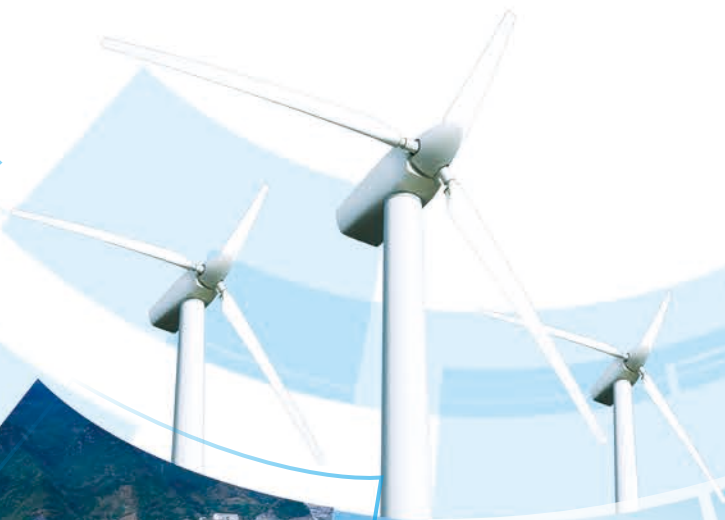





大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.

Stock Code: 00991

2015 Annual Report





INDUSTRY UPGRADE QUALITY IMPROVEMENT AND EFFICIENCY ENHANCEMENT

Datang Power will continue to focus on power generation business, and strive to comprehensively enhance the efficiency of the power generation business with lower costs, lower energy consumption, and more advanced technology. The Company will spare no effort to create the upgraded version of power generation industry and to achieve healthy and sustainable development.

Contents

Company Profile	2
Distribution of Projects	4
Major Events in 2015	6
Financial and Operating Highlights	8
Chairman's Statement	10
Management Discussion and Analysis	12
Fulfillment of Social Responsibilities	20
Human Resources Overview	24
Management of Investor Relations	40
Investor Q&A	41
Corporate Governance Report	46
Report of the Directors	68
Report of the Supervisory Committee	102
Taxation in the United Kingdom	106
Independent Auditor's Report	107
Consolidated Statement of Profit or Loss and Other Comprehensive Income	108
Consolidated Statement of Financial Position	110
Consolidated Statement of Changes in Equity	112
Consolidated Statement of Cash Flows	113
Notes to the Consolidated Financial Statements	115
Differences between Financial Statements	244
Corporate Information	246
Glossary of Terms	248

Company Profile

Company overview

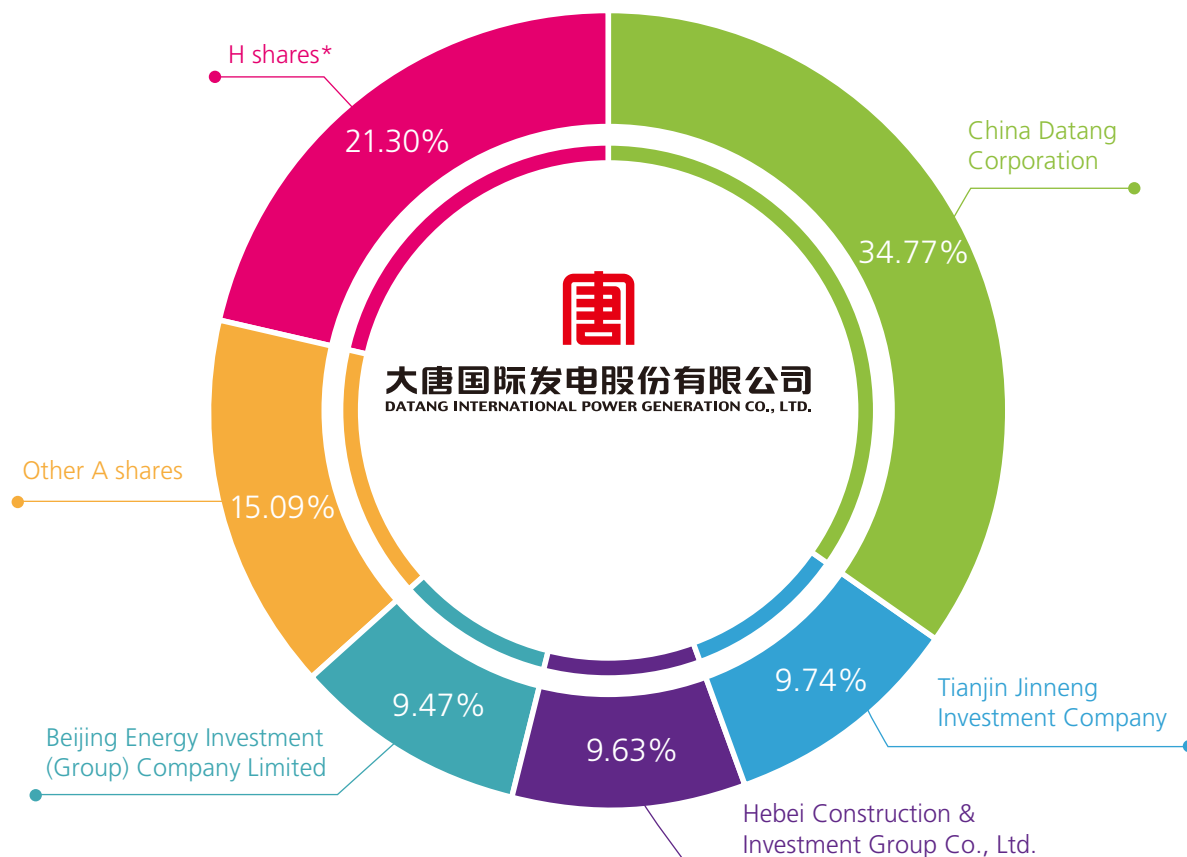
Datang International Power Generation Co., Ltd. ("Datang Power" or the "Company") was registered with the State Administration for Industry and Commerce of the People's Republic of China (the "PRC") on 13 December 1994. Datang Power is one of the largest independent power generation companies in the PRC. As at 31 December 2015, the total consolidated assets of the Company and its subsidiaries amounted to approximately RMB308.495 billion. Total installed size under management of the Company amounted to 42,337.225 MW, and the businesses of power generation and coal-to-chemical,

transportation and recycling economy have covered 18 provinces (including municipalities and autonomous regions) throughout the country.

Adherence to the philosophy of efficiency value

Datang Power always adheres to the core philosophy of "Value Mindset and Efficiency-oriented Principle", follows the path of scientific development unswervingly in pursuit of high-quality and rapid development, builds a sustainable development model and strives to create more economic value for stakeholders.

EQUITY STRUCTURE AND SHAREHOLDING OF THE COMPANY



H shares*: Excluding the H share equity held by China Datang Corporation



Facilitation of continuous structure optimisation

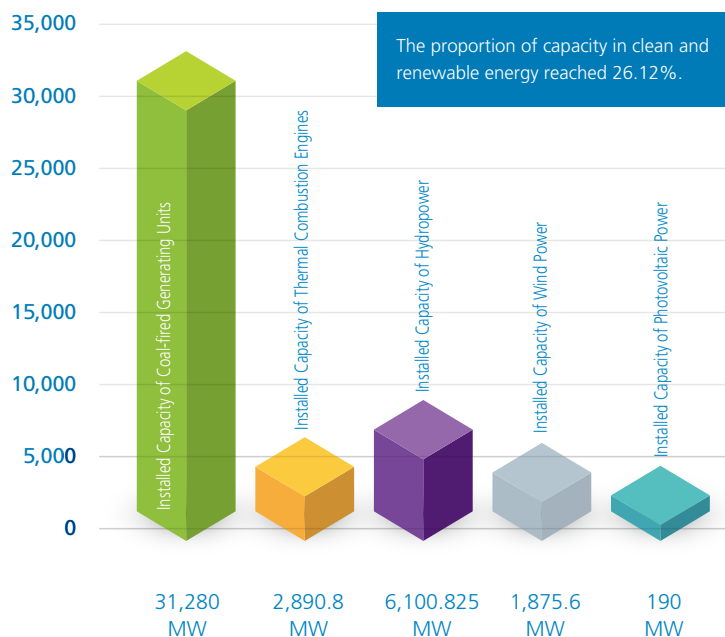
Datang Power continuously adjusts and optimises its regional structure, business structure, power generation structure and shareholding structure to strengthen the leading position of its principal power generation business.

