of approximately 82.10%. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.27, representing a decrease of RMB0.03 per share as compared to the previous year. Please refer to the "Management Discussion and Analysis" section for details of the Company's results.

In view of the operating results of the Group during the year, the Board has recommended the distribution of a final dividend of RMB0.12 per share (tax inclusive) for the year, and such profit distribution plan is subject to the approval by the shareholders at the annual general meeting.

ISSUE AND LISTINGS OF SHARES

The Company's H shares have been listed on the Hong Kong Stock Exchange and the London Stock Exchange Limited since 21 March 1997. On 9 September 2003, the Company issued 5-year US Dollar convertible bonds of US$153.8 million, which have been listed on the Luxembourg Stock Exchange, at 0.75% interest rate and a conversion premium of 30%. The Company's A shares have been listed on the Shanghai Stock Exchange since 20 December 2006. Pursuant to the resolution passed at the 2006 annual general meeting, the Company implemented the share capital expansion proposal by utilising its capital reserve fund to issue 10 bonus shares for every 10 shares held by the shareholders of the Company in 2007. The Company completed the non-public offering of A shares in March 2010, with newly-issued A shares of 530,000,000 shares. Further, the Company had non-public offering of A shares in May 2011, with newly-issued A shares of 1,000,000,000 shares. Due to above-mentioned changes, as at 31 December 2013, the total number of shares of the Company was 13,310,037,578 shares. Apart from that, the Company did not issue any new shares.

Performance of the Company's H shares during 2013:

Closing price of H shares as at 31 December 2013	HK$3.58 per share
Highest trading price of H shares between 1 January and 31 December 2013	HK$3.96 per share
Lowest trading price of H shares between 1 January and 31 December 2013	HK$2.75 per share
Total number of H shares traded between 1 January and 31 December 2013	3.881 billion shares

Performance of the Company's A shares during 2013:

Closing price of A shares as at 31 December 2013	RMB4.24 per share
Highest trading price of A shares between 1 January and 31 December 2013	RMB5.56 per share
Lowest trading price of A shares between 1 January and 31 December 2013	RMB3.97 per share
Total number of A shares traded between 1 January and 31 December 2013	2.865 billion shares

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of the annual report, i.e. 22 April 2014, the Company confirms that the public float of the Company's H shares and A shares has complied with the requirements under the Listing Rules.

ACCOUNTS

The Company and its subsidiaries' audited results for the year ended 31 December 2013 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 86 to page 87. The financial position of the Company and its subsidiaries as at 31 December 2013 is set out in the Consolidated Statement of Financial Position from page 88 to page 89. The Company and its subsidiaries' consolidated cash flows for the year ended 31 December 2013 are set out in the Consolidated Statement of Cash Flows from page 91 to page 92.

PRINCIPAL BUSINESSES

The Company is principally engaged in the development and operation of power plants, the sale of electricity and thermal power, the repair and testing of power equipment, and power related technical services, the sale and development of coal, the production and sale of chemical products.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales attributable to the Company's suppliers and customers for the year are as follows:

	2013	2012
Purchases		
The largest supplier	**12.57%**	14.40%
Top five suppliers	**40.53%**	21.71%
Sales		
The largest customer	**24.93%**	28.56%
Top five customers	**57.64%**	60.85%

To the knowledge of the Directors, none of the Directors, supervisors, their respective associates or shareholders (owning 5% or more of the Company's issued share capital of the same class) owned any direct or indirect interest in the Company's suppliers and customers mentioned above during the year.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Details of subsidiaries, joint ventures and associates of the Company are set out in Note 47 to the Consolidated Financial Statements from page 174 to page 198, Note 21 to the Consolidated Financial Statements from page 140 to page 143 and Note 20 to the Consolidated Financial Statements from page 134 to page 140 respectively.

DIVIDEND, EARNINGS PER SHARE

The Board recommended the distribution of a proposed final dividend of RMB0.12 per share (tax inclusive) for the year. Dividends to be distributed to domestic shareholders will be declared in and paid by RMB, while those to be distributed to foreign shareholders will be declared in RMB but paid in Hong Kong dollar. The Hong Kong dollar exchange rate for the purpose of dividend payment shall be based on the average of the closing rates of the Hong Kong dollar/RMB exchange rates announced by the People's Bank of China on each business day within the week immediately prior to payment.

Details of dividends and earnings per share are set out in Notes 15 and 16 to the Consolidated Financial Statements on page 128.

RESERVES

Movements in reserves during the year are set out in Note 32 to the Consolidated Financial Statements from page 151 to page 152, among which distributable reserves attributable to the shareholders amounted to approximately RMB14.03 billion.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in Note 17 to the Consolidated Financial Statements from page 129 to page 130.

DONATION

During the year, the Company and its subsidiaries have made charitable and relief donations of approximately RMB12.59 million.

SHARE CAPITAL

As at 31 December 2013, total share capital of the Company amounted to 13,310,037,578 shares, divided into 13,310,037,578 shares of a nominal value of RMB1.00 each. Movements in share capital during the Year are set out in Note 30 to the Consolidated Financial Statements from page 149 to page 150.

REPORT OF THE DIRECTORS

SHARE CAPITAL STRUCTURE

As at 31 December 2013, total number of shares issued by the Company was 13,310,037,578. The Company's shareholders were CDC, Tianjin Jinneng Investment Company, Hebei Construction & Investment Group Co., Ltd., Beijing Energy Investment (Group) Company Limited, and other holders of A shares and H shares, holding 4,138,977,414 A shares, 1,296,012,600 A shares, 1,281,872,927 A shares, 1,260,988,672 A shares, 2,016,508,387 A shares and 3,315,677,578 H shares, respectively, representing 31.10%, 9.74%, 9.63%, 9.47%, 15.15% and 24.91%, respectively, of the issued share capital of the Company.

Among the H shares, CDC's controlling subsidiary, China Datang Overseas (Hong Kong) Co., Limited, held 480,680,000 H shares, and therefore CDC and its subsidiaries held a total of 4,619,657,414 shares in the Company, representing 34.71% of the total share capital of the Company.

NUMBER OF SHAREHOLDERS

Details of the shareholders as recorded in the register of members of the Company as at 31 December 2013 were as follows:

Total number of shareholders	187,772
Holders of domestic shares	187,122
Holders of H shares	650

SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

So far as the directors of the Company are aware, as at 31 December 2013, the interests or short positions of the persons in the shares or underlying shares of the Company as required to be disclosed under section 336 of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Law of Hong Kong), were as follows:

Name of Shareholder	Class of Shares	No. of Shares Held	Approximate Percentage to total Issued Share Capital of the Company (%)	Approximate Percentage to total Issued A Shares of the Company (%)	Approximate Percentage to total Issued H Shares of the Company (%)
CDC (Note 1)	A shares	4,138,977,414	31.10	41.41	/
	H shares	480,680,000(L)	3.61(L)	/	14.50(L)
Tianjin Jinneng Investment Company (Note 2)	A shares	1,296,012,600	9.74	12.97	/
Hebei Construction & Investment Group Co., Ltd. (Note 3)	A shares	1,281,872,927	9.63	12.83	/
Beijing Energy Investment (Group) Company Limited (Note 4)	A shares	1,260,988,672	9.47	12.62	/
Guo Guangchang (Note 5)	H shares	233,308,000(L)	1.75(L)	/	7.04(L)
Fosun Holdings Limited (Note 5)	H shares	233,308,000(L)	1.75(L)	/	7.04(L)
Fosun International Holdings Ltd (Note 5)	H shares	233,308,000(L)	1.75(L)	/	7.04(L)
Fosun International Limited (Note 5)	H shares	233,308,000(L)	1.75(L)	/	7.04(L)

(L)= Long Position (S)= Short Position (P)= Lending Pool

Notes:

(1) Mr. Chen Jinhang, Mr. Hu Shengmu and Mr. Fang Qinghai, all non-executive directors, are employees of CDC.

(2) Mr. Li Gengsheng, a non-executive director, is an employee of Tianjin Jinneng Investment Company.

(3) Mr. Cao Xin and Mr. Cai Shuwen, both non-executive directors, are employees of Hebei Construction & Investment Group Co., Ltd.

(4) Mr. Liu Haixia and Ms. Guan Tiangang, both non-executive directors, are employees of Beijing Energy Investment (Group) Company Limited.

(5) The 233,308,000 shares represent the same block of shares.

INTERESTS OF DIRECTORS AND SUPERVISORS IN SHARE CAPITAL

As at 31 December 2013, Mr. Fang Qinghai, a director of the Company, was interested in 24,000 A shares of the Company. Save as disclosed above, none of the directors, supervisors and chief executives of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined in SFO) that were required to notify the Company and the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 of the SFO or otherwise required to notify the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As at 31 December 2013, the Company has not entered into any service contracts with its executive directors. Therefore, none of the directors and supervisors has or proposed to have any service contracts with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

No contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party, and in which any Director or supervisor had a material interest, either directly or indirectly, subsisted at the end of the year or during the year.

DIRECTORS AND SUPERVISORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No arrangements were made by the Company or its subsidiaries at any time during the year for any director or supervisor to acquire any shares in or debentures of the Company or any of its subsidiaries.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or its subsidiaries during the year.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN CONTRACTS

Save as disclosed in this annual report, none of the Company or its subsidiaries have entered into any material contracts or material service contracts with the Company's substantial shareholders or its subsidiaries.

HIGHEST PAID INDIVIDUALS

During the year, the Group implemented a basic salary policy based on the pay points of the Company's directors and members of senior management, and appraisals were carried out in accordance with the "comprehensive accountability management system and the performance appraisal system for all staff". The Remuneration and Appraisal Committee reviewed the work performance and remuneration level of each individual.

All of the highest paid individuals of the Company during the Year were directors, supervisors or senior management. Details of their remunerations are set out in Note 13 to the Consolidated Financial Statements from page 125 to page 127.

BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

Apart from the loans from China Datang Group Finance Company Limited, the loans from Datang Finance Leasing Co., Limited, short-term bank loans, other short-term loans, long-term bank loans, other long-term loans and short-term bonds are set out from Note 40, Note 33 and Note 41 to the Consolidated Financial Statements from page 162 to page 163, from page 153 to page 156 and on page 163 respectively, there were no other loans of the Company and its subsidiaries as at 31 December 2013.

MEDIUM-TERM NOTES AND CORPORATE BONDS

The Company completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s Corporate Bonds in 2012" (the "Current Tranche Bonds") on 29 March 2013. The nominal value of the 30 million Current Tranche Bonds was RMB3 billion with a unit nominal value of RMB100. The unit issue price was RMB100 and coupon rate was at 5.10%.

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PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and applicable PRC Laws that require the Company to offer new shares to the existing shareholders in proportion to their shareholdings.

CONNECTED TRANSACTIONS

During the year, the Company or its subsidiaries carried out the following major continuing connected transactions (as defined in Chapter 14A of the Listing Rules) with its connected parties as defined by the Listing Rules, and such transactions were in compliance with the requirements on connected transactions under Chapter 14A of the Listing Rules.

No.	Connected Party	Major Terms of Transaction	Amount (RMB'000)
1	China Datang Corporation Finance Co., Ltd.	Interest Income	45,293
2	China Datang Corporation Finance Co., Ltd.	Interest Expense	217,314
3	CDC	Ash Disposal Fee	57,890
4	Jiangsu Xutang Power Generation Co., Ltd. and Datang Suzhou Thermal Power Generation Company Ltd.	Revenue from Sales of Alternative Power Generation	70,309
5	Datang Technology Industry Company Limited	Desulfurisation Tariff	506,048
6	Datang Technology Industry Company Limited	Material Cost of Desulfurisation	144,568
7	China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	Purchase of Engineering Equipment	633,254
8	China National Water Resources & Electric Power Materials & Equipment Co., Ltd.	Purchase of Production Equipment	135,353
9	Beijing Datang Fuel Co., Ltd.	Fuel Purchase	14,643,942
10	Inner Mongolia Datang Fuel Co., Ltd.	Fuel Purchase	3,826,617
11	Beijing Datang Fuel Co., Ltd. (to Datang International (Hong Kong) Limited)	Sales Income	468,207
12	Certain subsidiaries of the Company (to Datang International (Hong Kong) Limited)	Fuel Purchase	2,191,850
13	Datang Finance Leasing Company Limited	Rental Fee	4,216,229
14	Jiangsu Datang International Lvsigang Power Generation Company Limited (to Jiangsu Datang Shipping Company Limited)	Service Fee of Coal Transportation	82,595
15	Guangdong Datang International Chaozhou Power Generation Company Limited (to Jiangsu Datang Shipping Company Limited)	Service Fee of Coal Transportation	89,313
16	Inner Mongolia Datang International Xilinhaote Company Limited (from subsidiaries of the Company)	Fuel Purchase	345,290
17	Beijing Datang Fuel Co., Ltd. (to Jiangsu Datang Shipping Company Limited)	Service Fee of Coal Transportation	2,340
18	Datang Inner Mongolia Duolun Coal Chemical Company Limited (to Datang Fuxin Energy and Chemical Engineering Company Limited)	Inspection and Maintenance Fee	33,710

A. Continuing Connected Transactions in 2013

1. CDC, together with its subsidiaries, holds approximately 34.71% of the issued share capital of the Company and is the controlling shareholder of the Company. CDC is the controlling shareholder of China Datang Corporation Finance Co., Ltd. ("Datang Finance") and holds 52.5% of its equity interest. On 26 October 2010, the Company and Datang Finance entered into the Financial Services Agreement with a term commencing from 1 January 2011 and ending on 31 December 2013. Pursuant to the agreement, Datang Finance agreed to provide the Company and its subsidiaries with deposit services, loan services and other financial services, and the daily balance of the deposits of Company and its subsidiaries with Datang Finance shall not exceed RMB8,000 million. Entering into the agreement is to secure lower interest rates for loans, thereby improving the overall funds operation of the Group and enhancing the funds management and control of the Group and hence mitigating its operating risks. It can also accelerate the turnover of funds and reduce transaction costs and expenses, thereby further enhancing the quality and efficiency of funds utilisation. Meanwhile, the financial services to be provided under the Financial Services Agreement are diversified and can meet the business needs of the Company. During the term of the agreement, the transaction amount did not exceed the maximum limit set out in the agreement. As of 31 December 2013, the balance of deposits of the Company and its subsidiaries with Datang Finance was approximately RMB3,636 million. For details of the transaction, please refer to the announcement of the Company dated 26 October 2010.

2. On 22 March 2011, the Company entered into the "Supplemental Agreement to the Ash Disposal Agreement" with CDC, which was effective from 22 March 2011 to 31 December 2013. Pursuant to the agreement, CDC agreed to provide disposal services in respect of the ash generated by the power plants which are wholly-owned, operated and managed by the Company. The annual cap on the fees for ash disposal services payable to CDC by the Company for each year shall be approximately RMB57.89 million. Entering into the agreement is to enable the Company to continue to use CDC's ash yards and engage CDC to provide ash disposal services to the power plants of the Company, thereby lowering the operating costs of the Company and enhancing the overall benefits of the Company. During the term of the agreement, the transaction amount did not exceed the maximum limit set out in the agreement. As of 31 December 2013, the aggregate annual transaction amount was RMB57.89 million. For details of the transaction, please refer to the announcement of the Company dated 22 March 2011.

3. On 22 March 2011, the Company and China National Water Resources & Electric Power Materials & Equipment Co., Ltd. ("China Water Resources and Power"), a wholly-owned subsidiary of CDC entered into the "Framework Agreement for Centralised Purchase of Materials" which was effective from 1 January 2011 to 31 December 2013. Throughout the effective term of the agreement, China Water Resources and Power was commissioned to plan and organise group purchases based on the demands for production materials of the Company and its subsidiaries. The annual cap on the purchase amount shall be approximately RMB200 million. During the term of the agreement, the transaction amount did not exceed the cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 22 March 2011.

4. On 27 August 2012, the Company entered into the Alternative Power Generation Framework Agreement with CDC. In accordance with the relevant requirements relating to the standards of substitution of power generation, CDC and its relevant power plants or subsidiaries agreed to appoint the power generation enterprises or subsidiaries of the Company to substitute the power generation units of CDC and its relevant power plants or subsidiaries to carry out power generation work in Jiangsu, Jingjintang and Shanxi regions of the PRC. It is expected that the annual maximum fee receivable by the Company for each of the three years ending 31 December 2012, 31 December 2013 and 31 December 2014 will not exceed RMB800 million. The purpose of the transaction is to help fully utilise the planned generation target of the shut-down generating units, and that the advantages in large generating units with high efficiency, low energy consumption and low emissions discharge can be fully utilised to improve the Company's profit margins. The relevant transactions are able to achieve the purpose of a win-win situation for both parties, and are in the interests of the Company's Shareholders and the interests of the parties to the transaction as a whole. During the term of the agreement, the transaction amount did not exceed the maximum limit set out in the agreement. As of 31 December 2013, the aggregate annual transaction amount was RMB70.309 million. For more details of the transaction, please refer to the announcement of the Company dated 27 August 2012.

5. On 31 October 2012, each of certain power plants of the Company, including Zhangjiakou Power Plant (a power plant directly managed and owned by the Company, "Zhangjiakou Power Plant"), Guangdong Datang International Chaozhou Power Generation Company Limited (a subsidiary in which the Company and CDC hold a controlling equity interest of 52.5% and 22.5%, respectively), "Chaozhou Power Generation Company", and Jiangsu Datang International Lvsigang Power Generation Company Limited (a subsidiary which is controlled by the Company and CDC as to 55% and 35% of its equity interest,

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respectively, "Lvsigang Power Generation Company") (together "Certain Power Plants of the Company"), entered into the Franchising Contract with China Datang Environmental Technology Co. Ltd. ("Datang Environment Company"), a wholly-owned subsidiary of CDC. Pursuant to such contract, each of such Certain Power Plants of the Company authorised Datang Environment Company to carry out franchising in respect of the desulfurisation assets of the corresponding coal-fired power generating units and operate, maintain and manage the desulfurisation assets during the franchise period. Datang Environment Company shall enjoy desulfurisation tariffs and relevant preferential policies of the PRC and shall reimburse and compensate each of the Certain Power Plants of the Company for the costs incurred for desulfurisation, including water, electricity and gas, in accordance with the relevant requirements on desulfurisation franchising in the State. The implementation of franchising for desulfurisation projects by certain power plants of the Company can effectively revitalise the desulfurisation Assets in stock of the Company, while the proceeds of transferring the desulfurisation Assets can be used to finance the construction and operation of the enterprise, repaying or substituting new bank loans, and effectively ease the financial pressure of the Company and reduce the Company's asset-to-liability ratio, thereby enhancing the profitability and the capacity of sustainable development of the Company. Meanwhile the professional management advantage of Datang Environment Company can be brought into full play, the operational efficiency of the desulfurisation facilities can be enhanced, and the risks concerning environmental protection can be reduced, and the operational costs of the Company can be saved.

During 2013, Datang Environmental Company changed its name to Datang Technology Industry Company Limited. As of 31 December 2013, it charged a total of approximately RMB361.48 million, of which, RMB506.05 million for desulfurisation tariff and RMB144.57 million for service fees for desulfurization and material cost of desulfurisation respectively, which did not exceed the annual cap set out in the agreement (RMB540 million and RMB166 million, respectively). For more details of the transaction, please refer to the announcement of the Company dated 2 November 2012.

6. On 6 February 2013, the Company entered into the Fuel Purchase Framework Agreement with Beijing Datang Fuel Company Limited ("Beijing Datang Fuel Company"), a subsidiary which was controlled as to 51% and 49% equity interest by the Company and Datang Electric Power Fuel Company Limited, a wholly-owned subsidiary of CDC, respectively. Pursuant to the agreement, the Company and certain of its subsidiaries agreed to purchase coal from Beijing Datang Fuel Company with maximum aggregate annual transaction amount of approximately RMB35,505 million for a term of one year commencing from 1 January 2013 to 31 December 2013. The purpose of the transaction is primarily to secure coal supply to the Company and the power generation enterprises of its subsidiaries, and fully leverage the advantages in terms of supply and economy-of-scale of purchase of these specialised coal companies, so as to stabilise the market prices of coal to a certain extent, thereby exercising control over the costs of fuel and mitigating the adverse impact of changes in the coal market on the Group. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB14.644 billion. The transaction amount did not exceed the annual cap set out in the agreement. For more details of the transaction, please refer to the announcement of the Company dated 6 February 2013.

7. On 6 February 2013, six subsidiaries of the Company ("Six Subsidiaries"), including Shanxi Datang International Yungang Thermal Power Company Limited, Zhangjiakou Power Plant, Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited, Inner Mongolia Datang International Huhhot Thermal Company Limited and Inner Mongolia Datang International Renewable Energy Resource Development Company Limited, entered into a total of eight Inner Mongolia Fuel Purchase Framework Agreements with Inner Mongolia Datang Fuel Co., Ltd., ("Inner Mongolia Fuel Company"), a wholly-owned subsidiary of Beijing Datang Fuel Company, respectively, pursuant to which each of the Six Subsidiaries of the Company agreed to purchase coal from Inner Mongolia Fuel Company, with a maximum aggregate annual transaction amount of approximately RMB5,425 million for a term of one year commencing from 1 January 2013 to 31 December 2013. The purpose of the transaction is primarily to secure coal supply to the Company and the power generation enterprises of its subsidiaries, and fully leverage the advantages in terms of supply and economy-of-scale of purchase of these specialised coal companies, so as to stabilise the market prices of coal to a certain extent, thereby exercising control over the costs of fuel and mitigating the adverse impact of changes in the coal market on the Group. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB3.827 billion. The transaction amounts did not exceed the annual cap set out in the agreements. For more details of the transactions, please refer to the announcement of the Company dated 6 February 2013.

8. On 6 February 2013, Datang International (Hong Kong) Limited ("Hong Kong Company"), a wholly-owned subsidiary of the Company, entered into the Coal Purchase and Sale Framework Agreement with certain subsidiaries of the Company:

   (1) Hong Kong Company entered into the Coal Sale and Purchase Framework Agreement with Beijing Datang Fuel Company, pursuant to which Hong Kong Company agreed to sell coal to Beijing Datang Fuel Company for a term of one year commencing from 1 January 2013 to 31 December 2013, with a maximum aggregate annual transaction amount of approximately USD380 million, equivalent to RMB2,367.4 million. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB468 million.

   (2) Hong Kong Company entered into the Coal Sale and Purchase Framework Agreement with the Company, pursuant to which Hong Kong Company agreed to sell coal to Lvsigang Power Generation Company and Chaozhou Power Generation Company for a term of one year commencing from 1 January 2013 to 31 December 2013, with a maximum aggregate annual transaction amount of approximately USD522 million, equivalent to RMB3,252.1 million. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB2.192 billion.

   The above transactions are primarily for leveraging on the advantage of the Hong Kong Company in imported coal purchasing, in order to guarantee the coal supply of the subsidiaries of the Company as well as to lower the purchasing cost of coal, and to increase the business revenue of the Hong Kong Company at the same time. During the term of the agreements, the transaction amounts did not exceed the maximum

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limits set out in the agreements. For more details of the transactions, please refer to the announcement of the Company dated 6 February 2013.

9. On 6 February 2013, Jiangsu Datang Shipping Company Limited ("Shipping Company"), a subsidiary in which the Company holds a controlling interest of 97.54%, entered into the Framework Agreement in relation to Transportation Business with Beijing Datang Fuel Company, pursuant to which Shipping Company agreed to provide coal transportation service to Beijing Datang Fuel Company for a term of one year commencing from 1 January 2013 to 31 December 2013, with a maximum aggregate annual transaction amount of approximately RMB385 million. The reason for the provision of fuel transportation service by Shipping Company to Beijing Datang Fuel Company is that, as the Company and its subsidiaries purchase coal from Beijing Datang Fuel Company and its subsidiaries, Shipping Company can arrange transportation in a more timely and rapid manner according to the fuel demand from power generation enterprises of the Company so as to ensure fuel supply. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB2.34 million. During the term of the agreement, the transaction amounts did not exceed the annual cap set out in the agreement. For more details of the transaction, please refer to the announcement of the Company dated 6 February 2013.

10. On 25 April 2013, the Company entered into the Leasing Business Cooperation Agreement with Datang Finance Leasing Company Limited ("Datang Lease Company"), a controlling subsidiary of CDC, pursuant to which, the Company shall conduct certain financial leasing arrangements with a transaction amount not exceeding RMB10,000 million per year with Datang Lease Company for a term of three years commencing from 1 January 2013 to 31 December 2015. The maximum annual transaction amount under the Leasing Business Cooperation Agreement is RMB10,000 million for each of the three years ending 31 December 2015. The purpose of the transaction is to help the Company broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and the interest rates of bank financing stays high; and to further strengthen the Company's and relevant unit's bargaining power when deploying the financial leasing business with other leasing companies. Meanwhile, Datang Lease Company will be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn will be able to provide a more convenient, effective and efficient financial leasing services to the Company when compared to those services provided by other financial leasing companies. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB4.216 billion and did not exceed the annual cap set out in the agreement. For more details of the transaction, please refer to the announcement of the Company dated 25 April 2013.

11. On 20 May 2013, the Company and China Water Resources and Power entered into the Framework Agreement for Production Materials which was effective from 1 January 2013 to 31 December 2013. Pursuant to the agreement, China Water Resources and Power was commissioned to plan and organise centralised purchases based on the demands for production materials of the Company and its subsidiaries. The annual cap on the purchase amount shall be approximately RMB800 million. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB135 million. The purpose of the transaction is to leverage on the bulk purchase advantage, enhance purchase quality and lower purchase costs, thereby enhancing the profitability of the Company. During the term of the agreement, the transaction amount did not exceed the annual cap set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 20 May 2013.

12. On 3 June 2013, the Company and China Water Resources and Power entered into the Framework Agreement for Materials Purchase, which was effective from 1 January 2013 to 31 December 2013. Pursuant to the agreement, the Company and its subsidiaries shall carry out centralised procurement of project construction materials through China Water Resources and Power. The maximum amount of the procurement of the relevant project(s) (administration fee included) is expected to be approximately RMB800 million. The purpose of the transaction is to leverage on the role of China Water Resources and Power as a professional institution in sourcing construction project machinery, equipment and materials, and to leverage on the advantage of bulk purchasing, in order to enhance purchase quality, lower purchase costs, and increase the profitability of the Company. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB633 million. During the term of the agreement, the transaction amount did not exceed the maximum limit set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 3 June 2013.