Commitment to the power generation industry upgrade

Datang Power pursues clean and efficient development of coal-fired power business, develops middle-to-large scale hydropower base proactively, and stimulates the development of renewable energy and thermal power business moderately. Datang Power is committed to upgrading the power generation industry as a whole.

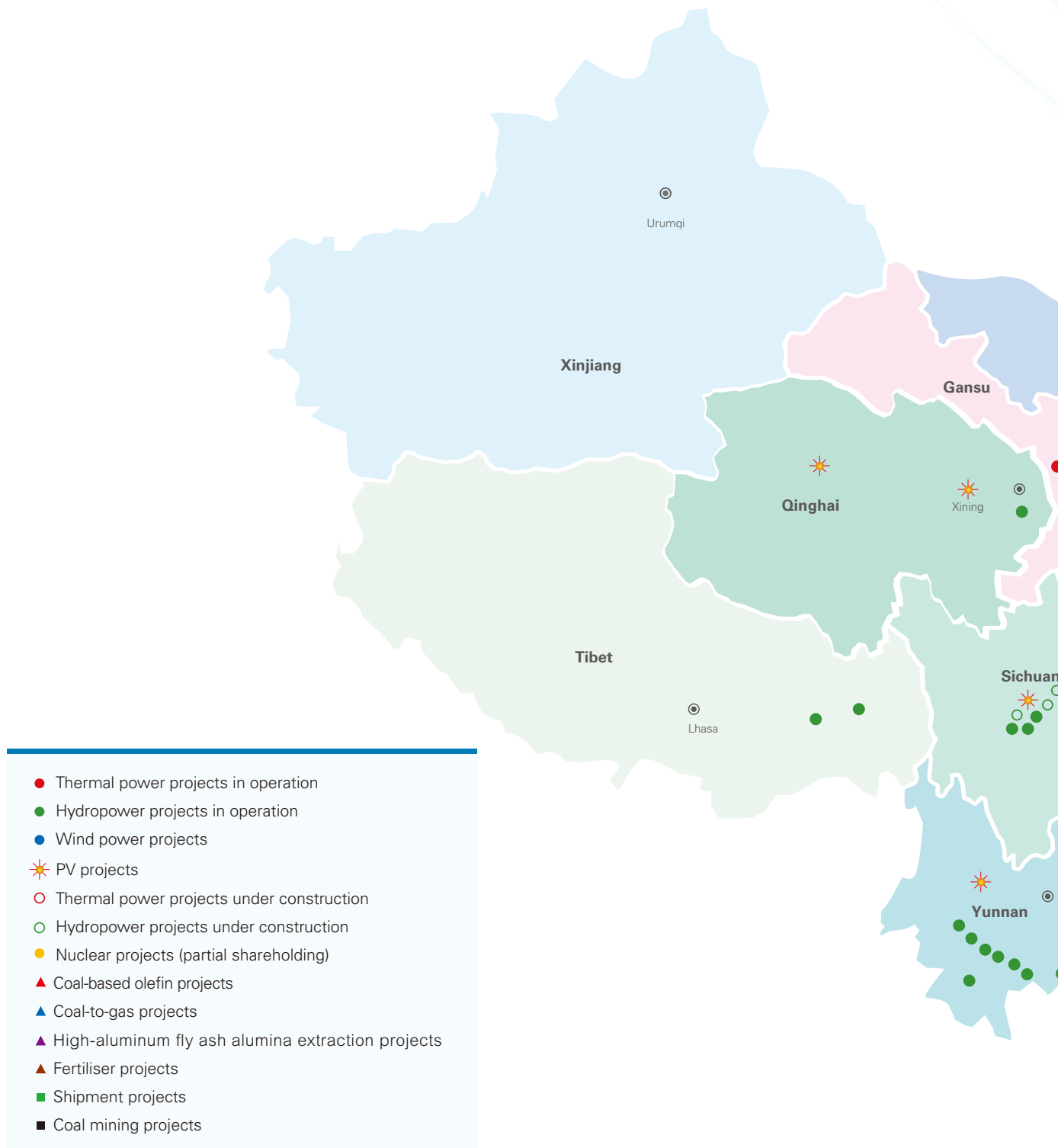
BUSINESS SEGMENTS OF THE COMPANY

The predominant Edge of the Power Generation Business



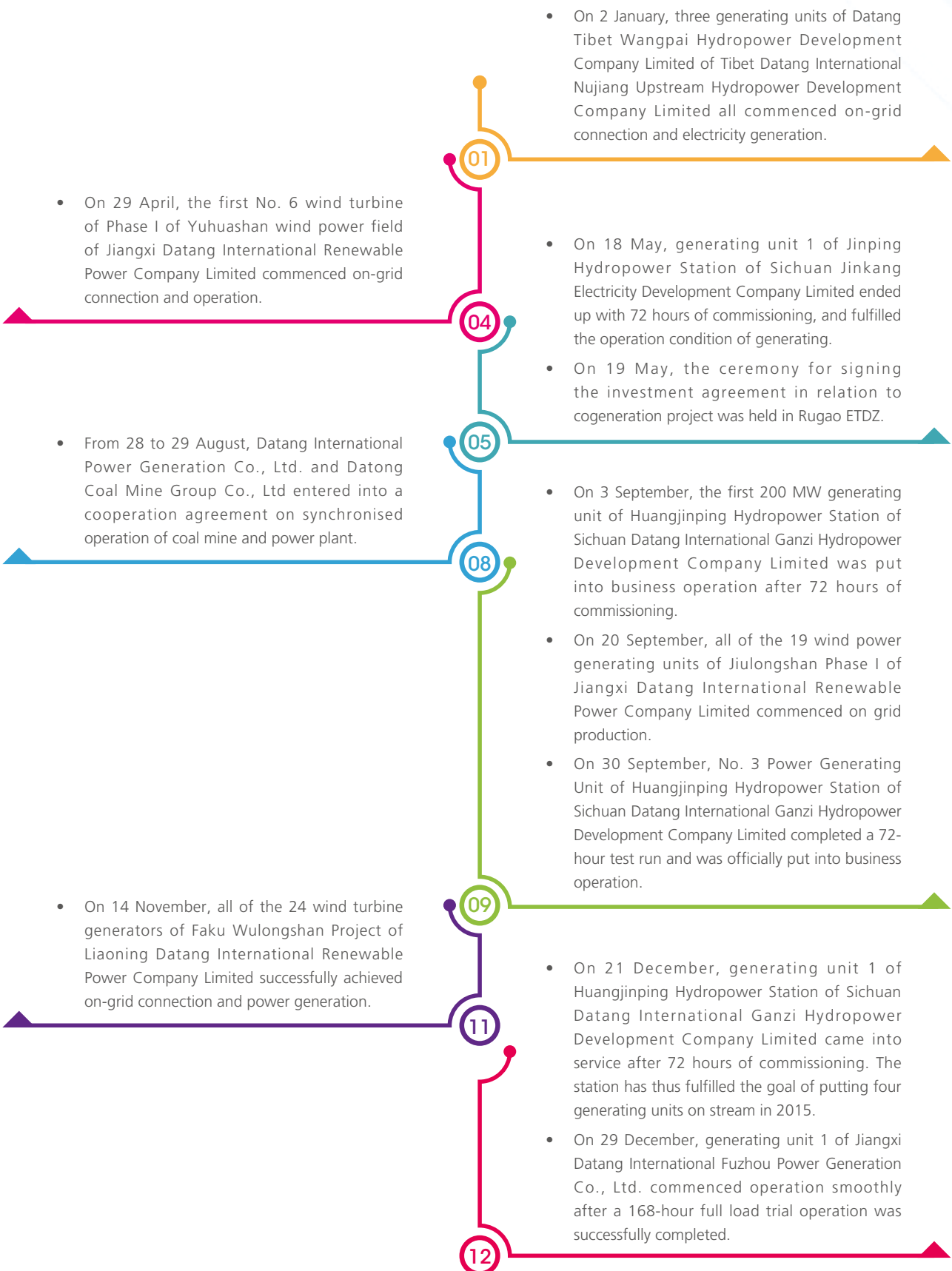
- Managed an installed capacity of approximately 42,337.225 MW.
- Completed power generation of approximately 169.7252 billion kWh.
- Completed on-grid power generation of approximately 160.8296 billion kWh.