13. On 27 June 2013, Datang Fuxin Energy and Chemical Engineering Company Limited ("Fuxin Engineering Company"), a wholly-owned subsidiary of the Company's wholly-owned subsidiary, Datang Energy and Chemical Company Limited ("Energy and Chemical Company"), entered into the Service and Maintenance Contract on coal drying, #1 gasification unit, air separation unit, storage and logistic center, as well as its public engineering unit with Datang Inner Mongolia Duolun Coal Chemical Company Limited ("Duolun Coal Chemical Company"), (a subsidiary owned as to 60% and 40% by Energy and Chemical Company and CDC, respectively). Fuxin Engineering Company agreed to undertake the inspection, repair and maintenance, as well as operational security work for the relevant facilities of Duolun Coal Chemical Company for a term commencing from 1 January 2013 and ending on 31 December 2013. Consideration of contract was approximately RMB35.13 million in total. The maximum transaction amount was RMB35.13 million. During the term of the agreement, the transaction amount was approximately RMB33.71 million and did not exceed the maximum limit set out in the agreement. The Company considers that with the prompt and high-quality professional service from Fuxin Engineering Company, it will be able to ensure the inspection, repair plan of the relevant facilities of Duolun Coal Chemical Company can be carried out smoothly, as well as to ensure the safe and stable operation of the facilities and on-schedule completion of production targets. Meanwhile, the reputation of Fuxin Engineering Company as a reliable service provider can be promoted.

    As of 31 December 2013, Fuxin Engineering Company provided maintenance services to Duolun Coal Chemical Company in relation to its buildings and lighting facilities for a transaction amount of RMB11.18 million (which is below the de minimis threshold under Chapter 14A of the Listing Rules). As of 31 December 2013, aggregated transaction amount of the Service and Maintenance Contract as well as maintenance services for its building and lighting facilities amounted to RMB44.89 million. For details of the transaction, please refer to the announcement of the Company dated 28 June 2013.

14. On 12 July 2013, the Company entered into the Annual Coal Supply Framework Agreement with Inner Mongolia Datang International Xilinhaote Mining Company Limited ("Xilinhaote Mining Co."), a subsidiary which was controlled as to 60% and 40% equity interest by the Company and China Datang Coal Industry Co., Ltd., a wholly-owned subsidiary of CDC, respectively, for a term of one year commencing from 1 January 2013 to 31 December 2013. Pursuant to the agreement, the Company and certain of its subsidiaries agreed to purchase coal from Xilinhaote Mining Co. with a maximum aggregate annual transaction amount of approximately RMB882 million. The purchase of coal by the Company and its subsidiaries from Xilinhaote Mining Co. can fully leverage the advantage of securing

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coal supply of a specialised coal company, thereby effectively securing the production coal of the coal-to-chemical enterprises and certain power generation enterprises of the Company, and exhibit the Company and its subsidiaries' advantage of economy-of-scale of procurement, so as to exercise control over the expenses of the relevant enterprises, and to increase Xilinhaote Mining Co.'s operating revenue and overall profitability of the Company. As of 31 December 2013, the aggregate annual transaction amount was approximately RMB345 million. During the term of the agreement, the transaction amounts did not exceed the annual cap set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 12 July 2013.

15. On 16 July 2013, Shipping Company entered into the following Framework Agreements in relation to transportation services with Lvsigang Power Generation Company and Chaozhou Power Generation Company, respectively:

    (1) Shipping Company entered into the Framework Agreement in relation to Transportation Business with Lvsigang Power Generation Company, pursuant to which Shipping Company agreed to provide coal transportation service to Lvsigang Power Generation Company with a maximum annual transaction amount of approximately RMB154 million for a term of one year commencing from 1 January 2013 to 31 December 2013. As of 31 December 2013, the aggregate annual transaction amount was RMB82.59 million.

    (2) Shipping Company entered into the Framework Agreement in relation to Transportation Business with Chaozhou Power Generation Company, pursuant to which Shipping Company agreed to provide coal transportation service to Chaozhou Power Generation Company with a maximum annual transaction amount of approximately RMB198 million for a term of one year commencing from 1 January 2013 to 31 December 2013. As of 31 December 2013, the aggregate annual transaction amount was RMB89.31 million.

    The purposes of the above agreements are to ensure the fuel supply to the coastal power generation enterprises of the Company, and that the Shipping Company can arrange transportation in a more timely and rapid manner according to the fuel demand from the power generation enterprises of the Company. During the term of the agreements, the transaction amounts did not exceed the annual cap set out in the agreements. For details of the transactions, please refer to the announcement of the Company dated 16 July 2013.

B. Other Connected Transactions in 2013

16. On 5 February 2013, Yuneng (Group) Co. Ltd ("Yuneng Group"), Chongqing Dingtai Power (Group) Company Limited ("Dingtai Power") and Chongqing Tuoyuan Industry Co., Ltd ("Tuoyuan Industry"), all being wholly-owned subsidiaries of the Company, entered into the Equity Transfer Agreement with China Water Resources and Power. Pursuant to the agreement, Yuneng Group, Dingtai Power and Tuoyuan Industry agreed to transfer a total of 100% of the equity interests of Chongqing Yuneng Industrial Group Co., Ltd ("Yuneng Industrial") to China Water Resources at an aggregate consideration of approximately RMB538.5893 million. The Equity Transfer Agreement is entered into for the purpose of complying with the relevant requirements made by the regulatory authorities on the Company's implementation of refinancing, which is conducive to the implementation of refinancing plans of the Company. For more details of the transaction, please refer to the announcement of the Company dated 5 February 2013.

17. On 27 March 2013, the Company issued a Letter in relation to Agreeing the Surrendering of the Right of First Refusal to other shareholders of Sichuan Datang International Ganzi Hydropower Development Co., Ltd. ("Ganzi Hydropower Company"), a subsidiary

of the Company controlled as to 52.5% and 46.88% by the Company and CDC respectively. Pursuant to the letter, it is agreed that Ganzi County Gantou Hydropower Development Company Limited ("Gantou Hydropower") shall transfer 19.38% of equity interests of Ganzi Hydropower Company held by it to CDC and surrender the Company's right of first refusal. The arrangement is to ensure that Ganzi Hydropower Company has its capital in place, so as to meet its capital needs to construct its projects and facilitate smooth construction and operation. The surrender of the right of first refusal to acquire the Pledged Interest will not change the Company's equity holding in and its control over Ganzi Hydropower Company, and therefore would not have any material impact on the Company. For more details, please refer to the announcement of the Company dated 28 March 2013.

18. On 10 April 2013, Yunnan Datang International Lixianjiang Hydropower Development Company Limited ("Lixianjiang Hydropower Company"), a company controlled as to 70% by the Company, entered into the Finance Lease Contract with Datang Lease Company, pursuant to which Lixianjiang Hydropower Company shall conduct a financial leasing arrangement in relation to a sale-leaseback of the lease assets with a principal amount not exceeding RMB600 million with Datang Lease Company. The transaction amount was included in the continuing connected transaction no. 10. The lease term is 120 months. The financial leasing arrangements under the Finance Lease Contract will help Lixianjiang Hydropower Company broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and the interest rates of bank financing stays high, and will facilitate the smooth construction and operation of the Company's hydropower project. For more details, please refer to the announcement of the Company dated 10 April 2013.

19. On 11 April 2013, Liaoning Datang International Fuxin Coal-to-gas Company Limited ("Fuxin Coal-to-gas Company"), a subsidiary of the Company controlled as to 90% and 10% by Energy and Chemical Company, a wholly-owned subsidiary of the Company, and CDC respectively, entered into the EP Contract of Liaoning Datang International Fuxin Coal-to-gas Project in relation to Organic Biochemical Wastewater Treatment Processing Plant ("EP Contract") with China Datang Technologies and Engineering Co., Ltd., ("Datang Technology Company"), who won the bid in the public tender and undergone tender evaluation. The total contract amount is RMB108 million. The purpose of the transaction is to ensure that the organic biochemical wastewater treatment processing project will be carried out smoothly. As at 31 December 2013, the transaction was not yet completed. For more details of the transaction, please refer to the announcement of the Company dated 11 April 2013.

20. On 25 April and 18 June 2013, Hebei Datang International Qian'an Thermal Power Generation Company Limited (a wholly-owned subsidiary of the Company), Zhangjiakou Power Plant and Hebei Datang International Fengrun Thermal Power Company Limited entered into agreements in relation to the desulfurisation transformation work of generating units with Datang Technology Company, respectively, and the total consideration as at 31 December 2013 were RMB40.32 million, RMB96.30 million and RMB68.11 million, respectively. The Company considers that Datang Technology Company will be capable of ensuring that the denitrification transformation project will be carried out smoothly. The transaction is entered into for the purposes of ensuring the on-schedule completion of denitrification transformation of the Company's directly managed power plant and subsidiary, to fully ride on the professional advantage of Datang Technology Company, as well as to control cost to a certain extent through large scale purchasing of facilities. For more details of the transactions, please refer to the announcements of the Company dated 25 April and 18 June 2013, respectively.

21. On 25 April 2013, the Company entered into the Transfer Agreement with CDC, pursuant to which the Company agreed to transfer the

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Siheyuan Project (including the relevant land use right and construction work) to CDC and the total consideration as at 31 December 2013 was RMB271.2734 million. The transaction contemplated under the Transfer Agreement will further highlight the major businesses of the Company, and the proceeds from the transfer will be used for the replenishment of working capital for the Company to facilitate its corporate development and operation.

The Siheyuan Project is located between the respective office buildings of the Company and CDC. With CDC taking over the development of the project, it is expected that the desirable working environment of the parties can be maintained and the purpose of sharing common office facilities can be effectively carried out. For more details, please refer to the announcement dated 25 April 2013.

22. On 15 October 2013, the Company entered into the Capital Contribution Agreement with CDC, pursuant to which both parties agreed to make capital contributions to set up China Datang Nuclear Power Company Limited ("Datang Nuclear Power Company") with a registered capital of RMB200 million. The Company contributed RMB80 million, representing 40% of the registered capital while CDC contributed RMB120 million, representing 60% of the registered capital. Both parties agreed that the initial capital contribution will be in the aggregate amount of RMB60 million, of which the Company will, on a 40% pro rata basis, make initial capital contribution of RMB24 million while CDC will, on a 60% pro rata basis, make initial capital contribution of RMB36 million. The remaining balance of the registered capital will be fully paid by both parties within two years from the date of incorporation of Datang Nuclear Power Company. The joint capital contributions of the Company and CDC to establish Datang Nuclear Power Company will fully leverage their professional management and technological advantages in respect of nuclear power business, thereby accelerating the smooth implementation of the Company's strategy to "develop nuclear power in a safe and highly efficient manner". For more details, please refer to the announcement of the Company dated 15 October 2013.

23. On 15 October 2013, Energy and Chemical Company entered into the Entrusted Loan Framework Agreement with Duolun Coal Chemical Company in relation to the provision of the revolving entrusted loan with an amount not exceeding RMB6,000 million by the Company to Duolun Coal Chemical Company in the form of revolving loan facility through the entrusted loan arrangement, in which Datang Finance acts as the lending agent. The term for the Entrusted Loan Framework Agreement is 36 months commencing from 15 October 2013 and ending on 14 October 2016. In view of the cooperation history between Datang Finance and the Company and given that the provision of entrusted loan services by Datang Finance is covered under the Financial Services Agreement, Datang Finance has better understanding of the operations of the Company, and will thus provide more expedient and efficient services than those rendered by other PRC commercial banks. The provision of the Entrusted Loan is to ensure the day-to-day cash flow of Duolun Coal Chemical Company, and is beneficial to the smooth progress of the production and operation activities of Duolun Coal Chemical Company. For more details, please refer to the announcement of the Company dated 15 October 2013.

24. On 19 November 2013, according to the result of public tender, Yunnan Datang International Honghe Power Generation Company Limited ("Honghe Power Generation Company"), controlled as to 70% by the Company, entered into the desulfurisation Transformation Project Contract with Datang Technology Industry Company Limited, a wholly-owned subsidiary of CDC, and Datang Technology Company, an indirect controlling subsidiary of CDC, pursuant to which Honghe Power Generation Company agreed to engage Datang Technology Industry Company Limited and Datang Technology Company to carry out the desulfurisation transformation work of its generating units

with the aggregate contract value amounting to approximately RMB134.96 million. The transaction is entered into to ensure that the desulfurisation transformation project will be carried out smoothly. Meanwhile, the Company may fully ride on the professional advantage of Datang Technology Industry Company Limited and Datang Technology Company, as well as to control cost through large scale purchasing of facilities. As at 31 December 2013, the transaction was not yet completed. For more details, please refer to the announcement of the Company dated 19 November 2013.

25. On 19 December 2013, the Company entered into the Entrusted Loan Agreement with Ganzi Hydropower Company and Datang Finance in relation to the provision of the entrusted loan by the Company to Ganzi Hydropower Company through the entrusted loan arrangement, in which Datang Finance acts as a lending agent. The entrusted loan will be used for the project capital turnover at Ganzi Hydropower Company. The entrusted loan with a principal amount of RMB0.3 billion has a term of one year commencing from 19 December 2013 to 18 December 2014. In view of the cooperation history between Datang Finance and the Company and given that the provision of entrusted loan services by Datang Finance is covered under the Financial Services Agreement (2011-2013), Datang Finance has better understanding of the operations of the Company which will allow more expedient and efficient services than those rendered by other PRC commercial banks. The provision of the Entrusted Loan to Ganzi Hydropower Company is to ensure the project cash turnover of Ganzi Hydropower Company, and is beneficial to the smooth progress of the project construction and production and operation activities of Ganzi Hydropower Company. For more details, please refer to the announcement of the Company dated 19 December 2013.

The relevant procedures for reporting, disclosure or approval by independent shareholders have been carried out for the aforesaid connected transactions in compliance with the requirements under Chapter 14A of the Listing Rules in relation to connected transactions and continuing connected transactions.

The independent non-executive directors have reviewed the aforesaid transactions and confirmed that such transactions were:

(1) concluded in the ordinary and usual course of business of the Company;

(2) concluded on the following terms: (a) normal commercial terms (i.e. terms and conditions applicable to the transactions of a similar nature concluded by similar domestic business entities); or (b) if there are no comparable terms, then the terms that are fair and reasonable in respect of the shareholders of the Company;

(3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interest of the shareholders as a whole.

In accordance with Rule 14A.38 of the Listing Rules, the Board engaged the auditors of the Company to perform certain fact finding procedures on the above continuing connected transactions on a sample basis in accordance with Hong Kong Standard on Related Services 4400 "Engagements to perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported to the Board their factual findings on the selected samples based on the agreed procedures. The report stated that:

(1) the said transactions have been approved by the Board;

(2) the said transactions were priced in accordance with the pricing policy of the Company, if applicable;

(3) the said transactions were conducted pursuant to the relevant agreements governing those transactions;

(4) the said transactions did not exceed their respective caps applicable to such transactions.

REPORT OF THE DIRECTORS

RETIREMENT SCHEME

In accordance with the State's employee retirement scheme, the Company has to pay a basic pension insurance premium on behalf of the employees at a rate of 20% of the staff's salaries whereby the employees would receive a monthly pension payment each month after retirement. In addition, the Company has also implemented an enterprise annuity plan, whereby employees will make monthly contributions at fixed amounts as individual savings pension insurance funds, while the Company will contribute proportionate amounts of the employees' contributions as supplementary pension insurance funds. When retired, an employee will receive individual savings pension insurance fund and corporate supplemental savings pension insurance fund by the Company. Apart from such contributions, the Company has no other liabilities towards the staff retirement scheme.

MATERIAL LITIGATION

The Company was not involved in any material litigation during the year.

INTEREST CAPITALISATION

During the year, the interest capitalised in respect of construction-in-progress amounted to approximately RMB3,639,810 thousand.

OTHER SIGNIFICANT MATTERS

1. The Company has completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s Super Short-term Debentures in 2013" (the "First Tranche Super Short-term Debentures") on 18 January 2013. The issuance amount for the First Tranche Super Short-term Debentures was RMB3 billion with a maturity period of 90 days. The unit nominal value is RMB100 and the issuing interest rate is at 3.98%.

2. The Company completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s Corporate Bonds in 2012" (the "Current Tranche Bonds") on 29 March 2013. The nominal value of the 30 million Current Tranche Bonds was RMB3 billion with a unit nominal value of RMB100. The unit issue price was RMB100 and coupon rate was at 5.10%.

3. The Company has completed the succession of the Board and the supervisory committee on 26 June 2013, and the eighth session of the Board and the supervisory committee has taken office on 1 July 2013.

4. The Company has completed the issuance of "The Second Tranche of Datang International Power Generation Co., Ltd.'s Super Short-term Debentures in 2013" (the "Second Tranche Super Short-term Debentures") on 19 July 2013. The issuance amount for the Second Tranche Super Short-term Debentures was RMB3 billion with a maturity period of 270 days. The unit nominal value is RMB100 and the issuing interest rate is at 4.30%.

5. In accordance with the 2012 annual profit distribution plan of the Company which was considered and approved at the 2012 annual general meeting convened on 26 June 2013, the Company completed the payment of dividends for the year of 2012 on 16 August 2013. The cash dividends per share paid were RMB0.10 (including tax) and RMB0.095 (excluding tax). The cash dividends per 10 shares paid were RMB1 (including tax) and RMB0.95 (excluding tax).

6. The Company has completed the issuance of "The Third Tranche of Datang International Power Generation Co., Ltd.'s Super Short-term Debentures in 2013" (the "Third Tranche Super Short-term Debentures") on 6 December 2013. The issuance amount for the Third Tranche Super Short-term Debentures was RMB2 billion with a maturity period of 90 days. The unit nominal value is RMB100 and the issuing interest rate is at 5.70%.

7. In accordance with the "Resolution on the Adjustment of Directors", which was considered and approved at the 2014 first extraordinary general meeting of the Company convened on 24 January 2014, Mr. Wu Jing holds the office as an executive director of the eighth session of the Board of the Company, and Mr. Cao Jingshan no longer serves as a director of the eighth session of the Board of the Company. In accordance with the "Resolution on the Election of Vice-Chairperson of the Eighth Session of the Board", which was considered and approved on the seventh meeting of the eighth session of the Board of the Company convened on 24 January 2014, Mr. Wu Jing has been elected as the vice-chairperson of the eighth session of the Board of the Company.

COMPLIANCE OF THE MODEL CODE

Upon specific enquiries made to all directors and in accordance with information provided, the Board confirmed that all directors have complied with the Model Code during the year.

INDEPENDENT NON-EXECUTIVE DIRECTORS

After making queries and reviewing the annual confirmation letters from all independent non-executive directors in respect of their independence according to Rule 3.13 of the Listing Rules, the Company confirms that all Independent non-executive directors are independent individuals.

AUDITORS

The Company's financial statements for the year ended 31 December 2013 prepared under International Financial Reporting Standards have been audited by RSM Nelson Wheeler.

RSM China Certified Public Accountants (Special General Partnership) is the domestic financial auditor of the Company for year 2013 following an approval on its appointment at the 2012 annual general meeting of the Company and is responsible for domestic auditing, among other things, of the Company's financial report for year 2013.

Since the professional staff of RSM China Certified Public Accountants (Special General Partnership) responsible for the Company's domestic auditing work for year 2013 have been transferred to Ruihua, the reappointment of Ruihua as the Company's domestic financial auditor for year 2013 to carry out domestic auditing, among other things, of the Company's financial report for year 2013 was approved by the shareholders at the extraordinary general meeting of the Company held on 29 October 2013 of the Company in order to maintain continuity and stability of the Company's domestic financial auditing work.

The overseas auditor of the Company for carrying out overseas auditing work of the Company remained unchanged. The relevant audit services continued to be carried out by RSM Nelson Wheeler.

Save as disclosed herein, the Company did not have any change in its auditors in the preceding three years.

By Order of the Board
Chen Jinhang
Chairman

25 March 2014

REPORT OF THE SUPERVISORY COMMITTEE

During 2013, in compliance with the principle of being accountable to all shareholders of the Company and in accordance with the Company Law of the PRC (the "Company Law"), the Articles of Association of Datang International Power Generation Co., Ltd. (the "Articles of Association"), the Order of Meeting of the Supervisory Committee of Datang International Power Generation Co., Ltd. (the "Order of Meeting of the Supervisory Committee") and the relevant requirements of the listing rules of the Company's listing jurisdictions, members of the Supervisory Committee of the Company dutifully and conscientiously discharged their monitoring duty. In 2013, the Supervisory Committee attended all general meetings, Board meetings and meetings of the specialised committees of the Board held during the year. Meanwhile, it actively participated in the review of the Company's major decisions and irregularly examined the Company's operation and financial position. It also struck to protect the rights of the shareholders, the benefits of the Company as well as the legal interests of staff within legal limits. The detailed report on the work of the Supervisory Committee for 2013 is as follows:

A. SUPERVISORY COMMITTEE MEETING

Convening of the Supervisory Committee Meetings	Details of the Subjects Discussed at the Supervisory Committee Meetings
On 25 March 2013, the 12th meeting of the seventh session of Supervisory Committee of the Company was held	Considered and approved the "Work Report of the Supervisory Committee for Year 2012", "Proposal of Final Accounts for Year 2012", "2013 Financial Budget Report", "2012 Profit Distribution Proposal", "Full Text of the 2012 Annual Report and Summary of the Annual Report", "Results Announcement" and "2012 Internal Control Evaluation Report".
On 25 April 2013, the 13th meeting of the seventh session of Supervisory Committee of the Company was held	Considered and approved the "Resolution on the Explanation on the 2013 First Quarterly Report".
On 6 June 2013, the 14th meeting of the seventh session of Supervisory Committee of the Company was held	Considered and approved the"Resolution on the Election of New Session of the Supervisory Committee".
On 1 July 2013, the 1st meeting of the eighth session of Supervisory Committee of the Company was held	Considered and approved the"Resolution on the Election of the Chairperson and Vice-Chairperson of the Eighth Session of the Supervisory Committee".

Convening of the Supervisory Committee Meetings	Details of the Subjects Discussed at the Supervisory Committee Meetings
On 23 August 2013, the 2nd meeting of the eighth session of Supervisory Committee of the Company was held	Considered and approved the "Resolution on the Explanation on the Disclosure of 2013 Interim Results".
On 15 October 2013, the 3rd meeting of the eighth session of Supervisory Committee of the Company was held	Considered and approved the "The Resolution on the Proposal of Changing Shareholders' Representative Supervisor of the Company".
On 29 October 2013, the 4th meeting of the eighth session of Supervisory Committee of the Company was held	Considered and approved the "Resolution on the Explanation on the 2013 Third Quarterly Report" and "Resolution on the Proposal of Changing Shareholders' Representative Supervisor of the Company".

B. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON THE COMPANY'S RELEVANT MATTERS

1. The Company's Operation in Compliance with Laws

During the reporting period, members of the Supervisory Committee participated in the discussions on major operating decisions through attending Board meetings and general meetings of the Company, and monitored the financial position and the operation of the Company. The Supervisory Committee is of the view that the Company's business was regulated and operated in strict compliance with the Company Law and the Articles of Association and other relevant regulations and systems in 2013 and its operation and decisions were scientific and rational. Meanwhile, the Company enhanced its internal management and internal control systems and established sound internal control mechanisms. In fulfilling their duties, Directors and senior management of the Company acted diligently and dutifully, abided by the State laws and regulations and the Articles of Association and systems and safeguarded the interests of the Company. No act which constituted violation of laws and regulations or contravention of the Company's interests and minority shareholders' lawful interests was discovered.

2. Financial Activities of the Company

During the reporting period, the Supervisory Committee conscientiously and carefully examined and reviewed the Company's accounting statements and financial information. The Supervisory Committee also took part in reviewing the auditor's report and offered opinions and recommendations on the auditor's work. The Supervisory Committee is of the view that the preparation of the Company's financial statements complies with the relevant requirements of the Accounting Standards for Business Enterprises, and that the Company's 2013 financial report and the standard unqualified audit report issued by the accountants truthfully reflect the financial position and operating results of the Company.

3. Actual Application of the Latest Fundraising Proceeds by the Company

The Company completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s Corporate Bonds in 2012" (the "Current Tranche Bonds") on 29 March 2013. The nominal value of the 30 million Current Tranche Bonds was RMB3 billion with a nominal per unit value of RMB100. The unit issue price was RMB100 and the coupon rate was at 5.10%. The proceeds from the fund raising activity were mainly used to replenish the working capital of the Company. The proceeds were fully utilised as at the end of 2013.

REPORT OF THE SUPERVISORY COMMITTEE

4. Acquisition and Disposal of Assets by the Company

In 2013, the Company mainly carried out the joint acquisition of 10% equity interest in CNNC Liaoning Nuclear Power Co., Ltd. ("Liaoning Nuclear Power") and the transfer of land use right and construction work of the land parcel located at Finance Street (Siheyuan). The details are as follows:

(1) Pursuant to the resolutions passed in the 35th meeting of the seventh session of the Board convened on 25 March 2013, the Company formed a consortium with Jiangsu Guoxin Investment Group Co., Ltd. ("Jiangsu Guoxin") and Zhong He Investment Co., Ltd. ("Zhong He Jian") to acquire 10% of equity interests in Liaoning Nuclear Power, which was held and listed for sale by State Development & Investment Corporation ("State Development and Investment"). 4%, 2% and 4% of the equity interests in Liaoning Nuclear Power were transferred to the Company, Jiangsu Guoxin and Zhong He Jian respectively. Actual capital contribution made by the Company for the 4% of the equity interests in Liaoning Nuclear Power (including the transfer price and the amount of capital repaid) amounted to RMB12.7878 million. As at 8 May 2013, the above transaction was completed.

(2) Based on the Company's comprehensive analysis on the construction and operation of Jinyiyuan (Siheyuan) Project, the Company transferred the land use right of the land parcel located at lot no.10-2, Zone F, Finance Street and the construction-in-progress (Siheyuan Project) held by it to CDC, so as to further highlight the major businesses of the Company and effectively revitalise its existing assets. Pursuant to the relevant agreement, the transfer price was determined through negotiation between both parties based on the assessed value of the Siheyuan Project. In particular, the transfer price of the land use right shall not be less than RMB198.0560 million and the transfer price of the construction work shall not be less than RMB36.2951 million. As at the end of 2013, the above transaction was completed.