Distribution of Projects





Major Events in 2015



MAJOR HONORS AND AWARDS OF THE COMPANY

1. We were among the "Platts' Top 250 Global Energy Corporates" for the ninth consecutive year.
2. We won the "Gold Award for 2015 Financial Performance, Corporate Governance, Social and Environmental Responsibility and Investor Relations Management" from "The Asset" Magazine.
3. We won the "2014 Top 100 Listed Companies in China" from Warton Economic Institute and China Business Top 100 Forum.
4. We won the "Listed Companies with the Best Investor Relations Management" in the "China Securities Golden Bauhinia Awards".



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	2011	2012	2013	2014	2015
Operating revenue	72,382	77,598	75,227	70,194	61,890
Profit before tax	3,573	7,415	7,959	5,172	6,544
Income tax expense	(671)	(1,360)	(2,367)	(3,284)	(3,284)
Profit for the year attributable to:					
– Owners of the Company	1,935	3,991	3,403	1,767	2,788
– Non-controlling interests	1,159	2,260	2,189	121	473

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts expressed in millions of RMB)

As at 31 December	2011	2012	2013	2014	2015
Total assets	249,124	276,707	299,940	307,528	308,495
Total liabilities	(198,870)	(220,695)	(236,110)	(244,070)	(244,911)
Non-controlling interests	(11,586)	(14,699)	(20,065)	(19,293)	(18,287)
Equity attributable to owners of the Company	38,668	41,314	43,765	44,165	45,297

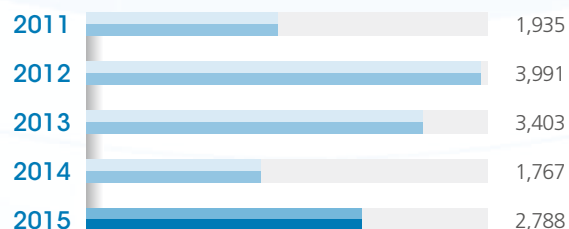
CONSOLIDATED OPERATING REVENUE

(RMB million)



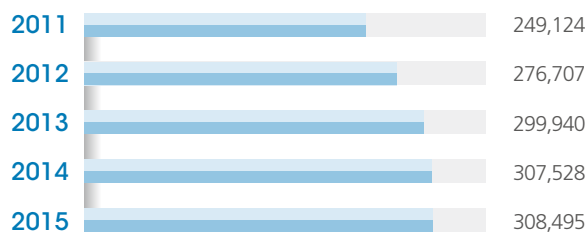
CONSOLIDATED PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

(RMB million)



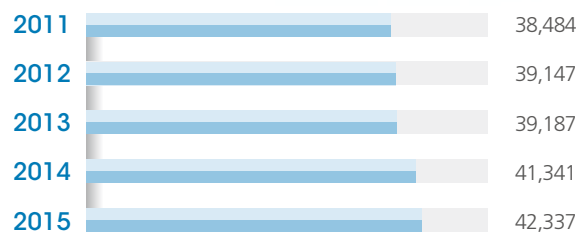
CONSOLIDATED ASSETS

(RMB million)



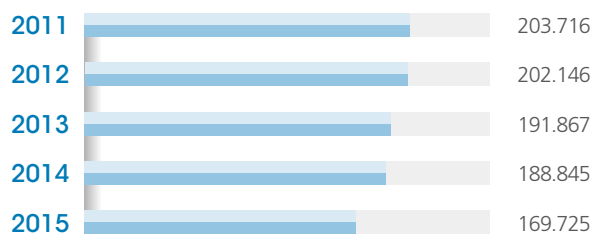
TOTAL INSTALLED CAPACITY

(MW)



GROSS POWER GENERATION

(billion kWh)



TOTAL ON-GRID GENERATION

(billion kWh)



Chairman's Statement



The Company will speed up the progress of structure adjustment by continuously upholding its value and result-oriented philosophy, insisting on the very basis of quality and effectiveness enhancement, as well as setting the upgrading of power generation industry as the major goal, focus on governance of enterprise in accordance with the laws, overcome impact from various adverse factors and achieve healthy and stable development by overcoming difficulties.

Chen Jinhang
Chairman

In 2015 (the “Year”), the Company speeded up the progress of structural adjustments by continuously upholding its value and result-oriented philosophy, focusing on the quality and effectiveness enhancement, as well as setting and upgrading of power generation industry as the major goal. It emphasised governance of the enterprise in accordance with the laws and surmounted impacts from various adverse factors, and eventually achieved healthy and stable development by overcoming difficulties.

The profitability of the Company has improved steadily over the past year. We have effectively leveraged on the strengths of the main business of power generation, constantly reduced production and operation costs, and realised total profit of RMB6,544 million, representing a year-on-year increase of 26.53%. In particular, the profit from the power generation segment continuously grew and reached a new high.

The energy conservation and emission reduction works of the Company have been constantly strengthened over the past year. We proactively responded to the requirements of national policies and conducted upgrading and renovation of thermal power units in advance, completed the renovation tasks of ultra-low emission to 31 units in accumulative with a capacity of 10.64 million kW. The coal consumption for power supply throughout the Year was 305.72g/kWh, representing a decrease of 3.55g/kWh compared with last year. There were nine units which were awarded in the 600MW Energy Efficiency Benchmarking and Competition nationwide.

The development structure of the Company has been unceasingly optimised over the past year. The total numbers of approved power generation projects and those put into operation throughout the Year were approximately 9.488 million kW and 2.1959 million kW, respectively, mainly attributable to astute in our grasp of policy trends. The No. 1 million kW generating unit of Jiangxi Datang International Fuzhou Power Generation Company Limited commenced power generation in advance and all economic and technological indicators maintained a leading position. The Sichuan Huangjinping hydropower project achieved “Four Generating Units Put on Stream in 2015”, becoming the largest hydropower

project put into operation of the Company during the Twelfth Five-Year Plan. The power generation structure was further optimised as the capacity of clean energy and renewable energy of the Company accounted for 26.12% of the overall installed capacity of the Company, representing a year-on-year increase of 2.27 percentage points. In the course of infrastructure construction, we have constantly put effort to improve the construction of high-quality projects, effectively reduced construction costs and significantly improved efficiency.

The Company has maintained a good market image over the past year. We received awards such as the “Top 250 Global Energy Corporates” for the ninth consecutive times from Platts, the “Gold Award for 2015 Financial Performance, Corporate Governance, Social and Environmental Responsibility and Investor Relations Management” from “The Asset” Magazine, the “2014 Top 100 Listed Companies in China” and the “Listed Company with the Best Investor Relations Management” from other domestic and overseas institutes.

2016 marks the beginning of the “Thirteenth Five-Year”. It is also a tough year for the implementation of structural reform. In the face of opportunities and challenges, Datang Power will adhere to technological innovation as a driving force, accelerate the progress of structural adjustments, and contribute our clean, efficient, sustainable power generation business by continuously upholding its value and result-oriented philosophy, focusing on the quality and effectiveness enhancement, as well as setting and upgrading of power generation industry as the major goal. Datang Power will establish itself as a renowned integrated energy service provider with prominent core competitiveness and strong sustainable development capacity.

I, together with the members of the Board, believe that Datang Power must continue to shine with new corporate vitality and create greater values for our shareholders and society as a whole with even better results by riding on strong supports from all shareholders and various sectors of society.

Mr. Chen Jinhang
Chairman

Management Discussion and Analysis

In 2015, the Company adhered to the value-focused and efficiency-oriented principles all along. By focusing on improving the quality and efficiency of development on a basis to upgrade the power generation business, the Company accelerates its structural adjustment. Meanwhile, the Company also places emphasis on the strengthening of governance by rules and thoroughly motivates innovation. Upon overcoming various unfavorable factors, the Company manages to maintain safe production with generally promising operational trend as well as continuous breakthrough of key projects, and achieved every target mission throughout the Year in a better manner.



(I) Overview

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 business with its main focus on coal-fired power generation. In 2015, the Company adhered to the value-focused and efficiency-oriented principles all along. By focusing on improving the quality and efficiency of development on a basis to upgrade the power generation business, the Company accelerates its structural adjustment. Meanwhile, the Company also places emphasis on the strengthening of governance by rules and thoroughly motivates innovation. Upon overcoming various unfavorable factors, the Company manages to maintain safe production with generally promising operational trend as well as continuous breakthrough of key projects, and achieved every target mission throughout the Year in a better manner.

(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, Sichuan Province and the Tibet Autonomous Region. As at 31 December 2015, the Company managed an installed capacity of approximately 42,337.225 MW.

(1) Power production. During the Year, total power generation of the Company and its subsidiaries amounted to 169.7252 billion kWh, representing a decrease of approximately 10.12% as compared to the same period of last year. The accumulative on-grid power generation of the Group amounted to approximately 160.8296 billion kWh, representing a decrease of approximately 9.97% as compared to the same period of last year. Utilisation hours of generating units accumulated to 4,240 hours, representing a year-on-year decrease of 462 hours. During the Year, no casualties or material damage to the facilities occurred to the Company and its subsidiaries during the course of power production. The equivalent availability coefficient of the operational generating units amounted to 92.89%.

(2) Project construction. During the Year, the capacity of new units of the Company amounted to 2,195.88 MW. During the Year, generating unit No. 1 of Fuzhou Power Generation Company commenced operation on 29 December 2015, which became the only million generating unit during "Twelfth-Five Year Plan"; Sichuan Huangjinping hydropower project realised "Four Commencements A Year" and became the largest hydropower project of the Company for the "Twelfth-Five Year Plan".

Management Discussion and Analysis

- (3) Preliminary works. During the Year, power generation projects of the Group amounting to 9,488 MW in aggregate were officially approved. Details are as follow:

Coal-fired power projects: Guangdong Datang International Leizhou Power Generation Plant “Replacing Small Units with Large Units” newly-constructed 2x1,000MW project, Datang International Tangshan Beijiao 2x350MW co-generation heat and power project, Datang Xilinhaote Power Generation Plant newly-constructed 2x660MW project, Liaoning Datang International Huludao thermal power plant “Replacing Small Units with Large Units” newly constructed 2x350MW project, 2x400MW class Jiangsu Datang International Jintan gas turbine co-generation project, Datang Pingluo power plant newly-constructed 2x660MW project, Phase II of Jiangxi Datang International Xinyu 2x1,000MW enlarging project, Jiangsu Datang Rugao ETDZ 2x12MW thermal power co-generation project.

Wind power projects: Datang International Zhejiang Pinghu 32MW wind power field project, Ningxia Datang International Qingtongxia Shashi Dunliang 48MW wind power field project, Jiangxi Datang International Wuning Taiyangshan 50MW wind power field project, Jiangxi Datang International Shicheng Jinhushan 99.5MW wind power field project, Hebei Datang International Fengning Datan 200MW wind power field project, Shanxi Datang International Zuoyun Xiaojingzhuang 49.5MW wind power field project.

Photovoltaic projects: Phase III of Qinghai Geermu 50MW photovoltaic power generation project, Phase III of Qinghai Gonghe 10MW photovoltaic power generation project, Phase I of Hebei Fengning 20MW photovoltaic power generation project, Phase IV of Qinghai Gonghe 20MW photovoltaic power generation project.

Hydropower capacity expansion project: Chongqing Wujiang Yinpan 45MW hydropower capacity expansion.

- (4) Energy conservation and emission reduction. During the Year, total coal consumption for power supply was 305.72g/kWh, representing a year-on-year decrease of 3.55g/kWh. Electricity consumption rate of power plants was 3.90%, representing a year-on-year decrease of 0.29%. The total operation rate of desulfurisation facilities and the total overall desulfurisation efficiency rate amounted to 100.00% and 97.16%, respectively. The total operation rate of denitrification facilities and the total overall denitrification efficiency rate amounted to 99.44% and 81.12%, respectively. The emission rate of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.17g/kWh, 0.24g/kWh, 0.046g/kWh and 0.032kg/kWh. During the Year, a total of 31 power generating units of certain power generation companies of the Company carried out ultra-low emission transformation projects.

As at the end of 2015, coal-fired power, hydropower, wind power and photovoltaic power accounted for 80.71%, 14.41%, 4.43% and 0.45% of the Company's installed power generation capacity, respectively. The proportion of clean energy increased by 2.27 percentage points as compared to the end of the year 2014 (the "Previous Year"), suggesting a further improvement in the power generation structure.

2. Non-electricity Business

During the Year, the Datang Inner Mongolia Duolun Coal Chemical Project (the "Duolun Coal Chemical Project") with an annual output of 460,000 tonnes of polypropylene, the Inner Mongolia Datang International Keshiketeng Coal-based Natural Gas Project (the "Keqi Coal-based Natural Gas Project") with an annual output of 4 billion cubic meters of natural gas, and the Liaoning Datang International Fuxin Coal-based Natural Gas Project (the "Fuxin Coal-based Natural Gas Project") with annual production scale of 4 billion cubic meters of natural gas obtained initial progress, while Datang Hulunbeier Fertiliser Company Limited ("Hulunbeier Fertiliser Company") and Inner Mongolia Datang Renewable Resource Development Company Limited ("Renewable Resource Company") commenced construction or production as scheduled. Of these projects:

(1) The Duolun Coal Chemical Project: During the Year, the health standard of equipment constantly increased and the Company realised 80% above oxygen-load normalised operation for gasifier while the consecutive operation time constantly breaking historical records. During the Year, 137 thousand tonnes of polypropylene was produced in aggregate.

(2) The Keqi Coal-based Natural Gas Project: During the Year, A and B unit of the Series 1 of Phase 1 realised consecutive high-load operation and basically realised zero emission of waste water. During the Year, 552 million standard cubic meters of natural gas was produced in aggregate.

(3) The Fuxin Coal-based Natural Gas Project: Construction commenced as scheduled during the Year.

(4) Hulunbeier Fertiliser Company: During the Year, the company's operation and production remained stable. It basically reached the designed production capacity and outperformed the annual target. During the Year, 285.6 thousand tonnes of urea was produced in aggregate.

(5) Renewable Resource Company: The production technique was constantly optimised with a continuous decrease in energy consumption and the monthly production volume of alumina reached 92.2% of designed volume while the variable cost reduced to the advanced level in the industry.

(III) Major financial indicators and analysis

1. Operating Revenue

During the Year, the Group realised a consolidated operating revenue of approximately RMB61,890 million, representing a decrease of approximately 11.83% over the Previous Year, among which, revenue from electricity sales decreased by approximately RMB7,033 million over the Previous Year.

Management Discussion and Analysis

2. Operating Costs

During the Year, total operating costs of the Group amounted to approximately RMB48,575 million, representing a decrease of approximately RMB8,570 million or 15.00% over the Previous Year. Among which, fuel cost accounted for approximately 45.85% of the operating costs, and depreciation cost accounted for approximately 23.37% of the operating costs. Since the standard coal unit price of the Company for power generation decreased by RMB45.37/tonne over the Previous Year, the fuel cost for power generation of the Company decreased by RMB1,949 million as a result. In addition, on-grid power generation decreased over the Previous Year, resulted in a decrease of RMB3,264 million in fuel cost.

3. Net Finance Costs

During the Year, finance costs of the Group amounted to approximately RMB7,975 million, representing a decrease of approximately RMB729 million or approximately 8.38% over the Previous Year. The reason for the decrease was primarily due to the downward adjustment to the interest rate for loan by the central bank for three times in 2015.

4. Total Profit and Net Profit

During the Year, the Group reported a total profit before tax amounting to approximately RMB6,544 million, representing an increase of approximately 26.53% over the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB2,788 million, representing an increase of 57.73% over the Previous Year. The increase in the Group's profit before tax is mainly due to the decrease in fuel costs and financial costs.