The Board has considered and approved the above acquisition of equity interest, the transfer of land use right and the construction-in-progress, and fulfilled the relevant disclosure obligations pursuant to the Listing Rules in relation to the transfer of land use right and construction-in-progress. Among those acquisition and disposal which constitute connected transactions, the Independent Directors have expressed independent opinions. The Supervisory Committee is of the view that the considerations of the relevant acquisition and disposal were reasonable, and did not harm the interests of the Company's shareholders.

5. Connected transactions of the Company

During the reporting period, the Company conducted significant connected transactions for various matters between the Company and connected parties primarily in relation to financing arrangements, purchase of fuels, transportation service, procurement of production or project construction materials, formation of joint venture companies, asset disposals and capital operation. After verification, the Supervisory Committee was of the opinion that the transactions of the Company were in compliance with the principle of maintaining openness, fairness and impartiality; that the procedures for the connected transactions were lawful and compliant; and that the transaction prices were fair and reasonable. The Independent Directors presented their independent opinions on the significant connected transactions which took place during the year. During the voting on such transactions at Board meetings and shareholders general meetings, connected directors and shareholders abstained from voting in accordance with the requirements of the regulators in the place where the Company is listed. No acts were carried out by the connected parties in the connected transactions, which had jeopardised the interests of the Company or other shareholders.

6. Review of and opinion on the Internal Control Evaluation Report

The Supervisory Committee of the Company had reviewed the Company's 2013 Internal Control Evaluation Report and communicated with the management of the Company and the accounting firm that was responsible for auditing the Company's 2013 Internal Control Evaluation Report. The committee was of the opinion that the particulars of the 2013 Internal Control Evaluation Report were true and effective, and agreed with unqualified opinion on internal control contained in the audit report issued by Ruihua.

C. WORK PLAN FOR 2014

In 2014, members of the Supervisory Committee of the Company will conscientiously learn the relevant State laws and regulations in order to enhance its political and administration standard and business abilities, and to raise the awareness towards strengthening supervision and the diligence and dutiful fulfillment of obligations. With a spirit of accountability towards shareholders and the staff of the enterprise, and by aligning with the Company's operating activities, members of the Supervisory Committee will exercise effective supervision over the Company's major decisions through attending Board meetings and relevant important business meetings of the Company, with a view to raising the Company's awareness towards risk-prevention. We will also improve the internal control system of the Company and continuously enhance the corporate governance structure, with a view to further upgrading the regulated operation standards of the Company.

Supervisory Committee
Datang International Power Generation Co., Ltd.

25 March 2014

TAXATION IN THE UNITED KINGDOM

The comments below are a general guide only, based on the tax law and practice in force as at the date of this document which may be subject to changes or revisions. They relate only to certain limited aspects of the tax position of shareholders of the Company who are United Kingdom ("UK") resident, and (if an individual) who are also UK ordinarily resident (if relevant) and domiciled and who hold shares in the Company as an investment, not as a share dealer or financial trader ("Relevant Shareholders"). This section is not intended to be and should not be construed as legal or tax advice to any particular shareholder. If you are in any doubt as to your tax position you should consult an appropriate professional advisor.

Subject to the statements made below regarding corporate Relevant Shareholders, Relevant Shareholders will generally be subject to UK income tax or corporation tax on the gross amount of dividends paid by the Company (as ascertained for the purposes of the relevant tax), but will normally be entitled to a credit against such UK income tax or corporation tax for any PRC withholding tax charged on the dividend.

Under the current double taxation treaty between the PRC and the UK, Relevant Shareholders will generally be entitled to a reduced rate of PRC withholding tax on dividends paid to them by the Company. Individual Relevant Shareholders will also be entitled to a non-payable tax credit of one ninth of the distribution.

A corporate Relevant Shareholder should generally be exempt from UK Corporation tax in respect of dividends paid to them by the Company. Where this is not the case, corporate Relevant Shareholders who control (directly or indirectly) at least 10% of the voting rights of the Company may be entitled to credit against UK corporation tax chargeable in respect of dividends paid to them by the Company for any underlying PRC tax payable by the Company in respect of the profits out of which dividends were paid.

Relevant Shareholders will generally be subject to UK tax on chargeable gains on any gain on a disposal of shares, as computed for the purposes of such tax.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DATANG INTERNATIONAL POWER GENERATION CO., LTD.
(Incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Datang International Power Generation Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 86 to 199, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2013, and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

25 March 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	2013 RMB'000	2012 RMB'000 (restated)
Operating revenue	7	75,227,458	77,598,103
Operating costs			
Fuel for power and heat generation		(31,141,989)	(39,116,040)
Fuel for coal sales		(3,935,652)	(5,352,767)
Depreciation		(10,015,095)	(8,860,678)
Repairs and maintenance		(2,410,992)	(2,361,659)
Salaries and staff welfare		(2,820,039)	(2,748,148)
Local government surcharges		(746,285)	(669,983)
Others		(8,814,000)	(5,020,993)
Total operating costs		(59,884,052)	(64,130,268)
Operating profit		15,343,406	13,467,835
Shares of profits of associates		686,196	748,539
Shares of profits of joint ventures		134,780	43,824
Investment income		350,200	474,365
Other (losses)/gains	8	(16,926)	1,305,804
Impairment losses on available-for-sale investments		(241,476)	–
Interest income		79,504	71,868
Finance costs	10	(8,237,366)	(8,568,230)
Profit before tax		8,098,318	7,544,005
Income tax expense	11	(2,355,234)	(1,363,176)
Profit for the year	12	5,743,084	6,180,829
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Reclassification adjustments for amounts transferred to profit or loss upon disposals of available-for-sale investments		(1,581)	–
Reclassification adjustments for amounts transferred to profit or loss arising from impairment of available-for-sale investments		241,476	–
Fair value (loss)/gain on available-for-sale investments		(255,199)	38,333
Share of other comprehensive income of associates		(22,969)	(1,462)
Exchange differences on translating foreign operations		(14,813)	(2,968)
Income tax on items that may be reclassified to profit or loss		4,416	(7,637)
Other comprehensive income for the year, net of tax		(48,670)	26,266
Total comprehensive income for the year		5,694,414	6,207,095
Profit for the year attributable to:			
Owners of the Company		3,528,782	4,018,697
Non-controlling interests		2,214,302	2,162,132
		5,743,084	6,180,829

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	2013 RMB'000	2012 RMB'000 (restated)
Total comprehensive income for the year attributable to:			
Owners of the Company		3,480,112	4,044,963
Non-controlling interests		2,214,302	2,162,132
		5,694,414	6,207,095
		RMB	RMB (restated)
Earnings per share			
Basic and diluted	16	0.27	0.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Note	2013 RMB'000	2012 RMB'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	17	243,436,494	221,446,730
Investment properties	18	467,267	536,857
Intangible assets	19	2,882,391	2,867,431
Development costs		51	–
Investments in associates	20	6,900,077	7,112,954
Investments in joint ventures	21	5,262,631	4,200,109
Available-for-sale investments	22	4,267,757	6,242,654
Deferred housing benefits	23	49,027	73,822
Long-term entrusted loans to an associate	24	335,977	736,381
Deferred tax assets	36	1,658,693	1,672,480
Other non-current assets		1,138,301	428,720
		266,398,666	245,318,138
Current assets			
Inventories	25	3,682,099	5,215,109
Accounts and notes receivables	26	10,101,400	10,356,787
Prepayments and other receivables	27	9,579,892	9,067,279
Short-term entrusted loans to related parties	28	616,381	576,311
Tax recoverable		35,330	99,222
Current portion of long-term entrusted loans to an associate	24	185,000	–
Cash and cash equivalents	29	7,880,844	4,612,687
		32,080,946	29,927,395
TOTAL ASSETS		298,479,612	275,245,533

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Note	2013 RMB'000	2012 RMB'000 (restated)
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	30	13,310,038	13,310,038
Reserves	32	25,768,061	24,494,694
Retained earnings			
Proposed dividends	15	1,597,205	1,331,004
Others		3,492,494	2,454,204
Equity attributable to owners of the Company		44,167,798	41,589,940
Non-controlling interests		20,374,790	14,982,758
Total equity		64,542,588	56,572,698
Non-current liabilities			
Long-term loans	33	138,054,247	129,445,617
Long-term bonds	34	14,417,779	14,405,026
Deferred income	35	1,796,663	1,382,733
Deferred tax liabilities	36	622,415	702,242
Provisions	37	40,875	41,639
Other non-current liabilities	38	8,998,875	7,202,776
		163,930,854	153,180,033
Current liabilities			
Accounts payables and accrued liabilities	39	27,518,624	23,877,465
Taxes payables		1,109,441	1,254,957
Dividends payables		147,273	111,313
Short-term loans	40	18,239,234	22,239,798
Short-term bonds	41	5,700,000	4,400,000
Current portion of non-current liabilities	33, 34, 38	17,291,598	13,609,269
		70,006,170	65,492,802
Total liabilities		233,937,024	218,672,835
TOTAL EQUITY AND LIABILITIES		298,479,612	275,245,533
Net current liabilities		(37,925,224)	(35,565,407)
Total assets less current liabilities		228,473,442	209,752,731

Approved by the Board of Directors on 25 March 2014

Wu Jing	**Zhou Gang**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Attributable to owners of the Company											
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Discretionary surplus reserve RMB'000	Restricted reserve RMB'000	Foreign currency translation reserve RMB'000	Available-for-sale investment revaluation reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2012, as previously stated	13,310,038	9,910,838	3,602,179	9,203,992	90,402	57,115	(53,186)	226,628	2,592,686	38,940,692	11,791,362	50,732,054
Effect of correction of prior year errors	–	–	–	–	–	–	–	–	(24,871)	(24,871)	(17,641)	(42,512)
At 1 January 2012, as restated	13,310,038	9,910,838	3,602,179	9,203,992	90,402	57,115	(53,186)	226,628	2,567,815	38,915,821	11,773,721	50,689,542
Total comprehensive income for the year, as restated	–	–	–	–	–	(2,968)	29,234	–	4,018,697	4,044,963	2,162,132	6,207,095
Capital injections from non-controlling interests	–	–	–	–	–	–	–	–	–	–	2,012,348	2,012,348
Non-common control business combinations	–	–	–	–	–	–	–	–	–	–	153,730	153,730
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(17,667)	–	(17,667)	2,667	(15,000)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	436,028	436,028
Disposal of interest in a subsidiary without loss of control	–	–	–	–	–	–	–	16,069	–	16,069	11,021	27,090
Others	–	–	–	–	–	–	–	95,547	(689)	94,858	(43,480)	51,378
Transfer from restricted reserve	–	–	–	–	(455)	–	–	–	455	–	–	–
Transfer to surplus reserves	–	–	270,829	1,066,137	–	–	–	–	(1,336,966)	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	(1,464,104)	(1,464,104)	(1,525,409)	(2,989,513)
Changes in equity for the year, as restated	–	–	270,829	1,066,137	(455)	(2,968)	29,234	93,949	1,217,393	2,674,119	3,209,037	5,883,156
At 31 December 2012, as restated	13,310,038	9,910,838	3,873,008	10,270,129	89,947	54,147	(23,952)	320,577	3,785,208	41,589,940	14,982,758	56,572,698
At 1 January 2013, as previously stated	13,310,038	9,910,838	3,873,008	10,270,129	89,947	54,147	(23,952)	320,577	3,853,650	41,658,382	15,001,249	56,659,631
Effect of correction of prior year errors	–	–	–	–	–	–	–	–	(68,442)	(68,442)	(18,491)	(86,933)
At 1 January 2013, as restated	13,310,038	9,910,838	3,873,008	10,270,129	89,947	54,147	(23,952)	320,577	3,785,208	41,589,940	14,982,758	56,572,698
Total comprehensive income for the year	–	–	–	–	–	(14,813)	(5,118)	(28,739)	3,528,782	3,480,112	2,214,302	5,694,414
Capital injections from non-controlling interests	–	–	–	–	–	–	–	12,600	–	12,600	967,523	980,123
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(120,684)	–	(120,684)	120,684	–
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	(135,849)	(135,849)
Disposals of interests in subsidiaries without loss of control	–	–	–	–	–	–	–	536,734	–	536,734	3,915,524	4,452,258
Others	–	–	–	–	–	–	–	100	–	100	81	181
Transfer from restricted reserve	–	–	–	–	(1,476)	–	–	–	1,476	–	–	–
Transfer to surplus reserves	–	–	322,172	572,591	–	–	–	–	(894,763)	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	(1,331,004)	(1,331,004)	(1,690,233)	(3,021,237)
Changes in equity for the year	–	–	322,172	572,591	(1,476)	(14,813)	(5,118)	400,011	1,304,491	2,577,858	5,392,032	7,969,890
At 31 December 2013	13,310,038	9,910,838	4,195,180	10,842,720	88,471	39,334	(29,070)	720,588	5,089,699	44,167,798	20,374,790	64,542,588

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2013

	Note	2013 RMB'000	2012 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42(a)	32,309,826	23,021,801
Interest received		79,504	71,868
Income tax paid		(2,321,622)	(1,405,897)
Net cash generated from operating activities		30,067,708	21,687,772
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(32,515,200)	(26,616,303)
Additions to intangible assets		(67,871)	(60,550)
Acquisition of subsidiaries		–	(598,491)
Investments in joint ventures		(927,741)	(570,418)
Investments in associates		(145,091)	(989,274)
Investments in available-for-sale investments		(441,740)	(3,427,351)
Acquisition of non-controlling interests		–	(15,000)
Additional entrusted loans made		(981,700)	(726,700)
Proceeds from disposals of property, plant and equipment		335,530	1,822,780
Disposal of subsidiaries		355,125	12,514
Proceeds from disposals of associates		–	23,698
Proceeds from disposals of available-for-sale investments		2,004,005	–
Repayments of entrusted loans		1,916,825	616,000
Dividends received		983,924	538,277
Interest received from entrusted loans to related parties		101,011	35,092
Others		437,565	150,301
Net cash used in investing activities		(28,945,358)	(29,805,425)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2013

	Note	2013 RMB'000	2012 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital injections from non-controlling interests		685,389	2,012,348
Disposals of interests in subsidiaries without loss of control		4,452,258	27,090
Drawdown of short-term loans		38,621,472	48,673,671
Drawdown of long-term loans		27,538,849	27,889,413
Issuance of short-term bonds		8,700,000	6,000,000
Issuance of long-term bonds, net of issuance costs		2,976,000	5,479,200
Proceeds from finance lease payables		4,053,295	1,817,272
Repayment of short-term loans		(42,622,036)	(47,957,582)
Repayment of long-term loans		(19,350,698)	(18,529,004)
Repayment of short-term bonds		(7,400,000)	(3,000,000)
Repayment of finance lease payables		(2,115,183)	(678,907)
Interest paid		(11,255,583)	(11,069,711)
Dividends paid to owners of the Company		(1,331,004)	(1,464,104)
Dividends paid to non-controlling interests		(1,405,522)	(1,232,158)
Others		597,368	288,019
Net cash generated from financing activities		2,144,605	8,255,547
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,266,955	137,894
Effect of foreign exchange rate changes		1,202	7,421
CASH AND CASH EQUIVALENTS AT 1 JANUARY		4,612,687	4,467,372
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	29	7,880,844	4,612,687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. GENERAL INFORMATION

Datang International Power Generation Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") as a joint stock limited liability company. The Company's H shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and the London Stock Exchange Limited while the Company's A shares are listed on the Shanghai Stock Exchange. The address of its registered office is No. 9 Guangningbo Street, Xicheng District, Beijing 100033, the PRC. The addresses of its principal place of business in the PRC and the Hong Kong Special Administrative Region of the PRC ("Hong Kong") are No. 9 Guangningbo Street, Xicheng District, Beijing 100033, the PRC and 21/F., Gloucester Tower, 15 Queen's Road Central, Hong Kong respectively.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are power generation and power plant development in the PRC. The Group also engaged in coal trading, chemical products manufacturing and selling, etc..

In the opinion of the directors of the Company, China Datang Corporation ("China Datang"), a company incorporated in the PRC, is the ultimate parent of the Company.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1 January 2013. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

(a) Amendments to IAS 1 "Presentation of Financial Statements"

Amendments to IAS 1 titled Presentation of Items of Other Comprehensive Income introduce new optional terminology for statement of comprehensive income and income statement that has been applied by the Group. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) IFRS 11 "Joint Arrangements"

IFRS 11 "Joint Arrangements" supersedes IAS 31 "Interests in Joint Ventures" and SIC Interpretation 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 11 defines joint arrangement as an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture. IFRS 11 requires a single method i.e. equity method, to account for interests in joint ventures and thereby eliminating the proportionate consolidation method.

(c) IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 "Disclosure of Interests in Other Entities" specifies the disclosure requirements for subsidiaries, associates and joint arrangements and introduces new disclosure requirements for unconsolidated structured entities.

The adoption of IFRS 12 only affects the disclosures relating to the Group's subsidiaries, associates and joint arrangements in the consolidated financial statements. IFRS 12 has been applied retrospectively.

(d) IFRS 13 "Fair Value Measurement"

IFRS 13 "Fair Value Measurement" establishes a single source of guidance for all fair value measurements required or permitted by IFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of IFRS 13 only affects disclosures on fair value measurements in the consolidated financial statements. IFRS 13 has been applied prospectively.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRSs and the applicable disclosures required by the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain available-for-sale investments.

At 31 December 2013, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2013, the Group had net current liabilities of approximately RMB37.93 billion. The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB256.50 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these financial statements on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The preparation of financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination under common control

The consolidated financial statements incorporate the financial statements of the combining entities as if they had been combined from the date when they first came under the control of the controlling party.

The consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows include the results and cash flows of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The consolidated statements of financial position have been prepared to present the assets and liabilities of the combining entities as if the Group structure as at 31 December 2013 had been in existence at the end of each reporting period. The net assets of the combining entities are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or gain on bargain purchase at the time of common control combination, to the extent of the continuation of the controlling party's interest.

There was no adjustment made to the net assets nor the net profit or loss of any combining entities in order to achieve consistency of the Group's accounting policies.

(c) Business combination other than under common control and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investments), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (ab) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in other comprehensive income is recognised in the consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the carrying amount of the investment at the date of disposal and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In relation to its interest in a joint operation, the Group recognises in its consolidated financial statements, its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly, in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in other comprehensive income is recognised in the consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the carrying amount of the investment at the date of disposal and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand ("RMB'000"), unless otherwise stated.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates appropriate to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Land use rights	10 – 70 years
Buildings and structures	8 – 45 years
Electricity utility plants	4 – 35 years
Coal chemical specialised assets	23 years
Transportation facilities	6 – 12 years
Others	5 – 22 years

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings and structures under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(h) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight line method to allocate the cost to the residual value over its estimated useful life of 30 years.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall be deferred and amortised over the lease term.

The Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(ii) Finance leases

Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible assets other than goodwill

Intangible assets, other than goodwill, are stated at cost less accumulated amortisation and impairment losses. Amortisation of intangible assets is calculated either at rates appropriate to write off their cost over the estimated useful lives on a straight-line basis or on a systematic and proper method to reflect the pattern in which the asset's future economic benefits are expected to be realised by the Group. Mining rights are amortised based on the units of production method while the principal useful lives of other intangible assets are as follows:

Resource use rights	10 years
Technology know-how	23 years
Computer software	2 – 9 years
Others	14 months – 10 years

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average method. Costs of inventories include direct material cost and transportation expenses incurred in bringing them to the working locations. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs in power generation and selling expenses.

(l) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale investments.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

(ii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets not classified as loans and receivables or financial assets at fair value through profit or loss. Available-for-sale investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. Dividend, foreign exchange gain or loss and interest calculated using the effective interest method are recognised in profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less impairment losses.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale investments are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale investments are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

(n) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Loans and receivables primarily include long-term entrusted loans, short-term entrusted loans, other receivables, accounts and notes receivables and cash and cash equivalents in the statement of financial position. An allowance for impairment of loans and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of loans and receivables. The amount of the allowance is the difference between the loans and receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the loans and receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the loans and receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(p) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(r) Financial guarantee contract liabilities

The Group issues financial guarantee contracts that transfer significant insurance risk. Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holders for losses they incur because specified debtors fail to make payments when due in accordance with the original or modified terms of debt instruments.

At the end of each reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. In performing these tests, current best estimates of future contractual cash flows and related administrative expenses are used. Any deficiency is immediately charged to the profit or loss by establishing a provision for losses arising from these tests.

(s) Accounts payables and accrued liabilities

Accounts payables and accrued liabilities are stated initially at their fair values and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(t) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from sales of electricity and heat represents the amount of tariffs billed for electricity and heat generated and transmitted to the respective power companies and heat supply companies.

Revenue associated with sales of coal and other goods is recognised when the title to the goods has been passed to customers, which is the date when the goods are either picked up at site or free on board, or delivered to the designated locations and accepted by the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

(v) Employee benefits

(i) Pension and other social obligations

The Group contributes to defined contribution schemes including pension and/or other social benefits in accordance with the local conditions and practices in the municipalities and provinces in which it operates. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(ii) Staff housing benefits

The Company provides housing to its employees at preferential prices. The difference between the selling price and the cost of housing is considered a housing benefit to the employees and is recorded as deferred housing benefits which are amortised on a straight-line basis over the estimated remaining average service lives of the relevant employees and included in salaries and staff welfare expenses.

During 2005 to 2007, the Company and some of its subsidiaries also started to provide monetary housing subsidies to their employees. These subsidies are considered housing benefits and are recorded as deferred housing benefits which are amortised on a straight-line basis over the estimated remaining average service lives of the relevant employees and included in salaries and staff welfare expenses.

In addition, the Group also contributes to the state-prescribed housing fund. Such costs are charged to the profit or loss as incurred.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(w) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Borrowing costs (Continued)

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(x) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss on a straight-line basis over the useful lives of the related assets.

(y) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(z) Value-added tax ("VAT")

Revenue from sales of electricity and heat and revenue associated with sales of coal and other goods are subjected to VAT in the PRC. VAT payables are determined by applying 17% or 13% or 11% or 6% on the taxable revenue after offsetting deductible input VAT of the period.

(aa) Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Government-related entities, other than entities under China Datang which is a state-owned enterprise and its subsidiaries, directly or indirectly controlled by the Central People's Government of the PRC ("Government-Related Entities") are also regarded as related parties of the Group.

For the purpose of the related party transactions disclosure, the Group has established procedures for determination, to the extent possible, of the identification of the ownership structure of its customers and suppliers as to whether they are Government-Related Entities to ensure the adequacy of disclosure for all material related party transactions given that many Government-Related Entities have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, deferred tax assets, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(ac) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(ad) Events after the reporting period

Events after the reporting period that provide additional information about the Group’s position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the availability of funding from various sources to enable the Group to operate as a going concern and meet its liabilities as they fall due. Details are explained in note 3 to financial statements.

(b) Joint control assessment

The Group holds 40% or above of the voting rights of its joint arrangements. The Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements for the all relevant activities.

(c) Classification of joint arrangements

The Group's joint arrangements are structured as limited companies and provide the Group and the parties to the arrangements with rights to the net assets of the limited companies under the arrangements. Therefore, these entities are classified as joint ventures of the Group.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Depreciation of property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the projected wear and tear incurred during power generation. This could change significantly as a result of technical renovations on power generators. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

(b) Impairment of property, plant and equipment

The Group tests annually whether property, plant and equipment have suffered any impairment in accordance with the accounting policy stated in note 3 (ab) to the financial statements. An impairment loss is recognised when the carrying amount of property, plant and equipment exceeds their recoverable amount which has been determined based on value in use calculations. These calculations require the use of estimates such as electricity and heat tariffs and fuel prices. Changes of assumptions in electricity and heat tariffs and fuel prices could affect the result of property, plant and equipment impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Approval of construction in new power plants

The Group has not received relevant government approvals from the National Development and Reform Commission (the "NDRC") for its certain power plant construction projects. The ultimate approval from the NDRC on these projects is a critical estimate and judgement of the directors. Such an estimate and judgement are based on initial approval documents received as well as their understanding of the projects. Based on historical experience, the directors believe that the Group will receive final approval from the NDRC on the related power plant projects. Deviation from this estimate and judgement could result in material adjustments to the carrying amount of property, plant and equipment.

(d) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value, of which details are provided in note 19 to financial statements.

(e) Impairment of available-for-sale investments

The Group determines whether available-for-sale investments have suffered any impairment largely dependent on the management's judgements and assumptions. In making judgements and assumptions, the Group requires to assess the extent and duration when the fair value of an investment is lower than its cost, and the financial position and short-term business outlook of the investee company, including industry conditions, technology changes, credit ratings, default rates and counterparty risks.

(f) Impairment of intangible assets other than goodwill

At the end of each reporting period, the Group determines whether there is any indication that its intangible assets other than goodwill may be impaired. For intangible assets other than goodwill that have an indefinite useful life, the Group is required to perform impairment assessment annually and whenever there is any indication that those assets have suffered an impairment loss. The Group reviews the carrying amounts of its intangible assets other than goodwill to determine whether there is any indication that those intangible assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the intangible assets other than goodwill is estimated to be less than its carrying amount, it indicates those assets have been impaired.

In assessing value in use of those intangible assets, the future cash flows are estimated using discounted cash flow method. The key assumptions for the discounted cash flow method include the expected production capacity, selling prices, related operating costs and discount rates. These key assumptions are based on expectations with reasonable and appropriate analysis.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(g) Deferred tax assets

The estimates of deferred tax assets require estimates over future taxable profit and corresponding applicable income tax rates of respective years. The change in future income tax rates and timing would affect income tax expense or credit, as well as deferred tax balance. The realisation of deferred tax assets also depends on the realisation of sufficient future taxable profits of the Group. Deviation of future profitability from the estimate could result in material adjustments to the carrying amount of deferred tax assets.

(h) Allowance for inventories

An allowance is recognised when the net realisable value of inventories is higher than their costs and inventories are obsolete and slow-moving. Determination of allowance for inventories requires the management to obtain conclusive evidence. In making the judgements and estimates, the management also considers the factors such as the purpose of holding the inventories and the effect of the events after the reporting period. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge or write-back in the period in which such estimate has been changed.