Power generation segment of the Company realised a total profit of RMB13,147 million, representing a year-on-year increase of RMB725 million. (Thermal power (including combustion engine) realised a total profit of RMB12,300 million, representing a year-on-year increase of RMB23 million.)

5. Financial Position

As at 31 December 2015, total assets of the Group amounted to approximately RMB308,495 million, representing an increase of approximately RMB967 million over the Previous Year. The increase in total assets was mainly due to the increase in construction in progress and investment in fixed assets as a result of the development strategy implemented by the Group.

Total liabilities of the Group amounted to approximately RMB244,911 million, representing an increase of approximately RMB841 million as compared with that of the end of 2014. Of the total liabilities, non-current liabilities increased by approximately RMB1,541 million as compared with that of the end of 2014. The increase in total liabilities was mainly due to the increase in borrowings and amount of debentures of the Group to support daily operation and infrastructure development.

Equity attributable to equity holders of the Company amounted to approximately RMB45,297 million, representing an increase of approximately RMB1,132 million over the Previous Year. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB3.40, representing an increase of approximately RMB0.08 per share as compared with that of the end of 2014.

6. Liquidity

The working capital and funds required by the Group are mainly derived from its cash flows generated from operation, and borrowings, while the Group's capital for operating activities are mainly utilised to purchase commodities, receive labour services and pay the staff salary and tax etc.

As at 31 December 2015, the assets-to-liabilities ratio of the Group was 79.39%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 287.56%.

As at 31 December 2015, cash and cash equivalents of the Group amounted to approximately RMB5,199 million, among which deposits equivalent to approximately RMB44 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Year.

As at 31 December 2015, short-term loans of the Group amounted to approximately RMB14,786 million, bearing annual interest rates ranging from 2.00% to 6.15%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB130,061 million and long-term loans repayable within one year amounted to approximately RMB12,644 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.13% to 6.80%. Loans equivalent to approximately RMB755 million were denominated in US dollar. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

7. Welfare Policy

As at 31 December 2015, the number of staff of the Group totaled 24,704. The Group has adopted the basic salary system focusing on the basis of position-points salary distribution and a variety of incentive mechanisms so as to actively strengthen the effective and positive incentive function of salary distribution. The Group is concerned about personal growth and occupational training of its staff. Led by the strategy of developing strong corporation with talents, the Group relies on a three-tier management organisational structure and implements an all-staff training scheme for various levels. In 2015, 318,274 person-times attended trainings arranged by the Company, among which 84,496 person-times attended corporate management and professional technique trainings, 227,610 person-times attended production technique trainings and 6,168 person-times attended other trainings.

(IV) Risk Factors

1. Market risks. With the gradual promotion of supply-side structural reforms, the downward trend of consumption of electricity in 2016 remains significant. Since the additional generating units have sustained a growth in capacity and the pace of operation commencement of such generating units is much faster than the growth of electricity demand, it is anticipated that there will be a further decrease in the utilisation hours of certain coal-fired generating units. Along with the gradual implementation of a series of new supporting documents of electricity reforms and the delegation of power of approval for the trial programs on direct purchase of electricity, the growth in

Management Discussion and Analysis

the number of provinces that implement direct purchase of electricity and in the transaction scale with respect thereto has been significant. Apart from this, with the larger unilateral reduction in prices by the electricity suppliers, the competition among power generation enterprises will in turn be increasingly fierce.

2. Environmental protection risks. With the implementation of the Environmental Protection Law in 2015 and the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution in 2016, the requirements for pollutant emissions by companies have become increasingly stringent. As far as the enterprises are concerned, there has been a significant growth in their production costs and a considerable increase in their exposure to the risks of exceeding the waste discharge limits. The follow-up transformation of environmental protection equipment may affect the normal production and operation of certain subsidiaries of the Company.
3. Price risks. The Company anticipates that there will still be a lack of fundamental support for the coal price to greatly rebound in 2016. The coal price is expected to maintain a slight downward trend, in which the room for decline is very limited. In the meantime, there may also be risks that are contrary to the trend of the market price of coal.

(V) Outlook for 2016

In 2016, as the economic development of the PRC entered a new normal state, features of new norms also appeared in power generation and consumption with a constant optimisation of power supply structure. The drivers of the growth in power consumption transformed from high consumption of energy to emerging

industries, service industry and residents' domestic consumption, resulting in a slowdown of the growth in the demand of energy power. The demand and supply of power will continue to be oversupplied overall and will be more obvious in certain regions.

In 2016, utilisation hours of the Company's coal-fired equipment are expected to be further reduced. Additionally, due to the downward adjustment of on-grid tariffs for coal-fired power generation and the relatively huge decrease in the price during the process of direct transactions conducted by large users in certain provinces, the overall profit of the Company for 2016 is expected to be affected. With the implementation of new standards of pollutant emissions and new environmental protection laws, enterprises will face more stringent requirements on pollutants emission and encounter increasingly significant risk on excessive emission, and subsequent modification on environmental protection facilities would possibly affect the normal production and operation for some enterprises.

In 2016, in the face of opportunities and challenges brought along by the new norms, by continuously upholding its value and efficiency-oriented philosophy, adhering to the basis of safety and stability and insisting on the basis of quality and effectiveness enhancement, and driven by reformation and innovation, the Company will strive to push forward the upgrade of power generation business. Specific works are as follow:

1. Continue to step up safety management and control

By strengthening the foundation of safety production and solidifying the development concept of safety development, the Company will adequately deploy the long-term effective mechanism of safety management with in-depth implementation of responsibility for

safety production and establishment of comprehensive responsibility system for safety risk management and control. The Company will constantly upgrade the standard of production management and endeavor to obtain the title of national grade A reliability generating unit. The Company will establish a comprehensive technological management system and enhance the innovation of technology in order to promote the upgrade of inventory and increment of development and to push forward the establishment of innovative corporations.

2. Proactively upgrade the market competitiveness

The Company will proactively study and carry out relevant documents of reformation of power system. The Company will adopt the new state of power reformation as soon as possible and closely keep up with the new movement of power reformation in order to accelerate the establishment of power sale system with the orientation of market and users' needs while striving to achieve the greatest effectiveness of power generation. The Company will continue to enhance the effort to achieve the planned power volume and proactively grasp the initiative of direct supply to large users. The Company will also enhance the effort on all kinds of markets for power generation and strive to achieve a breakthrough on power generation of 170.0 billion kWh.

The Company will continue to optimise the structure of electricity and coal and grasp the control on fuel cost; deepen the cost management standard, adopt effective measures and strive to achieve the gearing ratio of not more than 78.7%.

The Group monitors capital on the basis of the gearing ratio. The calculation of this ratio is total liabilities divided by total assets.

3. Promote the upgrade of power generation business with full effort

The Company will facilitate the preliminary works for key projects with high quality and high efficiency in order to endure the completion of work commencement and production commencement plan of key projects. The Company will place full effort to accomplish approved power generation projects of 6,331 thousand kW and strive to realise the construction commencement of 6,475 thousand kW power generation projects and the production commencement and power generation of 2,029.7 thousand MW power generation project.

The Company will continue to promote a further optimisation of regional structure, business structure and equity structure and constantly improve the quality of the Company's assets.

4. Enhance internal control and improve the capability of corporate governance

The Company will enhance the effectiveness of internal control and strengthen the checking on risk management indicators while insisting on facilitating the development of internal control through risk evaluation and internal control assessment. The Company will also deepen the compliance of corporate governance from governance level in order to ensure every business is operating normally and in compliance with laws and regulations.

Fulfillment of Social Responsibilities

(I) Our responsibility

Energy sectors are vital to national well-being and people's livelihood. Keeping our mission in mind, we have reconciled business growth with social progress and environmental protection, committing ourselves to a responsible, powerful, trustworthy integrated energy company. We strive to build a "Value-added, Eco-friendly, Legal Compliant, Innovation-driven and CSR-minded" Datang Power to realise the sustainable development.

CSR-minded

We are responsible for employee growth, corporate development, socioeconomic progress and part and national prosperity, and earnestly perform the corporate's economic responsibility, politic responsibility and social responsibility.

Value-added

Our outstanding performance, quality assets and structured business incubated by a value-minded, benefit-oriented philosophy have maximised our contributions to the economy, society and environment.

Innovation-driven

We have proceeded with institutional, managerial and technical innovation as a catalyst for transition and upgrading.

Eco-friendly

Committed to green production and transition, we are building a resourcesaving, and environment-friendly company equipped with industry-leading generators in energy efficiency and emission level, and lifting the percentage of clean and renewable energy installed capacity to realise the green development, low-carbon development and recycling development


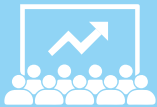





Legal Compliant

We insist on using the concepts and methods of rule of laws for corporate governance, and we have developed a comprehensive, scientific, standardised, systematic and efficient institutional framework, a rule-based internal environment for management, discussion and service, and a law-abiding, practical, trustworthy governance system.



(II) Stakeholders management

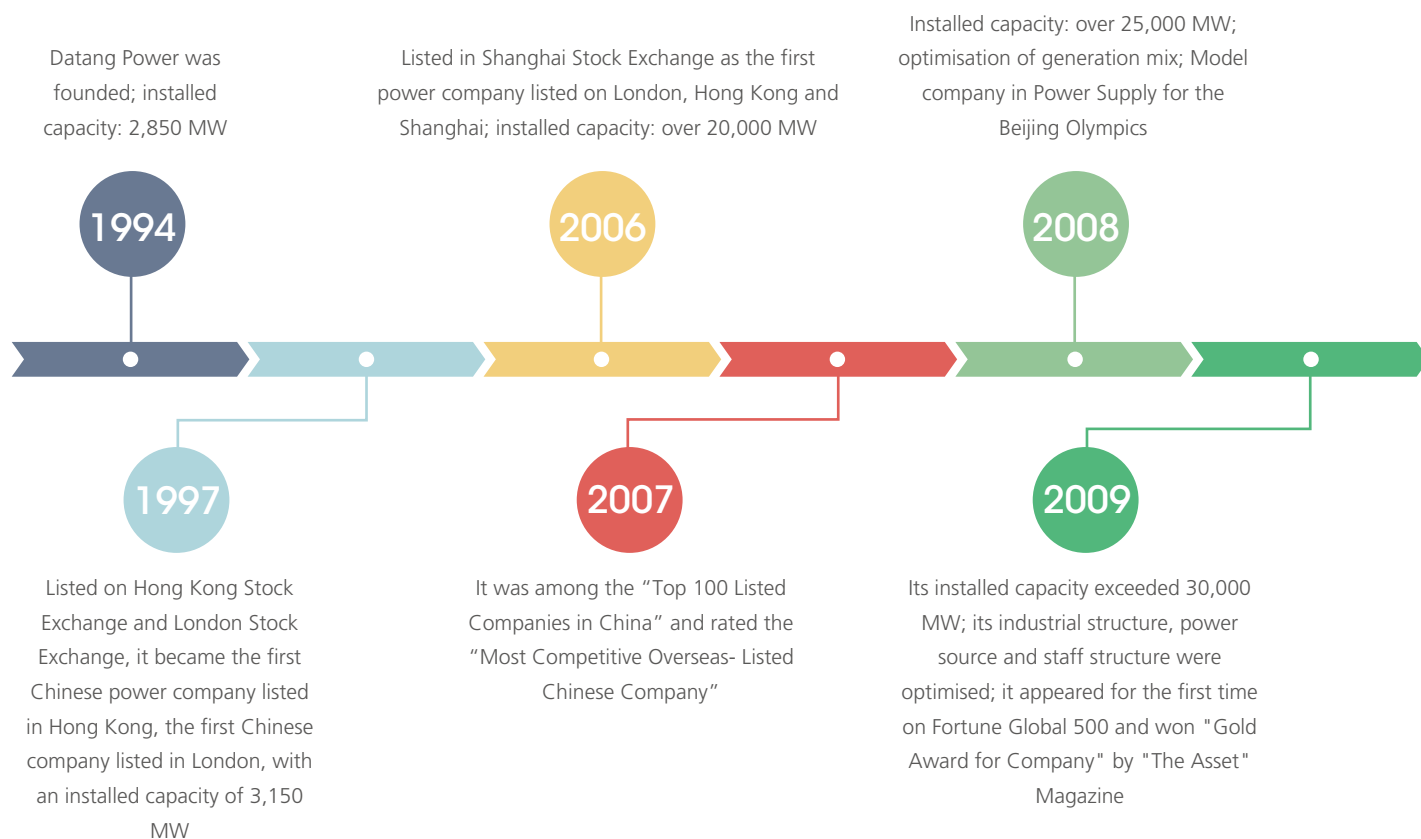
Safeguarding stakeholders' rights to knowledge, participation and supervision is an important approach to boost business performance, mutual trust and understanding. In 2015, we further improved transparency though engaging multi-channel stakeholders, creating value while meeting their expectations.

Stakeholders	Concerns	Communication Methods	Performance Indicators	Example of Practices
 Government	<ul style="list-style-type: none"> National policies and energy security Power and heat supply Legal compliance Tax Structural optimization Energy conservation and emission reduction Increasing employment Management and technological innovation 	<ul style="list-style-type: none"> Laws, regulations and policies Relevant meetings Report works Statistical statements Information submission Senior management meetings 	<ul style="list-style-type: none"> Scale of installed capacity Power generation capacity Total Profit and tax Jobs provided Energy conservation indicators Emissions reduction indicators Proportion of clean and renewable energies Innovation results 	<ul style="list-style-type: none"> On 26 January, we attended the 12th (Enlarged) Meeting of the 12th Beijing Labor Union On 23 November, we talked with officials from Zhanjiang, Guangdong Province on revving up the Leizhou thermal power project
 Shareholders	<ul style="list-style-type: none"> Honesty and keeping promises Profit level Standardized operations 	<ul style="list-style-type: none"> Shareholder's general meetings Company announcements Periodic reports Contracts and agreements 	<ul style="list-style-type: none"> Shareholder dividends Shareholder rights and interests Sales income Company profit 	<ul style="list-style-type: none"> On 17 and 18 August, we held the 2015 Interim Results Press Conference in Shanghai and Hong Kong respectively On the morning of 29 October, we held the 3rd Ad-hoc General Meeting and the 27th meeting of the 8th Board of Directors
 Staff	<ul style="list-style-type: none"> Democratic rights Health and safety Salary and wellbeing Personal development Education and training 	<ul style="list-style-type: none"> Staff representative's meeting Reasonable suggestions Interview Collective contracts Labor contracts Openness of company affairs 	<ul style="list-style-type: none"> Work environment Accident rate Labor union membership rate Collective contract coverage ratio Salary levels Investment in staff training Staff turnover rate 	<ul style="list-style-type: none"> On 18 January, we held the 3rd Meeting of the 5th Employee Representative Assembly & 2015 Work Meeting On 16 August, the 9th anniversary of "Zhengchuan Cup" Staff Badminton Competition opened at Inner Mongolia Tuoketuo Power Generation Company On 21 August, the 13th Datang Professional Knowledge and Skills Competition Finals for Protective Relay Technicians kicked off
 Community	<ul style="list-style-type: none"> Harmonious community Public interest enterprise Safety and environmental protection 	<ul style="list-style-type: none"> Collaborative construction Public interest activities Safety and environmental protection publicity 	<ul style="list-style-type: none"> Investments in community building Public interest investment Number of pollution complaints 	<ul style="list-style-type: none"> On 10 April, Hebei Tangshan Thermal Power Company set up a youth volunteer service station at Gongfang Community On 29 July, members of Yunnan Lixianjiang Hydropower Company paid a visit to veteran for the upcoming military Festival on Aug. 1st On 27 September, youth volunteers from Chongqing Pengshui Hydropower Company signed a student support agreement with a primary school on its doorstep
 Client	<ul style="list-style-type: none"> Safe and stable supply Electricity price and heat price 	<ul style="list-style-type: none"> Contracts and agreements Power and heat products Relevant technical services 	<ul style="list-style-type: none"> Client satisfaction level 	<ul style="list-style-type: none"> On 6 February, we talked with the State Grid Corporation of China on economic benefits and scientific management
 Partner	<ul style="list-style-type: none"> Honesty and legal compliance Long-term cooperation 	<ul style="list-style-type: none"> Contracts and agreements Products and services 	<ul style="list-style-type: none"> Honesty level Contract completion rate Period of cooperation Profit 	<ul style="list-style-type: none"> On 29 August, we signed with Datong Coal Mine Group a cooperation agreement on synchronised operation of coal mine and power plant On 29 December, the generating unit 1 of Jiangxi Fuzhou Power Generation Company jointly constructed with Electricite De France was put on stream
 Social Organisation	<ul style="list-style-type: none"> Contributions to organisations Influence on sustainable development 	<ul style="list-style-type: none"> Meetings Activities 	<ul style="list-style-type: none"> Frequency and depth of participation in activities Membership fee amount 	<ul style="list-style-type: none"> On 1 September, a seminar was hosted by China Electricity Council Thermal Power Branch on Legal Risks of Imported Coal Procurement Business by Coastal Coal-fired Power Corporates in Fuzhou to safeguard the lawful interests and prevent operation risks