(i) Income taxes

The Group is subject to income taxes in various regions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business, overall assets transfers and corporate restructuring. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

Foreign currency risk of the Group primarily arises from certain loans and deposits denominated in United States dollar ("USD") and Euro dollar ("EUR"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency debts. The Group maintains a close look at the international foreign currency market on the changing exchange rates and takes these into consideration when raising foreign currency loans and investing in foreign currency deposits.

At 31 December 2013, if RMB had weakened by 5 per cent (2012: 5 per cent) against USD or EUR with all other variables held constant, consolidated profit after tax for the year would have been RMB80,946 thousand (2012: RMB38,705 thousand) lower, arising as a result of the foreign exchange loss on USD and EUR loans and deposits. If RMB had strengthened by 5 per cent (2012: 5 per cent) against USD or EUR with all other variables held constant, consolidated profit after tax for the year would have been RMB80,946 thousand (2012: RMB38,705 thousand) higher, arising as a result of the foreign exchange gain on USD and EUR loans and deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

5. FINANCIAL RISK MANAGEMENT (Continued)

(b) Price risk

The Group's certain available-for-sale investments amounted to RMB462,391 thousand (2012: RMB741,845 thousand) as disclosed in note 22 to the financial statements are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. Since the amounts of such investments are insignificant to the Group, the directors of the Company are of opinion that the Group is not exposed to any significant equity security price risk as at 31 December 2013 and 2012. The Group closely monitors the pricing trends in the open market in determining their long-term strategic stakeholding decisions.

(c) Credit risk

The carrying amount of the bank deposits, accounts receivables, other receivables, short-term entrusted loans and long-term entrusted loans included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group maintains most of its bank deposits in several major government-related financial institutions in the PRC and a non-bank financial institution which is a related party of the Group. With strong State support provided to those government-related financial institutions and the holding of directorship in the board of the related party non-bank financial institution, the directors are of the opinion that there is no significant credit risk on such assets being exposed.

With regard to accounts receivables arising from power sales, most of the power plants of the Group sell electricity to their sole customers, the power grid companies of their respective provinces or regions where the power plants operate. These power plants of the Group communicate with their individual grid companies periodically and believe that adequate allowance for doubtful accounts has been made in the financial statements. For accounts receivables arising from coal and chemical product sales, the Group assesses the credit quality of the customers, taking into account their financial positions, past experience and other factors. It will also collect advanced payments from their customers. The Group performs periodic credit evaluations of its customers and believes that adequate allowance for doubtful debts has been made in the financial statements. The Group does not hold any collateral as security for all the receivables.

At 31 December 2013, accounts and notes receivables due from the top five debtors amounted to RMB4,497,783 thousand (2012: RMB4,928,158 thousand), representing 44.53% (2012: 47.58%) of the total accounts and notes receivables. Except for accounts and notes receivables, the Group has no significant concentrations of credit risk.

Other receivables, short-term entrusted loans and long-term entrusted loans primarily include amounts due from related parties. The Group assesses the credibility of the related parties by reviewing their operating results and gearing ratios periodically.

5. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit facilities.

The Group monitors the cash flow rolling forecasts of the Group's undrawn borrowing facility and cash and cash equivalents available as at each month end in meeting its liabilities.

The maturity analysis of the Group's financial liabilities is as follows:

	Less than 1 year RMB'000	**Between 1 and 2 years** RMB'000	**Between 2 and 5 years** RMB'000	**Over 5 years** RMB'000
At 31 December 2013				
Long-term loans	12,350,825	14,369,965	48,679,687	75,004,595
Long-term bonds	3,000,000	5,500,000	–	9,000,000
Finance lease payables	2,462,140	2,019,877	5,447,860	3,672,638
Other non-current liabilities, excluding finance lease payables	47,899	–	–	–
Accounts payables and accrued liabilities	27,518,624	–	–	–
Short-term loans	18,239,234	–	–	–
Short-term bonds	5,700,000	–	–	–
Interest payables for loans	9,992,352	8,390,041	19,829,462	49,248,935
Interest payables for bonds	863,500	740,500	1,381,500	1,387,500
At 31 December 2012				
Long-term loans	12,771,304	13,061,405	37,477,479	78,906,733
Long-term bonds	–	3,000,000	5,500,000	6,000,000
Finance lease payables	1,212,628	1,304,951	3,922,535	3,652,627
Other non-current liabilities, excluding finance lease payables	88,006	15,000	–	–
Accounts payables and accrued liabilities, as restated	23,877,465	–	–	–
Short-term loans	22,239,798	–	–	–
Short-term bonds	4,400,000	–	–	–
Interest payables for loans	9,919,040	8,053,248	19,406,639	61,202,062
Interest payables for bonds	719,500	710,500	1,202,500	930,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

5. FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest rate risk

As the Group has no significant interest-bearing assets except for bank deposits, the Group's operating cash flows are substantially independent of changes in market interest rates.

Most of the bank deposits are maintained in the savings and fixed deposits accounts in the PRC. The interest rates are regulated by the People's Bank of China while the Group closely monitors the fluctuation on such rates periodically. As the average interest rates applied to the deposits are relatively low, the directors are of the opinion that the Group is not exposed to any significant interest rate risk for these assets held as at 31 December 2013 and 2012.

The Group's exposure to interest rate risk arises from its loans. Certain loans bear interests at variable rates varied with the then prevailing market condition, thus exposing the Group to cash flow interest rate risk. The Group analyses interest rate exposures on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing.

At 31 December 2013, if interest rates on RMB, Hong Kong dollars ("HKD") and USD denominated loans had been 50 basis points (2012: 50 basis points) lower respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB568,278 thousand (2012: RMB558,382 thousand), RMB1,091 thousand (2012: RMB1,368 thousand) and RMB2,504 thousand (2012: RMB5,669 thousand) higher, respectively, arising as a result of a decrease in interest expense on the loans. If interest rates on RMB, HKD and USD denominated loans had been 50 basis points (2012: 50 basis points) higher respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB568,278 thousand (2012: RMB558,382 thousand), RMB1,091 thousand (2012: RMB1,368 thousand) and RMB2,504 thousand (2012: RMB5,669 thousand) lower, respectively, arising as a result of an increase in interest expense on the loans.

(f) Categories of financial instruments at 31 December 2013

	2013 RMB'000	2012 RMB'000 (restated)
Financial assets:		
Loans and receivables (including cash and cash equivalents)	21,381,647	17,393,566
Available-for-sale investments	4,267,757	6,242,654
Financial liabilities:		
Financial liabilities at amortised cost	230,367,631	215,291,264

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Disclosures of level in fair value hierarchy at 31 December 2013:

Description	Fair value measurements using Level 1:	
	2013 RMB'000	2012 RMB'000
Recurring fair value measurements:		
Available-for-sale investments		
Equity securities listed in Hong Kong	374,262	657,923
Equity securities listed outside Hong Kong	88,129	83,922
Total recurring fair value measurements	462,391	741,845

7. OPERATING REVENUE

The Group's operating revenue which primarily represents sales of electricity, heat, coal and chemical products is as follows:

	2013 RMB'000	2012 RMB'000 (restated)
Sales of electricity	64,236,793	67,361,582
Heat supply	1,159,739	943,092
Sales of coal	4,142,825	5,892,366
Sales of chemical products	4,925,416	2,572,701
Others	762,685	828,362
	75,227,458	77,598,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

8. OTHER (LOSSES)/GAINS

	2013 RMB'000	2012 RMB'000
(Loss)/gain on disposal of subsidiaries	(16,411)	1,304,454
Gain on disposal of an associate	–	1,350
Loss on disposals of available-for-sale investments	(515)	–
	(16,926)	1,305,804

9. SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the "Senior Management") perform the function as chief operating decision makers. The Senior Management reviews the internal reporting of the Group in order to assess performance and allocate resources. Senior Management has determined the operating segments based on these reports.

Senior Management considers the business from a product perspective. Senior Management primarily assesses the performance of power generation, coal and chemical separately. Other operating activities primarily include sales of properties and sales of coal ash, etc., and are included in "other segments".

Senior Management assesses the performance of the operating segments based on a measure of profit before tax prepared under China Accounting Standards for Business Enterprises ("PRC GAAP").

The accounting policies of the operating segments are the same as those described in note 3 to the financial statements. Segment profits or losses do not include dividend income from available-for-sale investments and gain or loss on disposals of available-for-sale investments. Segment assets exclude deferred tax assets and available-for-sale investments. Segment liabilities exclude the current tax liabilities and deferred tax liabilities. Sales between operating segments are marked to market or contracted close to market price and have been eliminated at consolidation level. Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

9. SEGMENT INFORMATION (Continued)

Information about reportable segment profit or loss, assets and liabilities:

	Power generation segment RMB'000	Coal segment RMB'000	Chemical segment RMB'000	Other segments RMB'000	Total RMB'000
Year ended 31 December 2013					
Revenue from external customers	65,629,209	4,210,348	4,937,628	450,273	75,227,458
Intersegment revenue	765,266	21,639,602	6,373	106,405	22,517,646
Segment profit/(loss)	9,494,603	462,951	(2,186,275)	435,511	8,206,790
Depreciation and amortisation	8,824,693	217,942	988,499	93,357	10,124,491
Net gain/(loss) on disposals of property, plant and equipment	43,630	33	–	(167)	43,496
Loss on disposals of long-term investments	–	–	–	(16,926)	(16,926)
Impairment losses on assets	717,657	545,480	–	674	1,263,811
Interest income	64,730	7,093	6,293	1,388	79,504
Interest expense	6,794,882	292,225	1,009,725	87,676	8,184,508
Share of profits of associates	24,329	438,513	–	214,979	677,821
Shares of profits of joint ventures	133,030	114	–	–	133,144
Income tax expense/(credit)	2,395,068	181,576	(249,920)	63,284	2,390,008
Year ended 31 December 2012					
Revenue from external customers, as restated	68,491,810	5,982,644	2,580,135	543,514	77,598,103
Intersegment revenue	763,746	14,423,711	453	150,311	15,338,221
Segment profit, as restated	5,617,733	1,699,243	108,011	195,547	7,620,534
Depreciation and amortisation, as restated	8,527,026	208,113	78,925	100,616	8,914,680
Net gain/(loss) on disposals of property, plant and equipment	24,900	–	(2,007)	1,239	24,132
Gain on disposals of long-term investments	1,301,721	–	–	6,696	1,308,417
Interest income	52,900	9,362	6,634	2,972	71,868
Interest expense	7,863,853	456,304	46,451	113,399	8,480,007
Share of profits of associates	16,486	516,708	–	167,473	700,667
Shares of profits of joint ventures	–	27,563	–	–	27,563
Income tax expense, as restated	1,075,871	218,220	33,111	81,667	1,408,869

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9. SEGMENT INFORMATION (Continued)

Information about reportable segment profit or loss, assets and liabilities: (Continued)

	Power generation segment RMB'000	**Coal segment** RMB'000	**Chemical segment** RMB'000	**Other segments** RMB'000	**Total** RMB'000
At 31 December 2013					
Segment assets	197,049,059	29,266,061	73,422,380	10,459,325	310,196,825
Including:					
Investments in associates	840,635	1,853,882	1,405	4,049,892	6,745,814
Investments in joint ventures	4,070,195	1,048,685	–	–	5,118,880
Additions to non-current assets (other than financial assets and deferred tax assets)	21,612,004	468,085	9,166,654	1,560,019	32,806,762
Segment liabilities	163,790,164	20,049,043	59,735,252	1,648,032	245,222,491
At 31 December 2012					
Segment assets, as restated	181,874,190	25,680,681	63,397,049	12,674,490	283,626,410
Including:					
Investments in associates	687,715	2,466,357	1,405	3,894,225	7,049,702
Investments in joint ventures	3,076,706	980,205	–	–	4,056,911
Additions to non-current assets (other than financial assets and deferred tax assets), as restated	11,155,943	4,003,764	13,306,331	2,872,499	31,338,537
Segment liabilities, as restated	160,186,209	16,736,350	48,916,733	941,114	226,780,406

9. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items:

	2013 RMB'000	2012 RMB'000 (restated)
Revenue		
Total revenue of reportable segments	97,745,104	92,936,324
Elimination of intersegment revenue	(22,517,646)	(15,338,221)
Consolidated revenue	75,227,458	77,598,103
Profit or loss		
Total profit or loss of reportable segments	8,206,790	7,620,534
Loss on disposals of available-for-sale investments	(515)	–
Dividend income from available-for-sale investments	19,752	63
Elimination of intersegment profits	(122,242)	(122,832)
IFRS adjustment on reversal of general provision on mining funds	19,328	75,257
Other IFRS adjustments	(24,795)	(29,017)
Consolidated profit before tax	8,098,318	7,544,005
Assets		
Total assets of reportable segments	310,196,825	283,626,410
Deferred tax assets	1,628,600	1,643,570
Available-for-sale investments	462,391	741,845
Elimination of intersegment assets	(18,964,515)	(14,829,738)
Reclassification of non-income taxes recoverable	4,883,540	3,860,255
IFRS adjustment on reversal of general provision on mining funds	300,117	206,925
Other IFRS adjustments	(27,346)	(3,734)
Consolidated total assets	298,479,612	275,245,533
Liabilities		
Total liabilities of reportable segments	(245,222,491)	(226,780,406)
Current tax liabilities	(598,436)	(576,964)
Deferred tax liabilities	(594,199)	(673,717)
Elimination of intersegment liabilities	17,389,858	13,247,032
Reclassification of non-income taxes recoverable	(4,883,540)	(3,860,255)
Other IFRS adjustments	(28,216)	(28,525)
Consolidated total liabilities	(233,937,024)	(218,672,835)

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9. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items: (Continued)

Other material items

	Total of reportable segments RMB'000	Elimination of intersegment RMB'000	IFRS adjustment on reversal of general provision on mining funds RMB'000	Other IFRS adjustments RMB'000	Total per consolidated statement of financial position/ statement of profit or loss and other comprehensive income RMB'000
Year ended 31 December 2013					
Share of profits of associates	677,821	–	8,375	–	686,196
Shares of profits of joint ventures	133,144	–	1,636	–	134,780
Income tax expense	2,390,008	(33,282)	2,329	(3,821)	2,355,234
Year ended 31 December 2012					
Share of profits of associates	700,667	–	47,872	–	748,539
Shares of profits of joint ventures	27,563	–	16,261	–	43,824
Income tax expense, as restated	1,408,869	(44,593)	2,781	(3,881)	1,363,176
At 31 December 2013					
Investments in associates	6,745,814	–	154,263	–	6,900,077
Investments in joint ventures	5,118,880	–	143,751	–	5,262,631
At 31 December 2012					
Investments in associates	7,049,702	–	63,252	–	7,112,954
Investments in joint ventures	4,056,911	–	143,198	–	4,200,109

Geographical information (under IFRS):

During the years ended 31 December 2013 and 2012, all revenues from external customers are generated domestically. At 31 December 2013, non-current assets (excluding financial assets and deferred tax assets) amounted to RMB259,858,793 thousand (2012, as restated: RMB236,514,404 thousand) and RMB48,303 thousand (2012: RMB51,126 thousand) are located in the PRC and foreign countries, respectively.

In presenting the geographical information, revenue is based on the locations of the customers.

9. SEGMENT INFORMATION (Continued)

Revenue from major customers:

	2013 RMB'000	2012 RMB'000
Power generation segment		
North China Grid Company Limited	18,757,166	22,164,852
Guangdong Power Grid Corporation	6,593,084	7,812,281
Jibei Electric Power Company Limited	6,884,041	3,110,676
Jiangsu Electric Power Company	5,145,107	5,578,440
State Grid Corporation of China	–	6,241,549
State Grid Zhejiang Electric Power Company	5,984,578	5,427,459

10. FINANCE COSTS

	2013 RMB'000	2012 RMB'000
Interest expense on:		
Short-term bank loans	983,797	1,272,642
Other short-term loans	97,246	117,382
Long-term bank loans		
– Wholly repayable within five years	1,348,870	1,073,523
– Not wholly repayable within five years	7,283,290	7,777,104
Other long-term loans		
– Wholly repayable within five years	110,685	145,028
– Not wholly repayable within five years	269,841	147,487
Short-term bonds	251,279	144,547
Long-term bonds	861,092	635,505
Finance leases	589,747	438,166
Acquisitions of property, plant and equipment by instalments	–	622
Discounted notes receivables	28,128	34,813
Others	343	27,156
Total borrowing costs	11,824,318	11,813,975
Amount capitalised	(3,639,810)	(3,333,968)
	8,184,508	8,480,007
Exchange gain, net	(16,411)	(4,379)
Others	69,269	92,602
	8,237,366	8,568,230

Borrowing costs on funds borrowed generally are capitalised at a rate of 6.25% (2012: 6.45%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

11. INCOME TAX EXPENSE

	2013 RMB'000	2012 RMB'000 (restated)
Current tax – PRC Enterprise Income Tax		
Provision for the year	2,378,249	1,671,366
Over-provision in prior years	(511)	(45,852)
	2,377,738	1,625,514
Deferred tax (note 36)	(22,504)	(262,338)
	2,355,234	1,363,176

The Company and its subsidiaries, other than as stated below, are generally subject to PRC Enterprise Income Tax statutory rate of 25% (2012: 25%).

(i) Pursuant to document Cai Shui Zi [2006]88 issued by the Ministry of Finance of the PRC (the "MOF"), a subsidiary of the Company, being a high and new technology industrial development enterprise set up in the high and new technology industrial development zone approved by the State Council, and as approved by Tax Bureau of Beijing Fengtai District, is exempted from PRC Enterprise Income Tax in the first two operating years and then applies 15% being the preferential rate from the third year, counting from the first year when this subsidiary starts to make profit.

(ii) As a newly set up foreign invested enterprise engaged in power generation in the western area of the PRC approved by the local tax authority, a subsidiary of the Company is exempted from PRC Enterprise Income Tax during the first and second years of operation and has been granted a tax concession to pay PRC Enterprise Income Tax at 50% of the preferential rate of 15% from the third to fifth year of operation since the year 2008. However, the tax concession expired since 1 January 2013. The applicable PRC Enterprise Income Tax rate for the year ended 31 December 2013 is 15%.

(iii) Pursuant to documents Cai Shui [2008]46 and [2008]116 issued by the MOF, certain subsidiaries are exempted from PRC Enterprise Income Tax during the first three years of operation commencing from the year of assessment in which the first sale transaction is reported and have been granted a tax concession to pay PRC Enterprise Income Tax at 50% of the statutory rate of 25% from the fourth to sixth year of operation in respect of their operating profit derived from investments in new wind power generation projects approved by government investment task forces after 1 January 2008. This preferential tax treatment will expire from 31 December 2013 to 31 December 2016.

(iv) Pursuant to document Cai Shui [2011]58 "Further Implementing the Western China Development Strategy" issued by the MOF, the General Administration of Customs and the State Administration of Taxation of the PRC, certain subsidiaries set up in the western area of the PRC and engaged in a business encouraged by the State are eligible to pay PRC Enterprise Income Tax at a preferential rate of 15% from 1 January 2011 to 31 December 2020.

11. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC Enterprise Income Tax rate is as follows:

	2013 RMB'000	2012 RMB'000 (restated)
Profit before tax	8,098,318	7,544,005
Tax at the domestic income tax rate of 25% (2012: 25%)	2,024,580	1,886,001
Tax effect of income that is not taxable	(287,850)	(529,339)
Tax effect of expenses that are not deductible	400,522	13,708
Tax effect of utilisation of tax losses not previously recognised	(151)	(1,458)
Tax effect of temporary differences not recognised	114,808	226,986
Reversal of tax losses previously recognised	(1,696)	–
Over-provision in prior years	(511)	(45,852)
Tax effect of tax concession	(168,915)	(253,454)
Others	274,447	66,584
Income tax expense	2,355,234	1,363,176

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2013 RMB'000	2012 RMB'000
Auditors' remuneration	15,240	14,220
Acquisition-related costs (included in operating costs)	–	403
Allowance for accounts receivables	673	–
Allowance for inventories (included in operating costs)	356,652	–
Amortisation of deferred income	(62,006)	(45,087)
Amortisation of intangible assets (included in operating costs)	50,276	23,197
Cost of major inventories sold and consumed		
– Fuel	35,077,641	44,468,807
– Spare parts and consumable supplies	543,078	567,031
Rental income generated from investment properties	(19,420)	(18,875)
Dividend income from available-for-sale investments		
– Listed investments	(19,752)	(63)
– Unlisted investments	(90,353)	(38,997)
Net gains on disposals of property, plant and equipment	(43,496)	(24,132)
Impairment losses on available-for-sale investments reclassified from equity	241,476	–
Impairment losses on property, plant and equipment (included in operating costs)	665,095	–
Reversal of allowance for accounts receivables	(17)	–
Reversal of allowance for other receivables	(85)	(449)
Staff costs excluding directors' and supervisors' emoluments		
– Salaries and welfares	1,889,817	1,898,592
– Retirement benefits	389,777	324,610
– Housing benefits	232,242	211,536
– Other costs	308,203	313,410

13. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of each director and supervisor were as follows:

			Salaries, allowances and bonus					
		Fees RMB'000	**Basic salaries and allowances** RMB'000	**Bonus** RMB'000	**Subtotal** RMB'000	**Retirement benefits** RMB'000	**Other benefits** RMB'000	**Total** RMB'000
Name of director								
Liu Shunda	(i)	–	–	–	–	–	–	–
Chen Jinhang	(ii)	–	–	–	–	–	–	–
Cao Jingshan	(iii), (iv)	–	177	545	722	44	96	862
Hu Shengmu	(iii)	–	–	–	–	–	–	–
Fang Qinghai	(iii)	–	–	–	–	–	–	–
Zhou Gang	(iii)	–	167	691	858	31	96	985
Liu Haixia	(iii)	–	–	–	–	–	–	–
Guan Tiangang	(iii)	–	–	–	–	–	–	–
Ye Yonghui	(i)	–	–	–	–	–	–	–
Li Gengsheng	(iii)	–	–	–	–	–	–	–
Mi Dabin	(i)	–	–	–	–	–	–	–
Cao Xin	(ii)	–	–	–	–	–	–	–
Cai Shuwen	(ii)	–	–	–	–	–	–	–
Li Hengyuan	(iii)	106	–	–	–	–	–	106
Li Yanmeng	(i)	37	–	–	–	–	–	37
Zhao Zunlian	(i)	37	–	–	–	–	–	37
Zhao Jie	(iii)	106	–	–	–	–	–	106
Jiang Guohua	(iii)	106	–	–	–	–	–	106
Dong Heyi	(ii)	68	–	–	–	–	–	68
Ye Yansheng	(ii)	68	–	–	–	–	–	68
		528	344	1,236	1,580	75	192	2,375
Name of supervisor								
Qiao Xinyi	(iii), (v)	–	174	671	845	31	96	972
Zhang Xiaoxu	(iii)	–	–	–	–	–	–	–
Guan Zhenquan	(iii)	–	150	534	684	21	92	797
Zhou Xinnong	(iii), (vii)	–	–	–	–	–	–	–
Li Baoqing	(viii)	–	–	–	–	–	–	–
Yu Meiping	(vi)	–	74	50	124	13	42	179
		–	398	1,255	1,653	65	230	1,948
Total for 2013		528	742	2,491	3,233	140	422	4,323

Notes:

(i) Ceased on 1 July 2013

(ii) Appointed on 1 July 2013

(iii) Re-appointed on 1 July 2013

(iv) Ceased on 24 January 2014

(v) Ceased on 18 October 2013

(vi) Appointed on 18 October 2013

(vii) Ceased on 29 October 2013

(viii) Appointed on 29 October 2013

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13. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (Continued)

			Salaries, allowances and bonus					
		Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000	Retirement benefits RMB'000	Other benefits RMB'000	Total RMB'000
Name of director								
Liu Shunda		–	–	–	–	–	–	–
Cao Jingshan		–	176	548	724	37	40	801
Hu Shengmu		–	–	–	–	–	–	–
Fang Qinghai		–	–	–	–	–	–	–
Zhou Gang		–	160	430	590	29	41	660
Liu Haixia		–	–	–	–	–	–	–
Guan Tiangang		–	–	–	–	–	–	–
Su Tiegang	(i)	–	–	–	–	–	–	–
Ye Yonghui		–	–	–	–	–	–	–
Li Gengsheng		–	–	–	–	–	–	–
Mi Dabin	(ii)	–	–	–	–	–	–	–
Li Hengyuan		75	–	–	–	–	–	75
Li Yanmeng		75	–	–	–	–	–	75
Zhao Zunlian		75	–	–	–	–	–	75
Zhao Jie		75	–	–	–	–	–	75
Jiang Guohua		75	–	–	–	–	–	75
		375	336	978	1,314	66	81	1,836
Name of supervisor								
Qiao Xinyi		–	168	406	574	35	41	650
Zhang Xiaoxu		–	–	–	–	–	–	–
Guan Zhenquan		–	149	322	471	19	36	526
Zhou Xinnong		–	–	–	–	–	–	–
		–	317	728	1,045	54	77	1,176
Total for 2012		375	653	1,706	2,359	120	158	3,012

Notes:

(i) Discontinued on 20 August 2012

(ii) Appointed on 20 August 2012

13. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS (Continued)

There was no arrangement under which a director or a supervisor waived or agreed to waive any emoluments during the years ended 31 December 2013 and 2012.

The five highest paid individuals in the Group during the year included 1 (2012: 2) director(s) and 1 (2012: no) supervisor whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 3 (2012: 3) individuals are set out below:

	2013 RMB'000	2012 RMB'000
Basic salaries and allowances	512	498
Bonus	2,040	1,286
Retirement benefits	99	86
Other benefits	289	121
	2,940	1,991

The emoluments of the five highest paid individuals in the Group fell within the following band:

	Number of individuals	
	2013	2012
Nil to RMB786,230 (2012: RMB810,850) (equivalent to HKD1,000,000)	–	5
RMB786,231 to RMB1,179,345 (2012: RMB810,851 to RMB1,216,275) (equivalent to HKD1,000,001 to HKD1,500,000)	5	–
	5	5

During the years ended 31 December 2013 and 2012, no emoluments were paid by the Group to any of the directors or the supervisors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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14. EMPLOYEE BENEFITS

Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at a rate of 20% (2012: 20%) of the specified salaries of the PRC employees. The PRC government is responsible for the pension liability to the retired employees. The PRC employees of the Group are entitled to a monthly pension upon their retirements.

In addition, the Group has implemented a supplementary defined contribution retirement scheme. Under this scheme, the employees of the Group make a specified contribution based on their service duration. The Group is required to make a contribution equal to 2 to 3 times of the staff's contributions. The Group may, at their discretion, provide additional contributions to the retirement fund depending on the operating results of the year. The employees will receive the total contributions and any returns thereon, upon their retirements.

The total retirement costs incurred by the Group during the year ended 31 December 2013 pursuant to these arrangements amounted to RMB515,039 thousand (2012: RMB422,615 thousand).

Housing benefits

Apart from the housing benefits and monetary subsidies as stated in note 23 to the financial statements, in accordance with the PRC housing reform regulations, the Group is required to make contributions to the state-sponsored housing fund at rates 10% to 20% (2012: 10% to 20%) of the specified salaries of the PRC employees. At the same time, the employees are required to make a contribution based on certain percentages. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances. The Group has no further obligations for housing benefits beyond the contributions made above. During the year ended 31 December 2013, the Group provided RMB270,454 thousand (2012: RMB232,773 thousand) to the fund.

15. DIVIDENDS

	2013 RMB'000	2012 RMB'000
Proposed final of RMB0.12 (2012: RMB0.10) per share	1,597,205	1,331,004

Pursuant to the PRC Enterprise Income Tax Law, the Company is required to withhold 10% PRC enterprise income tax when it distributes dividends to its non-PRC resident enterprise shareholders.

16. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of RMB3,528,782 thousand (2012, as restated: RMB4,018,697 thousand) and the weighted average number of ordinary shares of 13,310,038 thousand (2012: 13,310,038 thousand) in issue during the year.

Diluted earnings per share

During the years ended 31 December 2013 and 2012, the Company did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share is equal to basic earnings per share.

17. PROPERTY, PLANT AND EQUIPMENT

	Land use rights RMB'000	Buildings and structures RMB'000	Electricity utility plants RMB'000	Coal chemical specialised assets RMB'000	Transportation facilities RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost								
At 1 January 2012, as previously stated	2,275,832	57,124,970	114,492,687	–	3,040,534	2,978,249	71,634,400	251,546,672
Effect of correction of prior year errors	–	1,312	–	–	–	–	5,554	6,866
At 1 January 2012, as restated	2,275,832	57,126,282	114,492,687	–	3,040,534	2,978,249	71,639,954	251,553,538
Transfer in/(out)	–	7,134,251	6,740,498	12,194,298	158,395	–	(26,271,858)	(44,416)
Additions, as restated	156,354	470,279	–	–	102,795	9,444	33,013,280	33,752,152
Acquisition of subsidiaries	136,718	141,741	1,199,250	–	6,083	1,764	300,175	1,785,731
Disposals	(211,991)	–	(2,629,115)	–	(36,367)	(151,052)	–	(3,028,525)
Disposal of a subsidiary	(19,177)	(989,726)	(3,673,070)	–	(12,245)	(52,553)	(179,529)	(4,926,300)
At 31 December 2012 and 1 January 2013, as restated	2,337,736	63,882,827	116,130,250	12,194,298	3,259,195	2,785,852	78,502,022	279,092,180
Transfer in/(out)	–	5,016,504	10,125,043	6,853,009	224,069	2,757,422	(24,976,295)	(248)
Additions	773,591	5,265	13,592	–	40,082	81,775	32,187,742	33,102,047
Disposals	(113,633)	(7,987)	(698,900)	–	(51,929)	(50,636)	–	(923,085)
Disposal of subsidiaries	–	(34,689)	–	–	(10,386)	(5,150)	–	(50,225)
At 31 December 2013	2,997,694	68,861,920	125,569,985	19,047,307	3,461,031	5,569,263	85,713,469	311,220,669
Accumulated depreciation and impairment losses								
At 1 January 2012, as previously stated	194,292	9,460,841	39,314,541	–	897,681	756,253	–	50,623,608
Effect of correction of prior year errors	–	12,646	19,501	–	–	–	–	32,147
At 1 January 2012, as restated	194,292	9,473,487	39,334,042	–	897,681	756,253	–	50,655,755
Charge for the year, as restated	43,229	2,083,410	6,609,634	20,344	268,722	184,731	–	9,210,070
Disposals	(265)	–	(707,911)	–	(18,398)	–	–	(726,574)
Disposal of a subsidiary	(1,750)	(194,112)	(1,267,844)	–	(7,024)	(23,071)	–	(1,493,801)
At 31 December 2012 and 1 January 2013, as restated	235,506	11,362,785	43,967,921	20,344	1,140,981	917,913	–	57,645,450
Charge for the year	114,118	2,189,027	6,705,440	585,566	181,137	312,871	–	10,088,159
Impairment losses	–	200,697	436,254	–	517	27,627	–	665,095
Disposals	(4,796)	(7,137)	(487,232)	–	(49,087)	(47,928)	–	(596,180)
Disposal of subsidiaries	–	(6,157)	–	–	(8,664)	(3,528)	–	(18,349)
At 31 December 2013	344,828	13,739,215	50,622,383	605,910	1,264,884	1,206,955	–	67,784,175
Carrying amount								
At 31 December 2013	2,652,866	55,122,705	74,947,602	18,441,397	2,196,147	4,362,308	85,713,469	243,436,494
At 31 December 2012, as restated	2,102,230	52,520,042	72,162,329	12,173,954	2,118,214	1,867,939	78,502,022	221,446,730

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year, depreciation expenses charged into operating costs and construction in progress amounted to RMB9,998,671 thousand (2012, as restated: RMB8,843,529 thousand) and RMB89,488 thousand (2012: RMB366,541 thousand), respectively.

At 31 December 2013 the carrying amount of property, plant and equipment pledged as security for the Group's long-term loans amounted to RMB2,873,928 thousand (2012: RMB3,681,361 thousand).

In 2013, impairment losses on property, plant and equipment amounting to RMB665,095 thousand were primarily arisen from Datang International Power Generation Co., Ltd. Beijing Gaojing Thermal Power Plant ("Gaojing Thermal Power Plant"). Pursuant to the requirement under the "Notice about the Execution of Closedown of Coal-fired Power Generation Units in Beijing by Beijing Municipal Commission of Development and Reform" on closing down coal-fired power generation units, and constructing gas-steam combined cycle back-pressure heating generating units as a result of efficiency concerns, Gaojing Thermal Power Plant has shut down all its coal-fired power generation units. Impairment losses of related property, plant and equipment has been recorded based on their value in use using discounted cash flow method. The discount rate used was 7.28%.

At 31 December 2013 the carrying amount of buildings and structures, electricity utility plants and transportation facilities held by the Group under finance leases amounted to RMB2,289,296 thousand (2012: RMB2,030,756 thousand), RMB3,274,684 thousand (2012: RMB2,889,894 thousand) and RMB1,188,304 thousand (2012: RMB743,730 thousand) respectively.

The Group's land use rights are analysed as follows:

	2013 RMB'000	2012 RMB'000
Outside Hong Kong:		
Long leases	53,169	171,840
Medium-term leases	2,599,697	1,930,390
	2,652,866	2,102,230

18. INVESTMENT PROPERTIES

	RMB'000
Cost	
At 1 January 2012	522,879
Transfer in	44,416
Additions	7,288
At 31 December 2012 and 1 January 2013	574,583
Transfer in	248
Disposals	(57,065)
At 31 December 2013	517,766
Accumulated depreciation	
At 1 January 2012	20,577
Charge for the year	17,149
At 31 December 2012 and 1 January 2013	37,726
Charge for the year	16,424
Disposals	(3,651)
At 31 December 2013	50,499
Carrying amount	
At 31 December 2013	467,267
At 31 December 2012	536,857

The Group's investment properties are situated in the PRC and are held under medium-term leases.

At 31 December 2013, the Group's total future minimum lease payments under non-cancellable operating leases of investment properties are receivable as follows:

	2013 RMB'000	2012 RMB'000
Within one year	16,862	6,965
In the second to fifth years inclusive	68,887	3,845
After five years	17,589	14,401
	103,338	25,211

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19. INTANGIBLE ASSETS

	Goodwill RMB'000	Mining rights RMB'000	Resource use rights RMB'000	Technology know-how RMB'000	Computer software RMB'000	Others RMB'000	Total RMB'000
Cost							
At 1 January 2012	701,345	1,249,130	37,763	626,916	100,852	14,590	2,730,596
Additions	–	–	–	37,999	22,541	10	60,550
Acquisition of subsidiaries	198,541	–	–	–	13	–	198,554
Disposal of subsidiaries	–	–	–	–	(11,937)	–	(11,937)
Disposals	–	–	–	(2,611)	–	–	(2,611)
At 31 December 2012 and 1 January 2013	899,886	1,249,130	37,763	662,304	111,469	14,600	2,975,152
Additions	–	–	–	31,945	35,682	244	67,871
Disposal of subsidiaries	–	–	–	–	(1,756)	–	(1,756)
Disposals	–	–	–	–	(152)	–	(152)
At 31 December 2013	899,886	1,249,130	37,763	694,249	145,243	14,844	3,041,115
Accumulated amortisation							
At 1 January 2012	–	10,466	22,831	2,613	35,793	14,590	86,293
Amortisation for the year	–	7,978	3,694	2,398	14,415	2	28,487
Disposal of subsidiaries	–	–	–	–	(4,448)	–	(4,448)
Disposals	–	–	–	(2,611)	–	–	(2,611)
At 31 December 2012 and 1 January 2013	–	18,444	26,525	2,400	45,760	14,592	107,721
Amortisation for the year	–	2,371	3,695	29,291	16,637	4	51,998
Disposal of subsidiaries	–	–	–	–	(862)	–	(862)
Disposals	–	–	–	–	(133)	–	(133)
At 31 December 2013	–	20,815	30,220	31,691	61,402	14,596	158,724
Carrying amount							
At 31 December 2013	899,886	1,228,315	7,543	662,558	83,841	248	2,882,391
At 31 December 2012	899,886	1,230,686	11,238	659,904	65,709	8	2,867,431

19. INTANGIBLE ASSETS (Continued)

Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2013 RMB'000	2012 RMB'000
Power generation segment		
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	273,795	273,795
Jiangxi Datang International Xinyu Power Generation Company Limited	104,361	104,361
Zhangjiakou Power Plant No. 2 generator	33,561	33,561
Datang Tongzhou Technology Company Limited	949	949
Inner Mongolia Datang International Hohhot Thermal Power Generation Company Limited	902	902
Yunnan Datang International Deqin Hydropower Development Company Limited	18	18
Chengdu Liguo Energy Company Limited, Chengdu Qingjiangyuan Energy Company Limited and Chengdu Zhongfu Energy Company Limited	130,830	130,830
Shenzhen Datang Baochang Gas Power Generation Company Limited	165,995	165,995
	710,411	710,411
Coal segment		
Inner Mongolia Datang International Zhunge'er Mining Company Limited	120,177	120,177
Inner Mongolia Baoli Coal Company Limited	18,712	18,712
Erdos Ruidefeng Mining Company Limited	32,546	32,546
	171,435	171,435
Other segments		
Yuneng (Group) Company Limited	18,040	18,040
	899,886	899,886

The recoverable amounts of the CGUs are determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method for power generation units include the expected tariff rates, demands of electricity in specific regions where these power plants are located and fuel cost. The key assumptions for the discounted cash flow method for coal mining entities include the expected coal price and annual production capacity. These key assumptions are based on past performance and expectations on market development. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for a period covering no more than five years (the "Periods Covered"). The Group expects cash flows beyond the respective forecast periods below will be similar to that of last year of respective forecast based on existing production capacity.

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19. INTANGIBLE ASSETS (Continued)

The Periods Covered and discount rates used in respective value in use calculations are as follows:

	Periods Covered	Discount rates used
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	5 years	8.19%
Jiangxi Datang International Xinyu Power Generation Company Limited	5 years	6.16%
Inner Mongolia Datang International Zhunge'er Mining Company Limited	5 years	14.34%
Chengdu Liguo Energy Company Limited, Chengdu Qingjiangyuan Energy Company Limited and Chengdu Zhongfu Energy Company Limited	5 years	7.88%
Shenzhen Datang Baochang Gas Power Generation Company Limited	5 years	6.68%
Others	5 years	6.53% to 12.30%

Based on the assessments, the Group believes that there is no impairment of goodwill at 31 December 2013 and 2012.

20. INVESTMENTS IN ASSOCIATES

	2013 RMB'000	2012 RMB'000
Unlisted investments:		
Share of net assets	6,900,077	7,112,954

Details of the Group's associates at 31 December 2013 are as follows:

Name	Place of incorporation/ registration	Registered paid up and capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Percentage of equity interest Indirect	Principal activities
North China Electric Power Research Institute Company Limited	PRC	100,000	30%	–	Power related technology services
Tongfang Investment Company Limited ("Tongfang Investment Company")	PRC	550,000	36%	–	Project investments and management
Tongmei Datang Tashan Power Generation Company Limited ("Tashan Power Company")	PRC	410,000	40%	–	Power generation
Tongmei Datang Tashan Coal Mine Company Limited ("Tashan Coal Company")	PRC	2,072,540	28%	–	Coal construction and mining

20. INVESTMENTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered paid up and capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Indirect	Principal activities
Tangshan Huaxia Datang Power Fuel Company Limited	PRC	20,000	30%	–	Power fuel trading
China Datang Group Finance Company Limited ("Datang Finance") *	PRC	3,000,000	20%	–	Financial services
Inner Mongolia Bazhu Railway Company Limited	PRC	100,000	20%	–	Railway and highway construction and operational management
CNNC Liaoning Nuclear Power Co., Ltd.	PRC	515,025	24%	–	Nuclear power plant construction and operations
Liaoning Diaobingshan Coal Gangue Power Generation Co., Ltd.	PRC	603,400	40%	–	Power generation
Inner Mongolia Xiduo Railway Company Limited ("Xiduo Railway Company")	PRC	Registered capital: 3,540,249; paid-up capital: 3,240,862	34%	–	Railway transportation services
COSCO Datang Shipping Company Limited	PRC	100,000	45%	–	Cargo shipping
Inner Mongolia Datang Da Ta Energy Company Limited	PRC	20,000	35%	–	Construction and operation of coal logistics park zone
Datang Wealth Management Co., Ltd.	PRC	50,000	30%	–	Investment management and advisory
Fuxin Huanfa Wastage Disposal Company Limited	PRC	20,000	–	20%	Environmental greening
Chongqing Fuling Water Resources Development Company Limited	PRC	120,000	–	42%	Hydropower technology development, construction, management, power generation and power supply
Fujian Baima Harbour Railway Spur Line Company Limited	PRC	316,500	–	33%	Railway transportation
Jinzhou Thermal Power Company Limited	PRC	145,000	–	26%	Heat supply
Macro Technologies Inc. (Vietnam) Limited	Vietnam	USD150,000	–	35%	Electricity related technical services

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20. INVESTMENTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered paid up and capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Indirect	Principal activities
Chongqing Guanming Investment Company Limited	PRC	100,000	49%	–	Investment management
Shenzhen Weicheng Tongzhou Technology Company Limited	PRC	50,000	–	30%	Development of nanomaterials
Shanxi Datang International Yuncheng Power Generation Company Limited	PRC	264,694	49%	–	Power generation
Inner Mongolia Hutietaihe Logistics Company Limited	PRC	56,700	–	49%	Provision of railway logistics services
Inner Mongolia Datang Tongfang Silicon and Aluminum Technology Company Limited	PRC	10,000	26%	–	Development and production of silicon and aluminum alloy
Datang Tibet Bodui Hydropower Development Company Limited	PRC	Registered capital: 478,500; paid-up capital: 183,380	20%	–	Hydropower construction
Datang Finance Leasing Company Limited ("Datang Leasing Company")	PRC	1,000,000	20%	–	Finance leasing business
Baxin Railway Company Limited ("Baxin Railway Company")	PRC	2,600,000	20%	–	Railway construction
China Datang Corporation Nuclear Power Company Limited	PRC	Registered capital: 200,000; paid-up capital: 60,000	40%	–	Nuclear power development, construction and operations
Beijing Shangshan Hengsheng Property Company Limited	PRC	63,763	–	49%	Property development

* Datang Finance is a non-bank financial institution.

20. INVESTMENTS IN ASSOCIATES (Continued)

The following table shows information of associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the IFRS financial statements of the associates.

Name	Tongfang Investment Company		Tashan Power Company	
	2013	2012	2013	2012
Principal place of business/ country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
Principal activities	Project investments and management	Project investments and management	Power generation	Power generation
% of ownership interests/voting rights held by the Group	36%/36%	36%/36%	40%/40%	40%/40%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	744,433	834,447	3,316,033	3,310,527
Current assets	249,288	55,439	696,056	561,309
Non-current liabilities	(24,564)	(6,886)	(2,485,000)	(2,850,000)
Current liabilities	(8,145)	(57,980)	(752,183)	(271,256)
Net assets	961,012	825,020	774,906	750,580
Group's share of carrying amount of interests	349,444	313,442	363,336	300,232
Year ended 31 December:				
Revenue	8,706	5,745	1,951,866	2,114,428
Profit from continuing operations and total comprehensive income	132,471	16,978	324,043	307,792
Dividends received from associates	–	–	–	126,816

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20. INVESTMENTS IN ASSOCIATES (Continued)

Name	Tashan Coal Company		Datang Finance	
	2013	2012	2013	2012
Principal place of business/ country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
Principal activities	Coal construction and mining	Coal construction and mining	Financial services	Financial services
% of ownership interests/voting rights held by the Group	28%/28%	28%/28%	20%/20%	20%/20%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	6,951,606	5,959,700	17,393,638	15,434,411
Current assets	3,884,298	5,422,492	4,417,959	3,098,875
Non-current liabilities	(1,110,850)	(854,045)	–	–
Current liabilities	(2,881,212)	(1,982,983)	(17,601,298)	(14,575,622)
Net assets	6,843,842	8,545,164	4,210,299	3,957,664
Group's share of carrying amount of interests	1,993,885	2,515,380	840,084	792,290
Year ended 31 December:				
Revenue	6,268,563	6,980,894	1,021,937	1,012,986
Profit from continuing operations and total comprehensive income	1,374,824	1,674,344	721,996	634,334
Dividends received from associates	967,901	–	83,491	63,200

20. INVESTMENTS IN ASSOCIATES (Continued)

Name	**Xiduo Railway Company**		**Baxin Railway Company**	
	2013	2012	2013	2012
Principal place of business/ country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
Principal activities	Railway transportation services	Railway transportation services	Railway construction	Railway construction
% of ownership interests/voting rights held by the Group	34%/34%	34%/34%	20%/20%	20%/20%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	8,702,635	7,427,886	5,080,560	3,845,065
Current assets	739,065	338,101	2,557,571	1,738,178
Non-current liabilities	(5,198,477)	(3,681,476)	(2,767,854)	(1,687,854)
Current liabilities	(583,606)	(496,126)	(2,281,562)	(1,302,323)
Net assets	3,659,617	3,588,385	2,588,715	2,593,066
Group's share of carrying amount of interests	1,477,643	1,437,352	635,059	635,929
Year ended 31 December:				
Revenue	315,824	339,125	–	–
Profit/(loss) from continuing operations and total comprehensive income	71,468	77,402	(4,239)	(4,356)
Dividends received from associates	85,081	–	–	–

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20. INVESTMENTS IN ASSOCIATES (Continued)

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	2013 RMB'000	2012 RMB'000
At 31 December:		
Carrying amounts of interests	1,240,626	1,118,329
Year ended 31 December:		
Loss from continuing operations and total comprehensive income	(28,908)	(444,515)

21. INVESTMENTS IN JOINT VENTURES

	2013 RMB'000	2012 RMB'000
Unlisted investments:		
Share of net assets	5,262,631	4,200,109

Details of the Group's joint ventures at 31 December 2013 are as follows:

Name	Place of incorporation/ registration	Registered and paid up capital RMB'000	Percentage of equity interest Direct	Percentage of equity interest Indirect	Principal activities
Hebei Yuzhou Energy Multiple Development Company Limited ("Yuzhou Energy Multiple Company")	PRC	918,174	50%	–	Power generation
Kailuan (Group) Yuzhou Mining Company Limited ("Yuzhou Mining Company")	PRC	1,079,157	34%	15%	Coal mining and sales
Inner Mongolia Huineng Datang Changtan Coal Mining Company Limited	PRC	50,000	40%	–	Coal mining and sales
Fujian Ningde Nuclear Power Company Limited ("Ningde Nuclear Power Company")	PRC	9,320,000	44%	–	Nuclear power plant construction and operations

21. INVESTMENTS IN JOINT VENTURES (Continued)

The following table shows information of the joint ventures that are material to the Group. These joint ventures are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the IFRS financial statements of the joint ventures.

Name	Yuzhou Energy Multiple Company		Yuzhou Mining Company	
	2013	2012	2013	2012
Principal place of business/ country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
Principal activities	Power generation	Power generation	Coal mining and sales	Coal mining and sales
% of ownership interests/voting rights held by the Group	50%/50%	50%/50%	49%/49%	49%/49%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	2,264,552	2,184,264	5,420,902	3,815,339
Current assets	123,400	154,457	562,960	476,288
Non-current liabilities	(225,000)	(230,000)	(2,301,390)	(1,553,538)
Current liabilities	(1,436,430)	(1,392,282)	(1,688,202)	(902,573)
Net assets	726,522	716,439	1,994,270	1,835,516
Group's share of carrying amount of interests	385,156	380,114	707,279	643,290
Cash and cash equivalents included in current assets	52,194	107,771	241,080	224,114
Current financial liabilities (excluding accounts and other payables and provisions) included in current liabilities	(1,398,301)	(1,357,638)	(903,920)	(336,917)
Non-current financial liabilities (excluding accounts and other payables and provisions) included in non-current liabilities	(225,000)	(230,000)	(1,160,210)	(1,309,500)
Year ended 31 December:				
Revenue	221,189	210,288	12,408,236	11,918,890
Depreciation and amortisation	(18,535)	(18,023)	(190,387)	(177,109)
Interest income	568	626	1,153	1,837
Interest expense	(57,199)	(51,608)	(57,780)	(48,835)
Income tax expense	–	–	(28,621)	(43,328)
(Loss)/profit from continuing operations and total comprehensive income	(31,772)	(12,485)	50,399	132,095

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21. INVESTMENTS IN JOINT VENTURES (Continued)

Name	**Ningde Nuclear Power Company**	
	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC
Principal activities	Nuclear power plant, construction and operations	Nuclear power plant, construction and operations
% of ownership interests/voting rights held by the Group	44%/44%	44%/44%
	RMB'000	RMB'000
At 31 December:		
Non-current assets	43,974,329	35,944,486
Current assets	3,705,756	3,858,627
Non-current liabilities	(34,564,982)	(27,846,252)
Current liabilities	(3,492,763)	(4,592,461)
Net assets	9,622,340	7,364,400
Group's share of net assets	4,070,196	3,076,705
Cash and cash equivalents included in current assets	872,270	385,438
Current financial liabilities (excluding accounts and other payables and provisions) included in current liabilities	(2,455,027)	(3,412,691)
Non-current financial liabilities (excluding accounts and other payables and provisions) included in non-current liabilities	(34,433,333)	(25,820,778)
Year ended 31 December:		
Revenue	2,160,281	–
Depreciation and amortisation	(420,325)	–
Interest expense	(705,621)	–
Profit from continuing operations and total comprehensive income	302,340	–

21. INVESTMENTS IN JOINT VENTURES (Continued)

The following table shows the Group's share of the amounts of the remaining individually immaterial joint venture that is accounted for using the equity method.

	2013 RMB'000	2012 RMB'000
At 31 December:		
Carrying amounts of interests	100,000	100,000

22. AVAILABLE-FOR-SALE INVESTMENTS

	2013 RMB'000	2012 RMB'000
Equity securities, at fair value		
Listed in Hong Kong	374,262	657,923
Listed outside Hong Kong	88,129	83,922
Market value of listed securities	462,391	741,845
Unlisted equity securities, at cost	3,805,366	5,500,809
	4,267,757	6,242,654

The fair values of listed securities are based on current bid prices. All the unlisted equity were carried at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

23. DEFERRED HOUSING BENEFITS

Pursuant to the "Proposal on Further Reform of Housing Policy in Urban Areas" of the State and the implementation schemes for staff quarters issued by the relevant provincial and municipal governments, the Company implemented a scheme for selling staff quarters in 1999. Under the scheme, the Company provides housing benefits to its staff to buy staff quarters from the Company at preferential prices. The offer price is determined based on their length of services and positions pursuant to the prevailing local regulations. The deferred housing benefits represent the difference between the net book amount of the staff quarters sold and the proceeds collected from the employees, and are amortised over the remaining average service life of the relevant employees.

During 2005 to 2007, the Company and some of its subsidiaries carried out another housing benefit scheme – "Monetary Housing Benefit Scheme" upon the approval from Housing Reform Office of the local government. Under the Monetary Housing Benefit Scheme, the Company and some of its subsidiaries provided monetary housing subsidies to those employees whose houses did not meet the standard they should have enjoyed based on their length of services and their positions and rankings. There is no such subsidy payment in 2013 (2012: nil). The benefits were amortised over the remaining average service life of the relevant employees.

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23. DEFERRED HOUSING BENEFITS (Continued)

	RMB'000
Cost	
At 1 January 2012	662,532
Disposal of a subsidiary	(9,263)
At 31 December 2012, 1 January 2013 and 31 December 2013	653,269
Accumulated amortisation	
At 1 January 2012	559,693
Charge for the year	26,404
Disposal of a subsidiary	(6,650)
At 31 December 2012 and 1 January 2013	579,447
Charge for the year	24,795
At 31 December 2013	604,242
Carrying amount	
At 31 December 2013	49,027
At 31 December 2012	73,822

24. LONG-TERM ENTRUSTED LOANS TO AN ASSOCIATE

At 31 December 2013, the long-term entrusted loans to an associate carried interest rate of 6.15% (2012: 6.15%) per annum and there were neither pledges nor guarantees received on these loans.

The long-term entrusted loans are due within 2 years (2012: 3 years) from the end of the reporting period.

25. INVENTORIES

	2013 RMB'000	2012 RMB'000
Raw materials	2,949,435	3,193,141
Finished goods	557,383	1,027,822
Others	175,281	994,146
	3,682,099	5,215,109

The carrying amount of inventories pledged as security for banking facilities granted to the Group amounted to nil (2012: RMB162,509 thousand) (notes 33 and 40).