Our History

Datang International Power Generation Co., Ltd. was founded in December 1994, with its headquarter in Beijing. In 1997 Datang Power was listed in Hong Kong and London, and in 2006 listed on the Shanghai Stock Exchange.

With power generation as the core business, our business operations also cover coal, coal chemistry, transportation and recycling. Over the years we have transformed from a pure power generation company into a composite energy company.



Over the past two decades, we have managed to reconcile corporate development with social progress. For nine consecutive years we have made it to the list of "Platts' Top 250 Global Energy Corporates", in 2015, we were ranked No.138 among all candidates, No.8 among independent power companies, and No.35 in "Asia's Best Overall Performance". We won "Gold Award for 2015

Financial Performance, Corporate Governance, Social and Environmental Responsibility and Investor Relations Management" by "The Asset" Magazine, and "2014 Top 100 Listed Companies in China" by Warton Economic Institute and "Top 100 Listed Chinese Companies" by the International Capital Summit Forum.

Its installed capacity exceeded 35,000 MW; it was enlisted in the "Top 250 Global Energy Corporates" by Platts and the "Fastest-growing Asian Energy Company"

2010

Its installed capacity reached 39,147 MW; it was ranked the "Listed Company of the Greatest Investment Value" and the "Listed Company with the Best Investor Relations Management"

2012

Its installed capacity exceeded 40,000 MW; it was enlisted in the "Top 250 Global Energy Corporates" by Platts for the eighth consecutive year

2014

2011

Its installed capacity reached 38,484 MW; it won the "Titanium Award for Corporate Governance, Social and Environmental Responsibility, and Investor Relations" and the "Award for Listed Company of the Greatest Investment Value during the 12th Five-year Plan Period"

2013

Its installed capacity reached 39,187 MW; it was rated "the Most Socially Responsible Listed Company" and "China's Top 10 Listed Company in Corporate Governance"

2015

Installed capacity: 42,337 MW; named as one of the "Platts' Top 250 Global Energy Corporates", "2015 Top 100 Listed Companies in China", and "Gold Award Financial Performance, Corporate Governance, Social and Environmental Responsibility and Investor Relations Management" by "The Asset" Magazine



Human Resources Overview



The Company optimised the allocation of human resources, improved the remuneration incentive mechanism and consolidated staff training, assuring a solid organisation and supply of high-quality staff.

1. Composition of employees (speciality, educational background)

Total number of employees: 24,704.

By category: Management: 6,040; professional technicians: 4,040; production personnel: 13,395; other staff: 1,229.

By educational background: Doctoral graduate: 29; Postgraduate: 780; Undergraduate: 12,443; College graduate: 6,947; Secondary technical school & vocational school graduate: 2,321; Staff at high school level or below: 2,184.

2. Management

In 2015, under proper leadership of the party committee of the Company, in response to the missions and goals determined at the 4th meeting of the 5th session of employee representative meeting, human resources department further carried out activities of "Three Stricts and Three Steadies", implemented the audit and inspection of rectification, strengthened the development and constant adjustment of the management team, further implemented activities for management to exchange and take temporary jobs for field practices, and continued to optimise management structure. It released Guiding Opinion on Regulating Management of Dispatched Labour to regulate management of dispatched labour, prepared the preparation standard for coal-fired and hydropower institutions, strengthened the construction of organisations and institutions, established the system for supervising, inspecting and assessing remuneration and insurance, regulated the management of remuneration and insurance, and enhanced remuneration incentives. Consolidating employees' training and vigorously

promoting vocational skill competitiveness resulted in emergence of skilled talents. Continuous enhancement of human resource management level ensured solid protection of organisation and talent pool to achieve work goals of the Company for the whole 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 as an important tool to improve the overall quality of the employee teams and enhance core competitiveness of the corporate. By taking a number of initiatives such as the comprehensive compilation of training programmes, the conduct of well targeted professional training, and the establishment of an ongoing mechanism of nurturing talents, the constant reinforcement of the training foundation and the increased commitment to training, the Company effectively pushed forward the development of its vocational training programmes in a comprehensive and vigorous manner, and various types of talents emerged. These initiatives have helped to secure a talent pool for the continuous and healthy development of the Company. In 2015, the Company's training courses were cumulatively attended by 318,274 person-times, of which 84,496 were in relation to corporate management and professional techniques, 227,610 on production techniques and 6,168 on other training. A total of 2,142 employees of the Company passed professional and technical qualification assessments during the year, of whom 136 received senior titles; 672 received intermediate titles; and 1,334 received junior titles.

Human Resources Overview

15 people obtained senior technician qualification with the total accumulated number of 266 and 92 acquired technician qualifications with the total accumulated number of 1,574 through the Company's system.

4. Implementing measures

- (1) Strengthen the training and nurture of leading cadres. The Company completed the seventh group of temporary jobs taken for field practices, and organised to commence the eighth group of temporary jobs taken for field practices by organising training classes for posts of leaders of the discipline inspection team (secretary of commission for discipline inspection) and the chairman of labour union, among which, 40 trainees were selected to participate the training for young management "post-80s" of the Group, 11 trainees were selected to take temporary jobs in the headquarter of the Group, 8 substitute cadres of enterprises at basic level were selected to take temporary jobs in the Group, and 11 trainees were received to take temporary jobs in enterprises at basic level of the Company. Through adopting diversified training and nurturing the communication of leading cadres in various forms facilitated the improvement of comprehensive quality and performance capabilities of leading cadres.
- (2) Optimise the establishment of three-tier management system. The three-tier management system was optimised and strengthened continuously after the research on preparing the adjustment plan for headquarter institutions, optimisation and adjustment of parts of two-tier institutions, replying to the personnel

deployment plan in ten basic-level institutions in a timely manner, and drafting Preparation Standards for Coal-Fired Power Generation Enterprises of the Group (Discussion Paper).

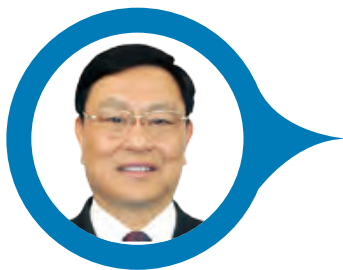
- (3) Strengthen the recruitment and deployment of employees. The Company attached importance on optimising human resources deployment, recruited professional technical talents and senior technical talents outside the system, completed the recruitment of fresh graduates with high quality, strengthened the activation of system storage of human resources, printed and distributed Guiding Opinions on Regulating Management of Dispatched Labour of Datang International, and instructed the enterprises within the system of the Company to regulate the management of dispatched labour. Various measures mentioned above were taken to continuously provide human resources with guarantee for continuous and healthy development of the Company.
- (4) Strengthen remuneration incentives. The Company put effort on solving the practical issues in terms of remuneration of basic-level enterprises, improved the standard for determining salaries of fresh graduates, made adjustment to the growth method of salary standard of enterprises, and strengthened remuneration incentives. Through preparing the System for Supervising, Inspecting and Assessing Remuneration and Insurance, examining and assessing remuneration and insurance of the pilots, the Company continued to improve the level of remuneration management.