26. ACCOUNTS AND NOTES RECEIVABLES

Accounts and notes receivables of the Group primarily represent receivables from regional or provincial grid companies for tariff revenue and coal sales customers and comprise the following:

	2013 RMB'000	2012 RMB'000
Accounts receivables from third parties	9,751,101	9,836,350
Notes receivables from third parties	292,543	463,743
Accounts receivables from related parties	57,756	56,694
	10,101,400	10,356,787

The Group usually grants credit period of approximately 1 month to local power grid customers and coal purchase customers from the month end after sales and sale transactions made, respectively.

The ageing analysis of accounts and notes receivables is as follows:

	2013 RMB'000	2012 RMB'000
Within one year	9,809,030	9,785,366
Between one to two years	86,754	424,823
Between two to three years	180,101	68,116
Over three years	25,515	78,482
	10,101,400	10,356,787

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26. ACCOUNTS AND NOTES RECEIVABLES (Continued)

At 31 December 2013, the Group applied tariff collection rights in securing loans, for which details please refer to notes 33 and 40 to the financial statements.

Reconciliation of allowance for accounts and notes receivables:

	2013 RMB'000	2012 RMB'000
At 1 January	4,041	5,842
Allowance for the year	673	–
Disposal of subsidiaries	(5)	(1,801)
Reversal of allowance	(17)	–
At 31 December	4,692	4,041

At 31 December 2013, accounts and notes receivables of RMB292,370 thousand (2012: RMB571,421 thousand) were past due but not impaired. The major portion of the past due accounts and notes receivables were due from certain local thermal power companies and customers of coal purchases, and the directors believe that such receivables can be recovered because such local thermal companies and customers of coal purchases had no recent history of default. The ageing analysis of these accounts and notes receivables is as follows:

	2013 RMB'000	2012 RMB'000
Between one to two years	86,754	424,823
Between two to three years	180,101	68,116
Over three years	25,515	78,482
	292,370	571,421

27. PREPAYMENTS AND OTHER RECEIVABLES

	2013 RMB'000	2012 RMB'000
Prepayments		
Prepayments for fuel and materials	1,249,998	1,720,305
Prepayments for construction	21,073	68,031
VAT recoverable	4,866,605	3,860,127
Prepayment for an investment	–	1,500
Other taxes recoverable	16,935	28,594
Prepayments to related parties	295,995	62,845
Prepayments for transportation cost	58,197	131,481
Others	201,222	212,645
	6,710,025	6,085,528
Other receivables		
Advanced payments for construction	991,823	1,459,596
Receivables from disposals of property, plant and equipment	25,163	44,137
Staff advances	18,138	25,622
Staff housing maintenance fund deposits	13,250	25,336
Receivables from sales of materials	138,165	121,458
Receivables from related parties	11,254	17,472
Deposits for land development	–	385,418
Other deposits	167,109	55,299
Dividends receivables	486,736	57,500
Government grant receivables	281,895	358,154
Others	778,263	475,429
	2,911,796	3,025,421
Allowance for doubtful debts	(41,929)	(43,670)
	2,869,867	2,981,751
	9,579,892	9,067,279

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27. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Reconciliation of allowance for other receivables:

	2013 RMB'000	2012 RMB'000
At 1 January	43,670	44,735
Acquisition of a subsidiary	–	86
Disposal of subsidiaries	(1,656)	(702)
Reversal of allowance	(85)	(449)
At 31 December	41,929	43,670

28. SHORT-TERM ENTRUSTED LOANS TO RELATED PARTIES

	2013 RMB'000	2012 RMB'000
Entrusted loan to an associate (i)	100,183	100,183
Entrusted loans to a joint venture (ii)	516,198	476,128
	616,381	576,311

Notes:

(i) At 31 December 2013, the short-term entrusted loan to an associate carried interest rate of 6% (2012: 6%) per annum and there was neither pledge nor guarantee received on this loan.

The short-term entrusted loan to an associate is due within 12 months from the end of the reporting period.

(ii) At 31 December 2013, the short-term entrusted loans to a joint venture carried interest rate of 6.336% (2012: ranging from 6.336% to 6.56%) per annum and there were neither pledges nor guarantees received on these loans.

The short-term entrusted loans to a joint venture are due within 12 months from the end of the reporting period.

29. CASH AND CASH EQUIVALENTS

	2013 RMB'000	2012 RMB'000
Bank deposits	4,244,406	2,297,715
Deposits with Datang Finance	3,635,676	2,313,712
Cash on hand	762	1,260
Cash and cash equivalents	7,880,844	4,612,687

At 31 December 2013, bank deposits included restricted deposits of RMB125,833 thousand (2012: nil).

29. CASH AND CASH EQUIVALENTS (Continued)

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	2013 RMB'000	2012 RMB'000
RMB	7,859,484	4,095,348
USD	20,009	513,290
HKD	308	3,281
EUR	22	23
Singapore dollar	–	160
Indonesian Rupiah	1,021	585
	7,880,844	4,612,687

30. SHARE CAPITAL

	Number of shares			Amount		
	A shares (i) '000	**H shares (i)** '000	**Total** '000	**A shares** RMB'000	**H shares** RMB'000	**Total** RMB'000
Registered, issued and fully paid: Shares of RMB1 (2012: RMB1) each At 1 January 2012, 31 December 2012 (ii), 1 January 2013 and 31 December 2013 (iii)	9,994,360	3,315,678	13,310,038	9,994,360	3,315,678	13,310,038

Notes:

(i) Both A shares and H shares rank pari passu to each other.

(ii) At 31 December 2012, 100,000,000 A shares were subject to lock-up periods and were not freely tradable.

(iii) At 31 December 2013, 100,000,000 A shares were subject to lock-up periods and were not freely tradable.

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30. SHARE CAPITAL (Continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the returns to the shareholders through the optimisation of the capital structure.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, raise new debts or sell assets to reduce debts.

The Group monitors capital on the basis of the assets-to-liabilities ratio. This ratio is calculated as total liabilities divided by total assets. The assets-to-liabilities ratio of the Group as at 31 December 2013 was 78.38% (2012, as restated: 79.45%).

Taking into consideration of the expected operating cash flows of the Group and the available banking facilities and their experience in refinancing short-term borrowings, the directors believe the Group can meet their current obligations when they fall due.

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2013 RMB'000	2012 RMB'000
Property, plant and equipment	15,116,192	12,665,009
Investments in subsidiaries	36,453,284	35,617,367
Other non-current assets	24,813,840	23,620,130
Cash and cash equivalents	4,857,668	1,840,922
Other current assets	6,127,745	4,819,685
TOTAL ASSETS	87,368,729	78,563,113
Share capital	13,310,038	13,310,038
Reserves	28,257,147	26,084,834
Long-term loans	15,982,000	15,416,400
Long-term bonds	13,923,589	13,915,689
Other non-current liabilities	295,817	307,248
Short-term loans	2,240,000	2,108,000
Short-term bonds	5,000,000	3,000,000
Other current liabilities	8,360,138	4,420,904
TOTAL EQUITY AND LIABILITIES	87,368,729	78,563,113

32. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Discretionary surplus reserve RMB'000	Restricted reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2012	9,982,310	3,639,613	9,203,992	21,011	4,020	2,530,241	25,381,187
Total comprehensive income for the year	–	–	–	–	–	2,167,751	2,167,751
Transfer from restricted reserve	–	–	–	(6,673)	–	6,673	–
Transfer to surplus reserve	–	270,829	1,066,137	–	–	(1,336,966)	–
Dividends paid	–	–	–	–	–	(1,464,104)	(1,464,104)
At 31 December 2012	9,982,310	3,910,442	10,270,129	14,338	4,020	1,903,595	26,084,834
At 1 January 2013	9,982,310	3,910,442	10,270,129	14,338	4,020	1,903,595	26,084,834
Total comprehensive income for the year	–	–	–	–	–	3,503,317	3,503,317
Transfer from restricted reserve	–	–	–	(6,190)	–	6,190	–
Transfer to surplus reserve	–	322,172	572,591	–	–	(894,763)	–
Dividends paid	–	–	–	–	–	(1,331,004)	(1,331,004)
At 31 December 2013	9,982,310	4,232,614	10,842,720	8,148	4,020	3,187,335	28,257,147

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32. RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Capital reserve

Capital reserve mainly comprised: (i) the difference between the nominal amount of the domestic shares issued and the fair value of the net assets injected into the Company during its formation and also proceeds from the issue of H shares and A shares in excess of their par value, net of issuance expenses in 1997, 2006, 2010 and 2011; and (ii) the premium from convertible bonds converted to shares. The capital reserve is non-distributable.

(ii) Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, it is required to appropriate 10% of its net profit under PRC GAAP, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such reserve reaches 50% of the Company's share capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of share capital. The statutory surplus reserve is non-distributable.

(iii) Discretionary surplus reserve

Pursuant to the articles of association of the Company, the appropriation of profit to the discretionary surplus reserve and its utilisation are made in accordance with the recommendation of the Board of Directors and is subject to shareholders' approval at their general meeting.

The discretionary surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them. The discretionary surplus reserve is distributable.

(iv) Restricted reserve

Pursuant to relevant regulations and guidance issued by the MOF, certain deferred housing benefits are charged to equity directly when incurred under PRC GAAP. In order to reflect such undistributable retained earnings in these financial statements prepared under IFRS, a restricted reserve is set up to reduce the balance of retained earnings with an amount equals to the residual balance of deferred housing benefits, net of tax.

Pursuant to relevant PRC regulations, coal mining companies are required to set aside an amount to a fund for future development and work safety which they transferred certain amounts from retained earnings to restricted reserve. The fund can then be used for future development and work safety of the coal mining operations, and is not available for distribution to shareholders. When qualifying development expenditure and improvements of safety incurred, an equivalent amount is transferred from restricted reserve to retained earnings.

(d) Basis for profit appropriation

In accordance with the articles of association of the Company, distributable profit of the Company is derived based on the lower of profit determined in accordance with PRC GAAP and IFRS.

33. LONG-TERM LOANS

	2013 RMB'000	2012 RMB'000
Long-term bank loans	138,243,816	133,793,300
Other long-term loans	12,161,256	8,423,621
	150,405,072	142,216,921

Long-term loans are repayable as follows:

	2013			2012		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
On demand or within one year	11,725,867	624,958	12,350,825	12,383,374	387,930	12,771,304
In the second year	13,579,147	790,818	14,369,965	12,776,975	284,430	13,061,405
In the third to fifth year, inclusive	46,239,122	2,440,565	48,679,687	35,634,689	1,842,790	37,477,479
After five years	66,699,680	8,304,915	75,004,595	72,998,262	5,908,471	78,906,733
	138,243,816	12,161,256	150,405,072	133,793,300	8,423,621	142,216,921
Less: Amount due for settlement within 12 months (shown under current liabilities)	(11,725,867)	(624,958)	(12,350,825)	(12,383,374)	(387,930)	(12,771,304)
Amount due for settlement after 12 months	126,517,949	11,536,298	138,054,247	121,409,926	8,035,691	129,445,617

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33. LONG-TERM LOANS (Continued)

Long-term loans are classified as follows:

	2013			2012		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
Secured loans	43,010,825	–	43,010,825	44,713,437	85,000	44,798,437
Guaranteed loans	10,712,980	8,028,493	18,741,473	11,143,720	6,661,612	17,805,332
Unsecured loans	84,520,011	4,132,763	88,652,774	77,936,143	1,677,009	79,613,152
	138,243,816	12,161,256	150,405,072	133,793,300	8,423,621	142,216,921
Less: Amount due for settlement within 12 months (shown under current liabilities)						
Secured loans	(3,375,682)	–	(3,375,682)	(3,375,552)	–	(3,375,552)
Guaranteed loans	(1,191,770)	(150,998)	(1,342,768)	(1,013,767)	(110,000)	(1,123,767)
Unsecured loans	(7,158,415)	(473,960)	(7,632,375)	(7,994,055)	(277,930)	(8,271,985)
	(11,725,867)	(624,958)	(12,350,825)	(12,383,374)	(387,930)	(12,771,304)
Non-current portion						
Secured loans	39,635,143	–	39,635,143	41,337,885	85,000	41,422,885
Guaranteed loans	9,521,210	7,877,495	17,398,705	10,129,953	6,551,612	16,681,565
Unsecured loans	77,361,596	3,658,803	81,020,399	69,942,088	1,399,079	71,341,167
	126,517,949	11,536,298	138,054,247	121,409,926	8,035,691	129,445,617

The carrying amounts of the Group's long-term loans are denominated in the following currencies:

	2013			2012		
	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000	Long-term bank loans RMB'000	Other long-term loans RMB'000	Total RMB'000
RMB	137,813,536	11,598,320	149,411,856	133,289,042	7,724,415	141,013,457
USD	139,375	528,493	667,868	139,375	661,612	800,987
HKD	290,905	–	290,905	364,883	–	364,883
EUR	–	34,443	34,443	–	37,594	37,594
	138,243,816	12,161,256	150,405,072	133,793,300	8,423,621	142,216,921

33. LONG-TERM LOANS (Continued)

The interest rates for long-term loans per annum at 31 December were as follows:

	2013	2012
Long-term bank loans	3.05%-6.55%	5.27%-7.76%
Other long-term loans	1.13%-6.55%	1%-6.55%

Long-term loans of RMB8,969,293 thousand (2012: RMB6,380,194 thousand) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. The remaining long-term loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

At 31 December 2013, long-term bank loans amounted to RMB1,516,000 thousand (2012: RMB2,048,400 thousand) were secured by the following assets:

	2013 RMB'000	2012 RMB'000
Inventories	–	66,408
Property, plant and equipment	2,873,928	3,681,361
	2,873,928	3,747,769

At 31 December 2013, long-term bank loans amounted to RMB41,494,825 thousand (2012: RMB42,665,037 thousand) were secured by certain tariff collection rights of the Group.

At 31 December 2013, long-term bank loans amounted to RMB10,712,980 thousand (2012: RMB11,143,720 thousand) were guaranteed by the following parties:

	2013 RMB'000	2012 RMB'000
The Company	7,550,248	3,509,687
Certain subsidiaries of the Company	234,500	268,000
China Datang	2,400,000	6,666,000
Certain non-controlling shareholders of subsidiaries	528,232	700,033
	10,712,980	11,143,720

At 31 December 2013, other long-term loans amounted to RMB751,000 thousand (2012: nil) which were borrowed from China Datang were unsecured and interest-bearing at 3.60% (2012: nil) per annum.

At 31 December 2013, other long-term loans amounted to RMB2,226,500 thousand (2012: RMB1,514,960 thousand) which were borrowed from Datang Finance were unsecured and interest-bearing ranging from 5.76% to 6.35% (2012: 5.54 % to 6.55%) per annum.

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33. LONG-TERM LOANS (Continued)

At 31 December 2013, other long-term loans amounted to RMB30,000 thousand (2012: nil) which were borrowed from Datang Leasing Company were unsecured and interest-bearing at 6.40% (2012: nil) per annum.

At 31 December 2013, other long-term loans amounted to nil (2012: RMB85,000 thousand) were secured by certain tariff collection rights of the Group.

At 31 December 2013, other long-term loans included a loan amounted to RMB528,493 thousand (2012: RMB661,612 thousand) borrowed by the MOF from International Bank for Reconstruction and Development ("World Bank") and on-lent to a subsidiary of the Company for the construction of electricity utility plant, with the maturities from 1998 to 2017. The effective annual interest rate was LIBOR Base Rate plus LIBOR Total Spread as defined in the loan agreement between MOF and World Bank. China Datang provided guarantees on 60% of the loan balance. In addition, at 31 December 2013, another other long-term loans amounted to RMB3,000,000 thousand (2012: RMB3,000,000 thousand) were also guaranteed by China Datang.

At 31 December 2013, other long-term loans amounted to RMB4,500,000 thousand (2012: RMB3,000,000 thousand) were guaranteed by the Company.

34. LONG-TERM BONDS

	2013 RMB'000	2012 RMB'000
Medium-term notes (i)	2,998,336	2,988,608
Corporate bonds (ii)	8,943,821	5,962,072
Non-public debt financing instruments (iii)	4,979,768	4,965,010
Offshore RMB bonds (iv)	494,190	489,336
	17,416,115	14,405,026
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,998,336)	–
Amount due for settlement after 12 months	14,417,779	14,405,026

Notes:

(i) Medium-term notes represented unsecured notes issued by the Company in inter-bank market on 3 March 2009 with par value of RMB100 each totalling RMB3 billion. Such medium-term notes are of 5-year term with fixed annual coupon and effective interest rates of 4.10% and 4.44%, respectively. At 31 December 2013, accrued interest for these notes amounted to RMB102,107 thousand (2012: RMB102,107 thousand).

(ii) Corporate bonds represented unsecured bonds issued by the Company on 19 August 2009, 22 April 2011 and 27 March 2013 with par value of RMB100 each totalling RMB9 billion. Such bonds, which are secured by China Datang, are of 10-year term with fixed annual coupon and effective interest rates of 5.00%/5.25%/5.10% and 5.10%/5.36%/5.20%, respectively. At 31 December 2013, accrued interest for these bonds amounted to RMB283,287 thousand (2012: RMB165,624 thousand).

(iii) Non-public debt financing instruments represented debt financing instruments issued by the Company on 18 April 2012 with par value of RMB100 each totalling RMB5 billion. Such debt financing instruments are of 3 years with fixed annual coupon and effective interest rates of 5.08% and 5.41%, respectively. At 31 December 2013, accrued interest for these instruments amounted to RMB178,844 thousand (2012: RMB178,844 thousand).

(iv) Offshore RMB bonds represented unsecured offshore RMB-denominated bonds issued by a subsidiary of the Company on 30 November 2012 in denominations of RMB1,000,000 each and integral multiples of RMB10,000 in excess thereof totalling RMB0.5 billion. Such bonds are of 3-year term with fixed annual coupon and effective interest rates of 5.20% and 5.27%, respectively. At 31 December 2013, accrued interest for these bonds amounted to RMB2,172 thousand (2012: RMB2,448 thousand).

35. DEFERRED INCOME

Deferred income primarily represented government grants received by the Group from local environmental protection authorities for undertaking approved environmental protection projects.

36. DEFERRED TAX

The following are the deferred tax assets (before offset) recognised by the Group:

	Assets revaluation RMB'000	Deductible tax losses RMB'000	Intragroup unrealised profits RMB'000	Preliminary expenses RMB'000	Depreciation RMB'000	Government grants RMB'000	Impairment of assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2012, as previously stated	11,859	931,816	365,832	4,900	32,437	37,031	29,602	99,773	1,513,250
Effect of correction of prior year errors	–	(2,071)	–	–	–	–	–	–	(2,071)
At 1 January 2012, as restated	11,859	929,745	365,832	4,900	32,437	37,031	29,602	99,773	1,511,179
Acquisition of a subsidiary	–	–	–	–	–	–	–	2,265	2,265
Disposal of subsidiaries	(77)	–	–	–	–	–	–	–	(77)
(Charge)/credit to profit or loss for the year	(659)	28,167	198,083	(4,424)	(841)	(991)	(81)	986	220,240
At 31 December 2012 and 1 January 2013, as restated	11,123	957,912	563,915	476	31,596	36,040	29,521	103,024	1,733,607
Disposal of subsidiaries	(6,345)	(3,546)	–	–	–	–	–	–	(9,891)
(Charge)/credit to profit or loss for the year	–	(130,232)	30,036	(476)	–	3,802	14,203	72,640	(10,027)
At 31 December 2013	4,778	824,134	593,951	–	31,596	39,842	43,724	175,664	1,713,689

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36. DEFERRED TAX (Continued)

The following are the deferred tax liabilities (before offset) recognised by the Group:

	Assets revaluation RMB'000	Depreciation RMB'000	Mining safety and development funds RMB'000	Deferred housing benefits RMB'000	Fair value gain on available-for-sale investments RMB'000	Others RMB'000	Total RMB'000
At 1 January 2012	593,593	11,668	17,951	10,914	8,222	3,031	645,379
Acquisition of subsidiaries	152,644	–	–	–	–	–	152,644
Disposal of subsidiaries	(193)	–	–	–	–	–	(193)
(Credit)/charge to profit or loss for the year	(42,714)	(2,372)	2,781	(3,121)	–	3,328	(42,098)
Charge to other comprehensive income for the year	–	–	–	–	7,637	–	7,637
At 31 December 2012 and 1 January 2013	703,330	9,296	20,732	7,793	15,859	6,359	763,369
Disposal of subsidiaries	(49,011)	–	–	–	–	–	(49,011)
(Credit)/charge to profit or loss for the year	(29,055)	(2,372)	2,329	(2,638)	–	(795)	(32,531)
Credit to other comprehensive income for the year	–	–	–	–	(4,416)	–	(4,416)
At 31 December 2013	625,264	6,924	23,061	5,155	11,443	5,564	677,411

The deferred tax liabilities in relation to fair value gain on available-for-sale investments have been charged to other comprehensive income directly.

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2013 RMB'000	2012 RMB'000 (restated)
Deferred tax assets	1,658,693	1,672,480
Deferred tax liabilities	(622,415)	(702,242)
	1,036,278	970,238

36. DEFERRED TAX (Continued)

No deferred tax asset has been recognised in respect of certain unused tax losses of RMB1,962,191 thousand (2012: RMB2,093,173 thousand) due to the unpredictability of future profit streams. The related unrecognised tax losses will expire in the following years ending 31 December:

	2013 RMB'000	2012 RMB'000
2013	–	208,089
2014	312,097	377,490
2015	267,833	307,254
2016	525,674	673,582
2017	397,356	530,758
2018	459,231	–
	1,962,191	2,097,173

37. PROVISIONS

	Mine disposal and environmental restoration RMB'000	**Loss-making contracts** RMB'000	**Total** RMB'000
At 1 January 2013	39,599	2,040	41,639
Provisions used	–	(2,040)	(2,040)
Changes in present value	1,276	–	1,276
At 31 December 2013	40,875	–	40,875

The mine disposal and environmental restoration provision represents the Group's best estimate of the Group's liability for remediation costs based on industry standards and historical experience.

The loss-making contracts provision represents the Group's best estimated loss on a number of fixed income and entrusted lease agreements signed between the buyers of certain properties of the Group (the "Property Buyers") and the Group for the purpose of property sales boosting, according to which the Group is required to locate tenants for the properties acquired by the Property Buyers and to guarantee the Property Buyers a fixed rental return during the whole entrusted leasing period ranging from two to ten years.

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38. OTHER NON-CURRENT LIABILITIES

	2013 RMB'000	2012 RMB'000
Finance lease payables	10,895,762	7,941,191
Others	45,550	99,550
	10,941,312	8,040,741
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,942,437)	(837,965)
	8,998,875	7,202,776

Finance lease payables

	Minimum lease payments		Present value of minimum lease payments	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Within one year	2,462,140	1,212,628	1,897,437	753,965
In the second to fifth years, inclusive	7,467,737	5,227,486	6,045,517	3,902,482
After five years	3,672,638	3,652,627	2,952,808	3,284,744
	13,602,515	10,092,741	10,895,762	7,941,191
Less: Future finance charges	(2,706,753)	(2,151,550)	N/A	N/A
Present value of lease obligations	10,895,762	7,941,191	10,895,762	7,941,191
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,897,437)	(753,965)
Amount due for settlement after 12 months			8,998,325	7,187,226

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 9 years (2012: 10 years). At 31 December 2013, the average effective borrowing rate was 6.16% (2012: 6.28%) per annum. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the plant and machinery at nominal prices.

The Group's finance lease payables amounted to nil (2012: RMB402,715 thousand) were guaranteed by the Company for the same amount while certain the Group's finance lease payables amounted to RMB1,979,751 thousand (2012: RMB466,231 thousand) and RMB762,773 thousand (2012: RMB885,633 thousand) were secured by restricted deposits of RMB127,836 thousand (2012: RMB43,850 thousand), all of which will be refunded after settlements of last instalments of respective finance lease arrangements, and certain tariff collection rights of the Group, respectively.

38. OTHER NON-CURRENT LIABILITIES (Continued)

Finance lease payables (Continued)

At 31 December 2013, finance lease payables amounted to RMB4,000,134 thousand (2012: RMB280,709 thousand) which were due to associates were unsecured and interest-bearing ranging from 5.90% to 7.47% (2012: 5.90%) per annum.

At 31 December 2013, the total future minimum sublease payments expected to be received under non-cancellable subleases amounted to RMB58,009 thousand (2012: RMB75,851 thousand).

39. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	2013 RMB'000	2012 RMB'000 (restated)
Accounts and notes payables		
Fuel and materials payables to third parties	9,995,249	7,977,282
Fuel and materials payables to related parties	136,738	172,752
Notes payables to third parties	1,973,950	1,001,368
Notes payable to a related party	–	20,000
	12,105,937	9,171,402
Construction payables to third parties	8,034,001	9,778,605
Construction payables to related parties	473,208	315,032
Acquisition considerations payables	81,654	132,485
Receipts in advance from third parties	486,710	568,443
Receipts in advance from related parties	13,773	69,803
Salaries and welfares payables	89,717	75,283
Interests payables	1,050,633	851,022
Other payables to related parties	514,228	83,672
Others	4,668,763	2,831,718
	27,518,624	23,877,465

The ageing analysis of the accounts and notes payables is as follows:

	2013 RMB'000	2012 RMB'000
Within one year	10,982,287	8,024,728
Between one to two years	557,375	578,455
Between two to three years	240,683	266,097
Over three years	325,592	302,122
	12,105,937	9,171,402

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For the year ended 31 December 2013

40. SHORT-TERM LOANS

	2013 RMB'000	2012 RMB'000
Short-term bank loans	16,665,134	20,188,137
Other short-term loans	1,574,100	2,051,661
	18,239,234	22,239,798

Short-term loans are classified as follows:

	2013			2012		
	Short-term bank loans RMB'000	Other short-term loans RMB'000	Total RMB'000	Short-term bank loans RMB'000	Other short-term loans RMB'000	Total RMB'000
Secured loans	1,501,000	–	1,501,000	962,750	–	962,750
Guaranteed loans	310,000	–	310,000	754,000	–	754,000
Unsecured loans	14,854,134	1,574,100	16,428,234	18,471,387	2,051,661	20,523,048
	16,665,134	1,574,100	18,239,234	20,188,137	2,051,661	22,239,798

The carrying amounts of the Group's short-term loans are denominated in the following currencies:

	2013			2012		
	Short-term bank loans RMB'000	Other short-term loans RMB'000	Total RMB'000	Short-term bank loans RMB'000	Other short-term loans RMB'000	Total RMB'000
RMB	15,682,043	1,574,100	17,256,143	19,477,423	2,051,661	21,529,084
USD	983,091	–	983,091	710,714	–	710,714
	16,665,134	1,574,100	18,239,234	20,188,137	2,051,661	22,239,798

40. SHORT-TERM LOANS (Continued)

The interest rates for short-term loans per annum at 31 December were as follows:

	2013	2012
Short-term bank loans	1.71% – 7.00%	1.64% – 6.89%
Other short-term loans	5.04% – 6.00%	5.04% – 6.94%

Short-term loans of RMB11,919,634 thousand (2012: RMB11,641,490 thousand) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. The remaining short-term loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

At 31 December 2013, short-term bank loans amounted to RMB1,501,000 thousand (2012: RMB912,750 thousand) were secured by certain tariff collection rights of the Group.

At 31 December 2013, short-term bank loans amounted to nil (2012: RMB50,000 thousand) were secured by the inventories amounted to nil (2012: RMB96,101 thousand).

At 31 December 2013, short-term bank loans amounted to RMB310,000 thousand (2012: RMB684,000 thousand) were guaranteed by the Company.

At 31 December 2013, short-term bank loans amounted to nil (2012: RMB70,000 thousand) were guaranteed by an ex-shareholder of a subsidiary of the Company.

At 31 December 2013, other short-term loans amounted to RMB688,000 thousand (2012: RMB1,149,000 thousand) which were borrowed from Datang Finance were unsecured and interest-bearing ranging from 5.04% to 6.00% (2012: 5.04% to 6.31%) per annum.

At 31 December 2013, other short-term loans amounted to nil (2012: RMB601,561 thousand) which were borrowed from an associate were unsecured and interest-bearing at nil (2012: 6.16%) per annum.

41. SHORT-TERM BONDS

At 31 December 2013, short-term bonds represented unsecured bonds issued by the Group in May 2013, July 2013, September 2013 and December 2013 (2012: October 2012 and December 2012) at par value of RMB100 each with annual coupon and effective interest rate of ranging from 4.30% to 5.70% (2012: 4.15% to 4.99%) and matured within 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation from profit before tax to cash generated from operations

	2013 RMB'000	2012 RMB'000 (restated)
Profit before tax	8,098,318	7,544,005
Adjustments for:		
Depreciation of property, plant and equipment	9,998,671	8,843,529
Depreciation of investment properties	16,424	17,149
Amortisation of intangible assets	50,276	23,197
Amortisation of long-term deferred expenses	57,492	30,831
Amortisation of deferred income	(62,006)	(45,087)
Amortisation of deferred housing benefits	24,795	26,404
Net gains on disposals of property, plant and equipment	(43,496)	(24,132)
Write-off of property, plant and equipment	86,599	9,315
Interest income	(79,504)	(71,868)
Finance costs	8,237,366	8,568,230
Investment income	(350,200)	(474,365)
Impairment losses on available-for-sale investments	241,476	–
Impairment losses on property, plant and equipment	665,095	–
Allowance for accounts receivables	673	–
Reversal of allowance for accounts receivables	(17)	–
Reversal of allowance for other receivables	(85)	(449)
Allowance for inventories	356,652	–
Shares of profits of associates	(686,196)	(748,539)
Shares of profits of joint ventures	(134,780)	(43,824)
Other losses/(gains)	16,926	(1,305,804)
Operating profit before working capital changes	26,494,479	22,348,592
(Increase)/decrease in inventories	(358,728)	878,677
Decrease/(increase) in accounts and notes receivables	169,925	(305,545)
Increase in prepayments and other receivables	(1,071,682)	(32,355)
Increase/(decrease) in accounts payables and accrued liabilities	7,208,358	(121,626)
(Decrease)/increase in taxes payables	(132,526)	254,058
Cash generated from operations	32,309,826	23,021,801

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Disposal of a subsidiary

On 5 February 2013, the Group disposed of all its equity interest in a wholly-owned subsidiary, Chongqing Yuneng Industrial Group Company Limited.

Net assets at the date of disposal were as follows:

	RMB'000
Property, plant and equipment	31,876
Investments	134,403
Investment properties	53,414
Other non-current assets	69,387
Cash and cash equivalents	195,885
Inventories	1,535,086
Other current assets	573,165
Loans	(492,000)
Other non-current liabilities	(51,950)
Other current liabilities	(1,323,770)
Net assets disposed of	725,496
Non-controlling interests	(135,849)
Fair value of investment in subsidiary retained	(34,740)
Direct cost to the disposal	93
Loss on disposal of a subsidiary (included in other losses)	(16,411)
Total consideration – satisfied by cash	538,589
Net cash inflow arising on disposal:	
Cash consideration received	538,589
Cash paid for direct cost	(93)
Cash and cash equivalents disposed of	(195,885)
	342,611

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Disposals of interests in subsidiaries without loss of control

During the year, the Group disposed of five wholly-owned subsidiaries and resulted in decrease in ownership interests in these subsidiaries without loss of control. The ownership interests in these five subsidiaries were reduced to 60.91%, 51.94%, 51%, 53.64% and 53.85% respectively. The effect of the disposals on the equity attributable to the owners of the Company is as follows:

	RMB'000
Consideration received	4,452,258
Share of net assets in the subsidiaries disposed of	(3,915,524)
Gain on disposal recognised directly in equity	536,734

(d) Material non-cash transactions

Additions to property, plant and equipment during the year of RMB1,912,970 thousand (2012: RMB1,640,000 thousand) were financed by finance leases.

43. FINANCIAL GUARANTEES

The Group issues financial guarantee contracts to its associates, joint ventures and other equity investee for their borrowings from financial institutions for business developments that transfer significant insurance risk. The risk under any one financial guarantee contract is the possibility that the insured event (default of a specified debtor) occurs and the uncertainty of the amount of the resulting claims. By the nature of such financial guarantee contracts, this risk is predictable.

Experience shows credit risks from specified debtors are relatively remote. The Group maintains a close watch on the financial position and liquidity of the associates, joint ventures and other equity investee for which financial guarantees have been granted in order to mitigate such risks. The Group takes all reasonable steps to ensure that it has appropriate information regarding any claim exposure. Details of financial guarantee contracts issued by the Group to the above-mentioned parties at the end of the reporting period are as follows:

	2013 RMB'000	2012 RMB'000
Associates	966,000	991,600
Joint ventures	571,810	572,055
Other equity investee	36,000	60,000
	1,573,810	1,623,655

Based on historical experience, no claims have been made against the Group since the date of granting of the above financial guarantees.

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44. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	2013 RMB'000	2012 RMB'000
Property, plant and equipment		
Contracted but not provided for	9,928,965	21,263,833
Authorised but not contracted for	8,992,614	4,610,954
Share of capital commitments of joint ventures	1,772,558	4,723,218
	20,694,137	30,598,005

45. LEASE COMMITMENTS

At 31 December 2013 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2013 RMB'000	2012 RMB'000
Within one year	45,938	46,853
In the second to fifth years inclusive	26,672	39,399
After five years	17,100	19,964
	89,710	106,216

46. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with its related parties in the normal course of business during the year:

(a) Significant transactions with related parties

(i) Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as "China Datang Group") and associates and joint ventures of the Group and their respective subsidiaries

	2013 RMB'000	2012 RMB'000
China Datang Group		
Clean development mechanism income	13,245	–
Sales of coal (i)	191	144,315
Sales of desulfurisation assets	–	1,378,417
Sales of desulfurisation materials	312	–
Disposal of land use rights (ii)	271,273	–
Alternative power generation income (iii)	70,309	43,124
Provision of repairs and maintenance services	31,991	–
Receipt of coal ash disposal service (iii)	57,890	57,890
Purchases of indicators of small-capacity generating units	429,691	190,944
Purchases of materials and equipment (iv)	836,968	169,152
Purchases of fuel (v)	32,261	123,386
Receipt of construction tendering agency services	1,090	10,848
Receipt of construction consulting services	23,893	1,735
Operating lease expenses for buildings and facilities	22,228	22,228
Receipt of repairs and maintenance services	22,732	34,738
Receipt of desulfurisation services (vi)	676,615	57,378
Provision of technical support services	–	70
Receipt of construction supervision services	4,761	120
Receipt of technical support services	2,907	1,150
Receipt of management services	2,916	–
Drawdown of loans	751,000	–
Interest expense on loans	192	–
Interest income on entrusted loans	10,232	–
Associates of the Group		
Sales of coal	–	2,205
Purchases of fuel	–	7,116
Advancement of pre-operating expenditure	–	6,132
Receipt of technical support services	39,439	41,794
Receipt of finance lease services (vii)	4,216,229	280,709
Drawdown of loans	13,572,500	13,296,000
Interest expense on loans (viii)	223,347	238,072
Interest income on deposits (iii)	45,293	49,948
Increase in entrusted loans	100,000	–
Interest income on entrusted loans	59,841	6,540
Subsidiary of an associate of the Group		
Purchases of fuel	360,701	531,675
Joint ventures of the Group		
Purchases of fuel	435,549	443,753
Increase in entrusted loans	881,700	726,700
Interest income on entrusted loans	31,272	28,765

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46. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties (Continued)

(i) Significant transactions with China Datang and its subsidiaries other than the Group (collectively referred to as "China Datang Group") and associates and joint ventures of the Group and their respective subsidiaries (Continued)

During the year, China Datang Group injected capital to two (2012: three) subsidiaries of the Company amounted to RMB30,000 thousand, RMB382,939 thousand and nil (2012: RMB210,000 thousand, RMB761,903 thousand (capital verification and alteration procedure with the Administration for Industry and Commerce for this capital injection have not been conducted) and RMB80,000 thousand) respectively.

During the year, China Datang set up an associate with the Company for a capital injection of RMB36,000 thousand (ii). During the year ended 31 December 2012, China Datang and certain its subsidiaries set up two associates with the Company for a capital injection of RMB114,840 thousand (ii) and RMB800,000 thousand (ii) respectively.

On 5 February 2013, the Group disposed of all its equity interest in a wholly-owned subsidiary, Chongqing Yuneng Industrial Group Company Limited to a subsidiary of China Datang at total consideration of RMB538,589 thousand (ii) with a loss of RMB16,411 thousand.

(ii) Financial guarantees and financing facilities with China Datang Group and associates and joint ventures of the Group

	2013 RMB'000	2012 RMB'000
China Datang Group		
Long-term loans of the Group guaranteed by China Datang	5,717,096	10,062,967
Long-term bonds of the Group guaranteed by China Datang	9,000,000	6,000,000
Associates of the Group		
Long-term loans of the associates guaranteed by the Company	966,000	991,600
Integrated credit facilities provided by an associate	18,000,000	18,000,000
Joint ventures of the Group		
Long-term loans of joint ventures guaranteed by the Company	320,310	205,555
Short-term loans of a joint venture guaranteed by the Company	251,500	366,500

46. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties (Continued)

(iii) Significant transactions with Government-Related Enterprises

During the years ended 31 December 2013 and 2012, the Group sold substantially all of its electricity to local government-related power grid companies. Please refer the details of information of power generation revenue to major power grid companies to note 9 to the financial statements. The Group maintained most of its bank deposits in government-related financial institutions while lenders of most of the Group's loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

During the years ended 31 December 2013 and 2012, other collectively significant transactions with Government-Related Entities also included purchases of fuel and property, plant and equipment.

(iv) Compensation to key management personnel of the Group

	2013 RMB'000	2012 RMB'000
Basic salaries and allowances	2,219	1,859
Bonus	6,499	3,606
Retirement benefits	324	269
Other benefits	940	361
	9,982	6,095

Further details of directors' and supervisors' emoluments are included in note 13 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

46. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant balances with related parties

(i) Significant balances with China Datang Group and associates and joint ventures of the Group and their respective subsidiaries

	2013 RMB'000	2012 RMB'000
China Datang Group		
Deposits paid for property, plant and equipment (included in property, plant and equipment)	183,786	–
Accounts receivables	50,330	52,316
Prepayments and other receivables	301,389	74,457
Accounts payables and accrued liabilities	1,085,081	523,441
Long-term loans (including current portion)	751,000	–
Associates of the Group		
Long-term entrusted loans (including current portion)	520,977	736,381
Accounts receivables	7,426	4,378
Prepayments and other receivables	5,860	5,860
Short-term entrusted loans	100,183	100,183
Short-term loans	688,000	1,750,561
Accounts payables and accrued liabilities	17,339	27,466
Long-term loans (including current portion)	2,256,500	1,514,960
Other non-current liabilities (including current portion)	4,000,134	402,821
Subsidiary of an associate of the Group		
Accounts payables and accrued liabilities	6,113	27,458
Joint ventures of the Group		
Accounts payables and accrued liabilities	29,414	82,894
Short-term entrusted loans	516,198	476,128

Except for long-term loans, short-term loans, other non-current liabilities, long-term entrusted loans and short-term entrusted loans stated above, all the above balances are unsecured, interest-free and due on demand.

Terms of long-term loans, short-term loans, other non-current liabilities, long-term entrusted loans and short-term entrusted loans are described in notes 33, 40, 38, 24 and 28 respectively to the financial statements.

46. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant balances with related parties (Continued)

(ii) Significant balances with Government-Related Enterprises

At 31 December 2013, the long-term loans (including current portion) and short-term loans payable to Government-Related Enterprises included in long-term loans (including current portion) and short-term loans amounted to RMB90,793,845 thousand (2012: RMB139,482,954 thousand) and RMB16,627,176 thousand (2012: RMB19,867,177 thousand) respectively.

The balances with Government-Related Entities also included substantially all the accounts receivables of local government-related power grid companies, most of the bank deposits which placed in government-related financial institutions as well as accounts payables and accrued liabilities arising from the purchases of coal and property, plant and equipment. These balances are unsecured, interest-free and due within 12 months.

Notes:

(i) Certain transactions totalled nil (2012: RMB142,595 thousand) constitute continuing connected transactions under the Listing Rules.

(ii) These transactions constitute connected transactions under the Listing Rules, details of which are included in the section headed "Connected transactions" of the Report of the Directors.

(iii) These transactions constitute continuing connected transactions under the Listing Rules, details of which are included in the section headed "Connected transactions" of the Report of the Directors.

(iv) Certain transactions totalled RMB768,607 thousand (2012: RMB168,279 thousand) constitute continuing connected transactions under the Listing Rules, details of which are included in the section headed "Connected transactions" of the Report of the Directors.

(v) Certain transactions totalled nil (2012: RMB119,583 thousand) constitute continuing connected transactions under the Listing Rules.

(vi) Certain transactions totalled RMB361,480 thousand (2012: RMB57,378 thousand) and RMB204,730 thousand (2012: nil) constitute continuing connected transactions and connected transactions respectively under the Listing Rules, details of which are included in the section headed "Connected transactions" of the Report of the Directors.

(vii) Certain transactions totalled RMB4,216,229 thousand (2012: nil) constitute continuing connected transactions under the Listing Rules, details of which are included in the section headed "Connected transactions" of the Report of the Directors.

(viii) Certain transactions totalled RMB217,314 thousand (2012: RMB236,511 thousand) constitute continuing connected transactions under the Listing Rules, details of which are included in the section headed "Connected transactions" of the Report of the Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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47. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2013 are as follows:

(a) Subsidiaries acquired from business combination under common control

Name	Place of incorporation/ registration and operation	Registered and paid up capital	Percentage of equity interest		Principal activities
		RMB'000	Direct	Indirect	
Liaoning Datang International Renewable Power Company Limited ("Liaoning Renewable Power Company") (formerly known as "Liaoning Datang International Wind Power Development Company Limited")	PRC	1,716,420	53.85%	–	Wind power generation
Liaoning Datang International Changtu Wind Power Company Limited	PRC	342,850	–	100%	Wind power generation
Datang Hulunbei'er Fertilizer Company Limited	PRC	548,200	–	100%	Production and sales of chemical materials
Datang Zhangzhou Wind Power Company Limited	PRC	217,590	–	100%	Wind power generation
Tangshan Jibei Electricity Overhaul Company Limited	PRC	15,524	–	100%	Electrical equipment overhaul

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Indirect	Principal activities
Tianjin Datang International Panshan Power Generation Company Limited ("Panshan Power Company")	PRC	831,250	75%	–	Power generation
Inner Mongolia Datang International Tuoketuo Power Generation Company Limited ("Tuoketuo Power Company")	PRC	1,714,020	60%	–	Power generation
Shanxi Datang International Shentou Power Generation Company Limited ("Shentou Power Company")	PRC	749,000	60%	–	Power generation
Shanxi Datang International Yungang Thermal Power Company Limited	PRC	690,000	100%	–	Power generation and heat supply
Gansu Datang International Liancheng Power Generation Company Limited	PRC	275,500	55%	–	Power generation
Hebei Datang International Tangshan Thermal Power Company Limited	PRC	380,264	80%	–	Power generation and heat supply
Jiangsu Datang International Lvsigang Power Generation Company Limited ("Lvsigang Power Company")	PRC	1,050,182	55%	–	Power generation
Guangdong Datang International Chaozhou Power Generation Company Limited ("Chaozhou Power Company")	PRC	559,981	52.5%	–	Power generation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital	Percentage of equity interest		Principal activities
		RMB'000 unless otherwise stated	Direct	Indirect	
Fujian Datang International Ningde Power Generation Company Limited	PRC	370,000	51%	–	Power generation
Chongqing Datang International Pengshui Hydropower Development Company Limited ("Pengshui Hydropower Company")	PRC	1,098,170	40%	24%	Hydropower generation
Chongqing Datang International Wulong Hydropower Development Company Limited ("Wulong Hydropower Company")	PRC	1,278,490	51%	24.5%	Hydropower generation
Datang International (Hong Kong) Limited	Hong Kong	USD102,900,000	100%	–	Import of power related fuel and equipment
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited ("Zhiganglaka Company")	PRC	380,000	–	90%	Hydropower generation
Hebei Datang International Wangtan Power Generation Company Limited	PRC	450,000	70%	–	Power generation
Chongqing Datang International Shizhu Power Generation Company Limited	PRC	415,590	70%	–	Power generation
Sichuan Datang International Ganzi Hydropower Development Company Limited ("Ganzi Hydropower Company")	PRC	1,625,063	52.5%	–	Hydropower generation

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Indirect	Principal activities
Beijing Datang Fuel Company Limited ("Beijing Datang Fuel")	PRC	1,009,650	51%	–	Coal trading
Zhejiang Datang Wushashan Power Generation Company Limited ("Wushashan Power Company")	PRC	1,700,000	51%	–	Power generation
Inner Mongolia Datang International Xilinhaote Mining Company Limited ("Xilinhaote Mining Company")	PRC	1,666,050	60%	–	Coal mining
Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited ("Tuoketuo II Power Company") (i)	PRC	500,000	40%	–	Power generation
Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited	PRC	458,000	100%	–	Power generation and heat supply
Jiangxi Datang International Fuzhou Power Generation Company Limited	PRC	684,000	100%	–	Power generation
Liaoning Datang International Jinzhou Thermal Power Generation Limited	PRC	368,000	100%	–	Power generation and heat supply
Chongqing Datang International Wulongxingshun Wind Power Company Limited	PRC	93,880	100%	–	Wind power generation

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47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Percentage of equity interest Indirect	Principal activities
Hebei Datang International Fengrun Thermal Power Company Limited	PRC	393,070	84%	–	Power generation and heat supply
Datang Energy and Chemical Company Limited	PRC	9,733,250	100%	–	Energy and chemical development
Datang Fuxin Energy and Chemical Engineering Company Limited	PRC	30,000	–	100%	Maintenance of chemical power equipment, construction and mechanical subcontracting
Datang Energy and Chemical Marketing Company Limited	PRC	50,000	–	100%	Wholesale and retail of chemical products
Datang International Chemical Technology Research Institute Company Limited	PRC	50,000	–	100%	Coal chemistry related consultation services
Datang Inner Mongolia Erdos Silicon and Aluminium Technology Company Limited	PRC	188,000	100%	–	Silicon and aluminium smelting
Datang Inner Mongolia Duolun Coal Chemical Company Limited ("Duolun Coal Chemical Company")	PRC	4,050,000	–	60%	Coal chemical production

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital	Percentage of equity interest		Principal activities
		RMB'000 unless otherwise stated	Direct	Indirect	
Inner Mongolia Datang International Renewable Energy Resource Development Company Limited ("Renewable Energy Resource Development Company") (ii)	PRC	258,321	40.35%	–	Production and sale of alumina
Inner Mongolia Datang International Duolun Hydropower Multiple Development Company Limited	PRC	28,520	–	51%	Hydropower generation and water supply
Liaoning Datang International Fuxin Coal-based Gas Company Limited ("Fuxin Coal-based Gas Company")	PRC	656,060	–	90%	Coal-based natural gas generation
Inner Mongolia Datang International Keshiketeng Qi Coal-based Gas Company Limited ("Keshiketeng Qi Coal-based Gas Company")	PRC	3,921,570	–	51%	Coal-based natural gas generation
Inner Mongolia Datang International Xilinhaote Brown Coal Integrated Development Company Limited	PRC	212,700	100%	–	Brown coal processing
Inner Mongolia Datang International Keshiketeng Dashimen Hydropower Development Company Limited	PRC	10,000	–	90%	Hydropower generation and water supply
Fuxin Qingyuan Sewage Disposal Company Limited	PRC	1,300	–	80%	Sewage disposal

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47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Percentage of equity interest Indirect	Principal activities
Duolun County Huachuan Zhuoyue Plastic Products Company Limited	PRC	7,000	–	100%	Production of plastic products
Jiangsu Datang Shipping Company Limited	PRC	264,900	97.54%	–	Cargo shipping
Inner Mongolia Datang International Renewable Power Company Limited ("Inner Mongolia Renewable Power Company")	PRC	1,190,020	51%	–	Wind power generation
Fujian Datang International Renewable Power Company Limited ("Fujian Renewable Power Company") (formerly known as "Fujian Datang International Wind Power Development Company Limited")	PRC	450,860	53.64%	–	Wind power generation
Shanxi Datang International Linfen Thermal Power Company Limited	PRC	282,550	80%	–	Power generation and heat supply
Liaoning Datang International Fuxin Wind Power Company Limited	PRC	452,400	–	100%	Wind power generation
Xizang Datang International Nujiang Upstream Hydropower Development Company Limited	PRC	310,000	100%	–	Hydropower generation

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital	Percentage of equity interest		Principal activities
		RMB'000 unless otherwise stated	Direct	Indirect	
Datang International Nuclear Power Company Limited (formerly known as "Liaoning Datang International Zhuanghe Nuclear Power Company Limited")	PRC	219,746	100%	–	Nuclear power generation
Datang Tongzhou Technology Company Limited	PRC	165,000	60.61%	–	Sales of coal ash and integrated application of solid wastes
Beijing Tongzhou High Voltage Environmental Protection Technology Company Limited	PRC	2,000	–	80%	Sales of ash
Zhejiang Datang Tongzhou Environmental Protection Technology Company Limited	PRC	5,000	–	80%	Sales of ash
Tianjin Datang Tongzhou Tongxin Technology Company Limited	PRC	5,000	–	80%	Sales of ash
Fujian Datang Tongzhou Yicai Environmental Protection Technology Company Limited	PRC	5,000	–	55%	Sales of ash and comprehensive utilisation of solid emissions
Beijing Tongzhou Xinyuan Building Materials Technological Development Company Limited	PRC	2,000	–	70%	Sales of ash and comprehensive utilisation of solid emissions

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47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Percentage of equity interest Indirect	Principal activities
Nantong Tongzhou Datong Logistics Company Limited	PRC	1,000	–	60%	Cargo agent and sales of ash
Tangshan Haigang Datang Tongzhou Construction Materials Company Limited	PRC	15,000	–	52%	Trading of construction materials
Yunnan Datang International Electric Power Company Limited ("Yunnan Electric Power Company")	PRC	2,899,888	60.91%	–	Power plant construction and operations
Yunnan Datang International Honghe Power Generation Company Limited	PRC	414,550	–	70%	Power generation
Yunnan Datang International Nalan Hydropower Development Company Limited	PRC	173,370	–	51%	Hydropower generation
Yunnan Datang International Lixianjiang Hydropower Development Company Limited	PRC	598,000	–	70%	Hydropower generation
Yunnan Datang International Wenshan Hydropower Development Company Limited	PRC	426,320	–	60%	Hydropower generation
Yunnan Datang International Hengjiang Hydropower Development Company Limited	PRC	2,000	–	70%	Hydropower generation

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital	Percentage of equity interest		Principal activities
		RMB'000 unless otherwise stated	Direct	Indirect	
Yunnan Datang International Biyuhe Hydropower Development Company Limited	PRC	89,044	–	70%	Hydropower development
Yunnan Datang International Mengyejiang Hydropower Development Company Limited	PRC	126,890	–	100%	Hydropower development
Yunnan Datang International Deqin Hydropower Development Company Limited	PRC	66,591	–	70%	Hydropower construction and operations
Yunnan Datang International Renewable Power Company Limited	PRC	50,000	–	100%	Solar power generation
Yunnan Datang International Binchuan Renewable Power Company Limited	PRC	10,000	–	100%	Solar power generation
Hebei Datang International Renewable Power Company Limited ("Hebei Renewable Power Company")	PRC	1,394,166	51.94%	–	Wind power generation
Liaoning Datang International Wafangdian Thermal Power Company Limited	PRC	40,000	100%	–	Power generation and heat supply
Inner Mongolia Datang International Haibowan Water Conservancy Hub Development Company Limited	PRC	127,910	100%	–	Water conservancy hub construction and management

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For the year ended 31 December 2013

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Indirect	Principal activities
Ningxia Datang International Qingtongxia Photovoltaic Power Generation Company Limited	PRC	98,558	100%	–	Solar power generation
Inner Mongolia Datang International Hohhot Thermal Power Generation Company Limited	PRC	60,000	51%	–	Power generation and heat supply
Jiangxi Datang International Xinyu Power Generation Company Limited	PRC	633,910	100%	–	Power generation
Inner Mongolia Datang International Zhunge'er Mining Company Limited ("Zhunge'er Mining Company")	PRC	60,000	52%	–	Coal mining
Ningxia Datang International Daba Power Generation Company Limited ("Daba Power Company") (iii)	PRC	489,691	50%	–	Power generation
Hebei Datang International Qian'an Thermal Power Company Limited	PRC	214,914	93.33%	–	Power generation
Yuneng (Group) Company Limited	PRC	1,800,238	100%	–	Investment holding, power generation and property development
Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	PRC	79,970	100%	–	Solar power generation

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Indirect	Principal activities
Ningxia Datang International Qingtongxia Wind Power Company Limited	PRC	65,580	100%	–	Wind power generation
Chengdu Liguo Energy Company Limited	PRC	45,211	100%	–	Hydropower generation
Chengdu Qingjiangyuan Energy Company Limited	PRC	38,950	100%	–	Hydropower generation
Chengdu Zhongfu Energy Company Limited	PRC	26,297	100%	–	Hydropower generation
Inner Mongolia Baoli Coal Company Limited	PRC	50,000	70%	–	Coal mining
Sichuan Jinkang Electricity Development Company Limited ("Sichuan Jinkang Company")	PRC	195,000	–	54.44%	Hydropower generation
Shanxi Datang International Renewable Power Company Limited (formerly known as "Shanxi Datang International Wind Power Development Company Limited")	PRC	328,110	100%	–	Wind power generation
Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	PRC	231,100	100%	–	Power generation and heat supply

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For the year ended 31 December 2013

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Percentage of equity interest Indirect	Principal activities
Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	PRC	Registered capital: 600,000; paid-up capital: 540,000	90%	–	Power generation and heat supply
Erdos Ruidefeng Mining Company Limited	PRC	222,650	100%	–	Wholesale of coal
Jiangxi Datang International Yichun Coal And Electricity Company Limited	PRC	Registered capital: 10,000; paid-up capital: 2,000	51%	–	Power plant construction and operations
Jiangxi Datang International Renewable Power Company Limited (formerly known as "Jiangxi Datang International Wind Power Development Company Limited")	PRC	195,220	100%	–	Wind power generation
Jingneng Changtu Renewable Power Company Limited	PRC	556,830	–	100%	Wind power generation
Shenzhen Datang Baochang Gas Power Generation Company Limited ("Baochang Gas Power")	PRC	USD25,000,000	51%	–	Natural gas power generation
Guangdong Datang International Zhaoqing Thermal Power Company Limited	PRC	20,000	100%	–	Power generation and heat supply

47. PRINCIPAL SUBSIDIARIES (Continued)

(b) Subsidiaries acquired from business combination other than under common control and obtained through other methods (Continued)

Name	Place of incorporation/ registration and operation	Registered and paid up capital RMB'000 unless otherwise stated	Percentage of equity interest Direct	Indirect	Principal activities
Guangdong Datang International Renewable Power Company Limited	PRC	35,000	100%	–	Wind power generation
Qinghai Datang International Renewable Power Company Limited	PRC	80,000	100%	–	Solar power generation
Ningxia Datang International Renewable Power Company Limited	PRC	70,000	100%	–	Wind power generation
Sichuan Datang International Renewable Power Company Limited	PRC	20,000	100%	–	Solar power generation

All the above subsidiaries are limited liability companies except that Zhiganglaka Company and Baochang Gas Power which are also a foreign investment enterprise and a sino foreign equity joint venture respectively.

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Notes:

(i) On 6 September 2006, the Company entered into an agreement with China Datang, one of the shareholders of Tuoketuo II Power Company, which holds 20% equity interest in Tuoketuo II Power Company. Pursuant to this agreement, the shareholder representative and directors appointed from China Datang will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Tuoketuo II Power Company. Therefore, the Company obtained de facto control over Tuoketuo II Power Company and accounted for it as a subsidiary onwards.

(ii) The Company entered into an agreement with one of the shareholders of Renewable Energy Resource Development Company, which holds 10.65% equity interest of this subsidiary in 2007. Pursuant to this agreement, the shareholder representative and directors appointed from this shareholder will act in concert with that of the Company's when exercising voting rights in shareholders' and directors' meetings of Renewable Energy Resource Development Company. Therefore, the Company obtained de facto control over Renewable Energy Resource Development Company and accounted for it as a subsidiary onwards.

(iii) On 27 November 2011, the Company entered into an agreement with another shareholder of Daba Power Company, which holds 50% equity interest in Daba Power Company. Pursuant to this agreement, both the Company and the another shareholder consolidate the financial statements of Daba Power Company by rotation. Up to the year ended 31 December 2014, the Company and the another shareholder would nominate 4 directors and 3 directors respectively. Therefore, the Company obtains control over Daba Power Company and consolidates the financial statements of Daba Power Company up to the year ended 31 December 2014.

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47. PRINCIPAL SUBSIDIARIES (Continued)

The following table shows information of subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Liaoning Renewable Power Company		Panshan Power Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	46.15%/46.15%	0%/0%	25%/25%	25%/25%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	3,957,717	3,651,874	1,974,231	1,977,483
Current assets	628,813	564,071	331,668	314,200
Non-current liabilities	(1,558,649)	(1,839,426)	(441,000)	(294,000)
Current liabilities	(894,706)	(1,419,843)	(466,347)	(906,060)
Net assets	2,133,175	956,676	1,398,552	1,091,623
Accumulated NCI	984,460	–	349,638	272,906
Year ended 31 December:				
Revenue	454,722	307,130	2,215,312	2,154,003
Profit	107,078	54,135	342,312	39,315
Total comprehensive income	107,078	54,135	342,312	39,315
Profit allocated to NCI	8,806	–	85,578	9,829
Dividends paid to NCI	–	–	(8,846)	(20,623)
Net cash generated from operating activities	507,076	273,086	548,579	729,633
Net cash used in investing activities	(1,037,862)	(871,470)	(240,182)	(223,582)
Net cash generated from/(used in) financing activities	569,848	593,875	(305,477)	(506,053)
Net increase/(decrease) in cash and cash equivalents	39,062	(4,509)	2,920	(2)

47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Tuoketuo Power Company		Shentou Power Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	40%/40%	40%/40%	40%/40%	40%/40%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	10,422,520	10,541,452	2,517,791	2,617,931
Current assets	1,108,319	1,327,457	1,539,847	285,251
Non-current liabilities	(5,087,174)	(5,791,722)	(774,909)	(80,775)
Current liabilities	(2,386,746)	(2,191,042)	(2,154,668)	(1,881,135)
Net assets	4,056,919	3,886,145	1,128,061	941,272
Accumulated NCI	1,622,766	1,555,131	451,225	376,509
Year ended 31 December:				
Revenue	6,860,316	6,692,366	1,707,718	1,800,072
Profit	1,501,736	1,326,124	306,376	132,873
Total comprehensive income	1,506,220	1,330,720	306,376	132,873
Profit allocated to NCI	602,488	532,416	122,550	53,149
Dividends paid to NCI	(532,416)	(490,926)	(47,834)	(57,983)
Net cash generated from operating activities	2,886,075	2,211,072	671,538	624,489
Net cash used in investing activities	(312,193)	(2,932,199)	(136,960)	(99,056)
Net cash (used in)/generated from financing activities	(2,591,556)	720,146	(534,575)	(525,417)
Net (decrease)/increase in cash and cash equivalents	(17,674)	(981)	3	16

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47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Lvsigang Power Company		Chaozhou Power Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	45%/45%	45%/45%	47.5%/47.5%	47.5%/47.5%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	8,475,503	8,848,730	8,825,137	8,746,520
Current assets	1,267,526	1,227,895	1,740,135	1,865,849
Non-current liabilities	(5,926,370)	(6,520,247)	(3,535,683)	(4,002,960)
Current liabilities	(2,143,421)	(2,340,450)	(3,688,586)	(4,111,028)
Net assets	1,673,238	1,215,928	3,341,003	2,498,381
Accumulated NCI	759,409	554,806	1,535,154	1,134,908
Year ended 31 December:				
Revenue	5,529,659	5,594,113	6,617,530	7,825,782
Profit	457,311	62,803	1,464,551	1,432,938
Total comprehensive income	457,680	63,172	1,466,082	1,434,538
Profit allocated to NCI	205,956	28,572	696,389	681,405
Dividends paid to NCI	–	–	(306,816)	(488,841)
Net cash generated from operating activities	1,841,761	780,947	2,356,725	2,518,185
Net cash used in investing activities	(162,072)	(123,814)	(467,117)	(411,468)
Net cash used in financing activities	(1,730,711)	(647,956)	(1,889,717)	(2,107,267)
Net (decrease)/increase cash and cash equivalents	(51,022)	9,177	(109)	(550)

47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Pengshui Hydropower Company		Wulong Hydropower Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	36%/36%	36%/36%	24.5%/24.5%	24.5%/24.5%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	11,939,694	10,638,096	6,534,823	6,101,169
Current assets	106,861	249,479	40,990	178,508
Non-current liabilities	(9,667,330)	(8,772,730)	(4,493,400)	(4,446,900)
Current liabilities	(1,069,292)	(436,291)	(555,353)	(262,104)
Net assets	1,309,933	1,678,554	1,527,060	1,570,673
Accumulated NCI	472,428	605,132	374,412	385,099
Year ended 31 December:				
Revenue	1,192,143	1,737,069	585,357	744,755
Profit	78,022	511,954	91,581	284,601
Total comprehensive income	78,572	512,504	91,718	284,738
Profit allocated to NCI	28,285	184,501	22,471	69,761
Dividends paid to NCI	(160,792)	–	(62,785)	(15,493)
Net cash generated from operating activities	1,139,429	1,399,221	497,319	655,940
Net cash used in investing activities	(1,349,396)	(353,853)	(327,862)	(630,071)
Net cash generated from/(used in) financing activities	227,564	(1,046,037)	(169,549)	(26,565)
Net increase/(decrease) in cash and cash equivalents	17,597	(669)	(92)	(696)

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47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Ganzi Hydropower Company		Beijing Datang Fuel	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	47.5%/47.5%	47.5%/47.5%	49%/49%	49%/49%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	16,120,340	11,443,484	77,154	76,820
Current assets	499,828	227,787	7,998,440	7,226,221
Non-current liabilities	(11,679,545)	(8,460,110)	–	–
Current liabilities	(2,490,024)	(1,561,828)	(6,180,090)	(5,420,331)
Net assets	2,450,599	1,649,333	1,895,504	1,882,710
Accumulated NCI	1,160,450	782,361	901,076	865,391
Year ended 31 December:				
Revenue	2,205	–	21,489,030	16,978,091
(Loss)/profit	(10,519)	(531)	691,161	597,284
Total comprehensive income	(9,988)	–	691,161	597,284
(Loss)/profit allocated to NCI	(4,744)	–	338,669	292,669
Dividends paid to NCI	–	–	(302,984)	(21,215)
Net cash generated from operating activities	–	–	1,090,020	1,941,065
Net cash (used in)/generated from investing activities	(3,835,127)	(2,963,391)	717,914	(886,213)
Net cash generated from/(used in) financing activities	4,188,014	2,963,332	(2,044,246)	(770,431)
Net increase/(decrease) in cash and cash equivalents	352,887	(59)	(236,312)	284,421

47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Wushashan Power Company		Xilinhaote Mining Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	49%/49%	49%/49%	40%/40%	40%/40%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	5,972,607	6,421,998	10,905,791	8,823,287
Current assets	854,974	1,015,066	1,251,989	1,447,565
Non-current liabilities	(1,092,607)	(1,562,479)	(6,954,276)	(5,956,901)
Current liabilities	(3,114,670)	(3,751,977)	(3,870,972)	(2,479,143)
Net assets	2,620,304	2,122,608	1,332,532	1,834,808
Accumulated NCI	1,283,949	1,041,042	484,785	734,335
Year ended 31 December:				
Revenue	5,620,726	5,444,894	481,394	780,599
Profit/(loss)	866,446	463,299	(637,908)	13,636
Total comprehensive income	866,446	463,299	(642,958)	4,002
Profit/(loss) allocated to NCI	424,558	227,249	(257,183)	1,767
Dividends paid to NCI	(180,687)	–	(21,746)	–
Net cash generated from/(used in) operating activities	1,731,730	893,372	(454,068)	97,830
Net cash used in investing activities	(176,961)	(272,201)	(1,149,626)	(2,708,184)
Net cash (used in)/generated from financing activities	(1,490,948)	(621,088)	1,611,656	2,609,936
Net increase/(decrease) in cash and cash equivalents	63,821	83	7,962	(418)

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47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Tuoketuo II Power Company		Duolun Coal Chemical Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	60%/60%	60%/60%	40%/40%	40%/40%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	3,277,221	3,526,668	26,150,604	25,417,661
Current assets	464,769	328,093	1,271,733	1,060,346
Non-current liabilities	(2,120,492)	(2,503,000)	(16,799,762)	(13,794,205)
Current liabilities	(489,810)	(691,336)	(8,051,281)	(8,599,682)
Net assets	1,131,688	660,425	2,571,294	4,084,120
Accumulated NCI	679,013	396,255	1,024,538	1,632,449
Year ended 31 December:				
Revenue	2,308,037	2,087,732	2,547,629	259,560
Profit/(loss)	486,079	368,621	(1,512,825)	39,508
Total comprehensive income	486,079	368,621	(1,518,040)	37,260
Profit/(loss) allocated to NCI	291,647	221,173	(607,216)	14,904
Dividends paid to NCI	(8,889)	(345,287)	–	–
Net cash generated from/(used in) operating activities	658,313	1,254,287	446,556	(16,292)
Net cash used in investing activities	(102,540)	(292,209)	(891,286)	(2,065,338)
Net cash (used in)/generated from financing activities	(555,995)	(961,934)	440,942	2,114,451
Net (decrease)/increase in cash and cash equivalents	(222)	144	(3,788)	32,821

47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Fuxin Coal-based Gas Company		Keshiketeng Qi Coal-based Gas Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	10%/10%	10%/10%	49%/49%	49%/49%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	12,870,266	9,151,984	20,572,550	17,491,626
Current assets	930,905	326,675	1,515,755	1,545,270
Non-current liabilities	(7,843,623)	(4,866,918)	(356,590)	(251,000)
Current liabilities	(2,918,009)	(2,171,013)	(16,599,968)	(13,638,523)
Net assets	3,039,539	2,440,728	5,131,747	5,147,373
Accumulated NCI	303,954	244,073	2,514,556	2,522,213
Year ended 31 December:				
Revenue	266	–	–	–
(Loss)/profit	(92,709)	(60)	(132,564)	4,215
Total comprehensive income	(92,709)	(60)	(132,564)	4,215
(Loss)/profit allocated to NCI	(9,271)	(6)	(64,956)	2,065
Net cash generated from operating activities	55	23	27	61,762
Net cash used in investing activities	(2,996,412)	(2,703,931)	(2,265,288)	(2,537,407)
Net cash generated from financing activities	3,354,667	2,517,017	1,946,506	2,817,461
Net increase/(decrease) in cash and cash equivalents	358,310	(186,891)	(318,755)	341,816

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Inner Mongolia Renewable Power Company		Fujian Renewable Power Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	49%/49%	0%/0%	46.36%/46.36%	0%/0%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	2,410,391	2,355,698	1,359,588	1,398,062
Current assets	230,653	328,618	152,950	184,257
Non-current liabilities	(1,166,295)	(1,420,955)	(434,270)	(670,667)
Current liabilities	(256,742)	(657,022)	(254,654)	(521,875)
Net assets	1,218,007	606,339	823,614	389,777
Accumulated NCI	596,824	–	381,827	–
Year ended 31 December:				
Revenue	217,055	175,497	184,718	115,664
Profit	11,668	1,269	18,806	4,825
Total comprehensive income	11,668	1,269	18,806	4,825
(Loss)/profit allocated to NCI	(2,128)	–	6,053	–
Net cash generated from operating activities	293,011	105,584	198,102	66,833
Net cash used in investing activities	(543,509)	(70,637)	(94,520)	(245,013)
Net cash generated from/(used in) financing activities	253,564	(50,609)	(79,872)	93,889
Net increase/(decrease) in cash and cash equivalents	3,066	(15,662)	23,710	(84,291)

47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Yunnan Electric Power Company		Hebei Renewable Power Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	39.09%/39.09%	0%/0%	48.06%/48.06%	0%/0%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	15,046,139	14,828,198	3,754,906	3,236,282
Current assets	403,342	374,122	488,505	508,682
Non-current liabilities	(10,388,940)	(10,417,295)	(1,352,120)	(2,167,800)
Current liabilities	(1,817,698)	(2,916,275)	(1,065,535)	(822,290)
Net assets	3,242,843	1,868,750	1,825,756	754,874
Accumulated NCI	1,481,224	412,025	877,458	–
Year ended 31 December:				
Revenue	1,858,946	2,128,482	421,251	288,197
(Loss)/profit	(251,145)	(204,250)	120,882	15,104
Total comprehensive income	(248,270)	(201,375)	120,882	15,104
(Loss)/profit allocated to NCI	(45,377)	(45,359)	22,330	–
Dividends paid to NCI	(6,430)	(38,018)	–	–
Net cash generated from operating activities	999,558	1,179,897	548,198	238,224
Net cash used in investing activities	(765,332)	(628,432)	(614,390)	(356,369)
Net cash (used in)/generated from financing activities	(137,443)	(586,609)	71,838	142,792
Net increase/(decrease) in cash and cash equivalents	96,783	(35,144)	5,646	24,647

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

47. PRINCIPAL SUBSIDIARIES (Continued)

Name	Zhunge'er Mining Company		Sichuan Jinkang Company	
	2013	2012	2013	2012
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of ownership interests/voting rights held by NCI	48%/48%	48%/48%	45.56%/45.56%	45.56%/45.56%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December:				
Non-current assets	946,245	859,079	3,835,454	3,308,319
Current assets	226,714	280,135	89,750	49,027
Non-current liabilities	(497,374)	(474,574)	(1,972,994)	(1,631,613)
Current liabilities	(7,257)	(2,006)	(280,873)	(100,937)
Net assets	668,328	662,634	1,671,337	1,624,796
Accumulated NCI	320,797	318,064	751,211	740,257
Year ended 31 December:				
Revenue	4	4	151,404	137,879
Profit/(loss)	5,694	35	24,044	(6,011)
Total comprehensive income	5,694	35	24,044	(6,011)
Profit/(loss) allocated to NCI	2,733	17	10,955	(2,738)
Net cash (used in)/generated from operating activities	(46,536)	277,217	130,245	97,415
Net cash used in investing activities	(187,215)	(9,925)	(545,331)	(327,393)
Net cash generated from financing activities	–	10,000	437,211	212,410
Net (decrease)/increase in cash and cash equivalents	(233,751)	277,292	22,125	(17,568)

48. RETROSPECTIVE ADJUSTMENTS

According to audit decisions of Shen Qi Jue [2013] 427 issued by National Audit Office of the PRC and the self-inspection requested by the State Administration of Taxation of the PRC covering the periods from 2008 to 2012 during the year, operating revenue of the Group was overstated by RMB40 thousand, and depreciation of property, plant and equipment, operating costs other than depreciation and income tax expense of the Group for the year ended 31 December 2012 were understated by RMB40,627 thousand, RMB1,680 thousand and RMB2,074 thousand respectively mainly resulting from delay in transferring certain construction in progress to property, plant and equipment and tax omission (collectively referred to as the "Prior Year Errors"). The Group has made retrospective adjustments of the comparative figures for the year ended 31 December 2013 to correct the Prior Year Errors.

After retrospective adjustments, operating costs and income tax expense of the Group for the year ended 31 December 2012 increased by RMB42,307 thousand and RMB2,074 thousand respectively while operating revenue and profit for the year of the Group for the year ended 31 December 2012 decreased by RMB40 thousand and RMB44,421 thousand respectively; earnings per share for the year ended 31 December 2012 decreased by RMB0.01; tax recoverable, accounts payables and accrued liabilities and taxes payables of the Group at 1 January 2013 increased by RMB499 thousand, RMB215 thousand and RMB54,562 thousand respectively while property, plant and equipment, deferred tax assets and retained earnings of the Group and non-controlling interests at 1 January 2013 decreased by RMB30,584 thousand, RMB2,071 thousand, RMB68,442 thousand and RMB18,491 thousand respectively; and accounts payables and accrued liabilities and taxes payables of the Group at 1 January 2012 increased by RMB215 thousand and RMB14,945 thousand respectively while property, plant and equipment, deferred tax assets and retained earnings of the Group and non-controlling interests at 1 January 2012 decreased by RMB25,281 thousand, RMB2,071 thousand, RMB24,871 thousand and RMB17,641 thousand respectively (collectively referred to as the "Prior Year Errors Before 2012"). Since the effect of Prior Year Errors Before 2012 is not material, the consolidated statement of financial position at 1 January 2012 has not been presented.

49. EVENTS AFTER THE REPORTING PERIOD

The Company completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s Super Short-term Debentures in 2014" (the "Current Tranche Super Short-term Debentures') on 28 February 2014. The issuance amount for the Current Tranche Super Short-term Debentures was RMB3 billion with a maturity of 180 days. The unit nominal value is RMB100 and the issuance interest rate is at 5.00%. Bank of China Limited and China CITIC Bank Corporation Limited act as the joint lead underwriters for the Current Tranche Super Short-term Debentures. The proceeds from the Current Tranche Super Short-term Debentures will be used to replace part of loans of the Company, adjust its debt structure, lower its financing costs and replenish the working capital of the Company.

50. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 March 2014.

DIFFERENCES BETWEEN FINANCIAL STATEMENTS

For the year ended 31 December 2013

The consolidated financial statements which are prepared by the Group in conformity with International Financial Reporting Standards ("IFRS") differ in certain respects from China Accounting Standards for Business Enterprises ("PRC GAAP"). Major differences between IFRS and PRC GAAP ("GAAP Differences"), which affect the net assets and net profit of the Group, are summarised as follows:

	Note	Net assets 2013 RMB'000	2012 RMB'000 (restated)
Net assets attributable to owners of the Company under IFRS		44,167,798	41,589,940
Impact of IFRS adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	106,466	106,466
Difference in accounting treatment on monetary housing benefits	(b)	(49,027)	(73,822)
Difference in accounting treatment on mining funds	(c)	(300,117)	(206,925)
Applicable deferred tax impact of the above GAAP Differences		(1,877)	(385)
Non-controlling interests' impact of the above GAAP Differences after tax		(2,327)	6,520
Net assets attributable to owners of the Company under PRC GAAP		43,920,916	41,421,794

	Note	Net profit 2013 RMB'000	2012 RMB'000 (restated)
Profit for the year attributable to owners of the Company under IFRS		3,528,782	4,018,697
Impact of IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits	(b)	24,795	29,017
Difference in accounting treatment on mining funds	(c)	(19,328)	(75,257)
Applicable deferred tax impact of the above GAAP Differences		(1,492)	(1,100)
Non-controlling interests' impact of the above GAAP Differences after tax		(5,872)	(7,112)
Net profit for the year attributable to owners of the Company under PRC GAAP		3,526,885	3,964,245

Notes:

(a) Difference in the commencement of depreciation of property, plant and equipment

This represents the depreciation difference arose from the different timing of the start of depreciation charge in previous years.

(b) Difference in accounting treatment on monetary housing benefits

Under PRC GAAP, the monetary housing benefits provided to employees who started work before 31 December 1998 were directly deducted from the retained earnings and statutory public welfare fund after approval by the general meeting of the Company and its subsidiaries.

Under IFRS, these benefits are recorded as deferred assets and amortised on a straight-line basis over the estimated remaining average service lives of relevant employees.

(c) Difference in accounting treatment on mining funds

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRS, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to restricted reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of future development and work safety expenses whereas restricted reserve is offset against retained earnings to the extent of zero.

CORPORATE INFORMATION

REGISTERED NAME OF THE COMPANY

大唐國際發電股份有限公司

ENGLISH NAME OF THE COMPANY

Datang International Power Generation Company Limited

OFFICE ADDRESS OF THE COMPANY

No. 9 Guangningbo Street,
Xicheng District,
Beijing,
People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Eversheds
21/F Gloucester Tower, The Landmark
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Hong Kong

LEGAL REPRESENTATIVE

Chen Jinxing

AUTHORISED REPRESENTATIVES

Wu Jing
Zhou Gang

SECRETARY TO THE BOARD

Zhou Gang

PRINCIPAL BANKERS

In the PRC:

Industrial and Commercial Bank of China,
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No. 1 Caishikou Street,
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Outside the PRC:

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Certified Public Accountants
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as to PRC law:

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People's Republic of China

as to Hong Kong law:

Eversheds
21/F, Gloucester Tower,
15 Queen's Road Central,
Hong Kong

LISTING INFORMATION

H Shares

The Stock Exchange of Hong Kong Limited
Code: 00991

A Shares

Shanghai Stock Exchange
Code: 601991

H Shares

The London Stock Exchange Limited
Code: DAT

SHARE REGISTER AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17/F, Hopewell Center,
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INFORMATION OF THE COMPANY

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and

Hill+Knowlton Strategies Asia
36/F, PCCW Tower, Takioo Place,
979 King's Road,
Hong Kong

GLOSSARY OF TERMS

The following terms have the following meaning in this annual report, unless otherwise required by the context.

"Equivalent availability factor"	For a specified period and a given power plant, the ratio (usually expressed as a percentage) of the number of available hours in that period (reduced, in the case of hours in which the attainable generating capacity of such plant is less than the installed capacity, by the proportion of installed capacity not so attainable) to the total number of hours in that period
"Gross on-grid generation"	The amount of power transmitted to a power network from a power plant as measured by the grid meter
"Gross power generation"	For a specified period, the total amount of electrical power produced by a power plant in that period including electrical power consumed in the operation of the power plant
"Installed capacity"	The highest level of electrical output which a power plant is designed to be able to maintain continuously without causing damage to the plant
"kWh"	A unit of power generation equivalent to the output generated by 1,000 watts of power in one hour
"MW"	1,000,000 watts (equivalent to 1,000 kW)
"MWh"	A unit of power generation equivalent to the output generated by 1,000,000 watts of power in one hour
"North China Power Grid"	The electricity transmission network – covering Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia Autonomous Region
"Utilisation hours"	For a specified period, the number of hours it would take for a power plant operating at installed capacity to generate the amount of electricity actually produced in that period

大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.