5. Achievements and awards

TITLE OF OUTSTANDING INDIVIDUAL		GRANTED BY
Technical Expert of Central Enterprise	5	State-owned Assets Supervision and Administration Commission
Outstanding Contestants of Central Enterprise	1	State-owned Assets Supervision and Administration Commission
Technical Expert in China's Power Industry	2	China Electricity Council
Top Ten Outstanding Talents of the Corporation	5	China Datang Corporation
"112 Talent" of the Corporation	763	China Datang Corporation
Technical Expert of the Corporation	21	China Datang Corporation
Outstanding Technical Contestants of the Corporation	34	China Datang Corporation

Human Resources Overview

6. Directors, supervisors, senior management and joint company secretary overview (as at the date of this report)

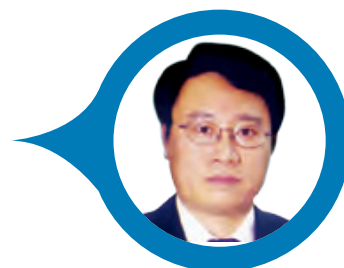


Chen Jinhang
Chairman and Non-executive Director

Mr. Chen, aged 60, 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. Mr. Chen has long been engaged in electricity production and business management, and has extensive knowledge and practical experience in electricity production and business management.

Hu Shengmu
Non-executive Director

Mr. Hu, aged 55, university graduate, is a senior accountant. Mr. Hu worked in Beijing Power Supply Bureau in 1981 and had since been the Deputy Head and the Deputy Manager of the Finance Department of the North China Power Administration Bureau (NCPGC), the Chief Accountant (Chief Financial Officer) of the Company, the Chief Accountant of NCPGC, and Chief Accountant of CDC. He served as Deputy General Manager and the Party Committee Member of CDC since October 2015. 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.



Wu Jing
Vice-Chairman, Executive Director

Mr. Wu, aged 59, is a professor-grade senior engineer who holds a post graduate degree. 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. He served as the President, and the deputy Party Committee Secretary of the Company since December 2013 and ceased to take these positions since 21 March 2016. He served as Vice Chairman of the Company since January 2014. 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 State Council.





Liang Yongpan Non-executive Director

Mr. Liang, aged 50, university graduate, is a senior engineer. Mr. Liang served as the Deputy Division Head and Deputy Plant Head (Production) of the Production Division of Lanzhou No. 2 Thermal Power Factory, General Manager of Lanzhou Xigu Thermal Power Co. Ltd., Member of Party Committee, Vice General Manager and Chairman of the Labour Union of Gansu branch of CDC and Datang Gansu Power Generation Co., Ltd., Deputy Head of Planning, Investment and Financing Department of CDC, as well as the Secretary of Party Committee and General Manager of Datang Gansu Power Generation Co., Ltd. Since May 2014, he served as the Head of Planning and Marketing Department of CDC. Mr. Liang has long been involved in the production, operation and management work of power generation enterprises. Mr. Liang has extensive experience in production, operation and management of power generation companies.

Ying Xuejun Executive Director, Joint Company Secretary

Mr. Ying, aged 49, a senior engineer with a bachelor's degree. He was the Deputy Director of the Production Department of Tangshan Power Plant; the Deputy Director of the Production Technology Department, the Deputy Manager of the Facilities Department, the Manager of the Facilities Department, the Deputy Chief Engineer cum the Manager of the Facilities Department and the Deputy General Manager of Dou He Power Plant; the Deputy General Manager and the General Manager of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited; and the Deputy General Manager of Inner Mongolia Branch Company of Datang. In December 2008, he was re-designated as the Chief of the Integrated Planning Department and the Deputy Chief Economist cum the Chief of the Integrated Planning Department of the headquarter of the Company. Since January 2015, he has been appointed as the Chief Economist of the Company. Since December 2015, he has been appointed as the Secretary to the Board and joint company secretary of the Company. Mr. Ying has worked for long in production, operation and management of power generation companies, and has extensive experience in production, operation and management.



Cao Xin Non-executive Director

Mr. Cao, aged 44, is a doctoral candidate, and 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 New Energy Co., Ltd., Secretary of Party Committee and general manager of Hebei Construction Investment New Energy Co., Ltd., a standing member of the Party Committee of Hebei Construction Investment Company and Secretary of Party Committee and President of China Suntien Green Energy Corporation Ltd., 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. and the Chairman of China Suntien Green Energy Corporation since January 2014. Mr. Cao has long been engaged in the management of energy projects and has extensive knowledge and practical experience in energy production and business management.

Human Resources Overview



Cai Shuwen
Non-executive Director

Mr. Cai, aged 53, is a doctoral candidate, and is a senior engineer. He 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 and 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. Mr. Cai has long been engaged in electricity production, technology and business management, and has extensive knowledge and practical experience in electricity production and business management.

Liu Haixia
Non-executive Director

Mr. Liu, aged 54, is a senior engineer with a postgraduate degree. He joined Beijing Electric Power Company in 1983. He has been Assistant to President of Beijing International Power Development and Investment Company in 1998. He has been Assistant to President of Beijing Energy Investment (Group) Company Limited since 2004. He has been Vice President of Beijing Energy Investment (Group) Company Limited since May 2009. He served as Vice President of Beijing Energy Investment Holding Company Limited since December 2014. With his long-standing involvement in production management and investment management of power companies, Mr. Liu has acquired extensive knowledge and practical experience in production and business management of power companies, investment and financing.



Guan Tiangang
Non-executive Director

Ms. Guan, aged 48, is a senior engineer with a master degree. She started her career in Beijing Shijingshan Thermal Power Plant in 1990. 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 became the Manager of the Power Generation and Operation Department of Beijing Energy Investment (Group) Company in December 2004. In January 2007, she became the Vice President and the Secretary to the Board of Directors of Beijing Jingneng International Energy Company Limited. She was the Chief Engineer of Beijing Energy Investment (Group) Company Limited in May 2009. She has served as the Chief Engineer of Beijing Energy Investment (Group) Company Limited since December 2014. Ms. Guan has long been engaged in the work of power investment operation management, and has extensive knowledge and practical experience in management of power investment and finance and management of electricity safety production.



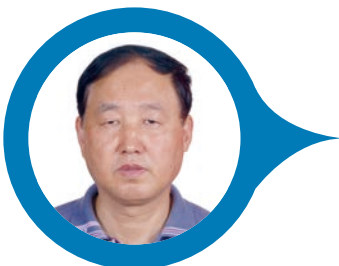


Zhu Shaowen Non-executive Director

Mr. Zhu, aged 51, a master's degree holder and a senior engineer. He previously worked as an Engineer and the Deputy Head of Specialty Department at Tianjin Electric Power Science Research Institute, Head of Planning and Design Department of State Grid Tianjin Electric Power Company, Deputy Head of Project Department, Vice-manager (Person-in-Charge) and Manager of Power Development Department and manager of Project Development Department of Tianjin Jinneng Investment Company, General Manager (concurrent) of Tianjin Jinneng Wind Power Co., Ltd. Since November 2013, Mr. Zhu has been the Manager of Electric Power Department of Tianjin Energy Investment Group Limited. Mr. Zhu has long been engaged in management of production operation and administrative roles in power generation enterprises, and has extensive experience in the operation and management of power generation enterprises.

Jiang Guohua Independent Non-executive Director

Mr. Jiang, aged 44, 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. Mr. Jiang has long 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.



Feng Genfu Independent Non-executive Director

Mr. Feng, aged 58, a professor and a doctoral supervisor who holds a doctorate degree in Economics. He currently serves as a professor of the School of Finance and Economics of the School of Finance and Economics of Xi'an Jiaotong University. Dr. Feng served as the Head of China's Financial Market and Enterprise Development Research Center of Xi'an Jiaotong University. Dr. Feng is currently an Independent Director of Bode Energy Equipment Co., Ltd. (a company listed on the Shenzhen Stock Exchange, Stock Code: 300023), the Executive Vice President of China Industry Economic Research Institute and the Vice President of Chinese Institute of Business Administration. Dr. Feng has long been involved in education and administration management of Economics and Finance. He has extensive experience in Economics and Finance.

Human Resources Overview

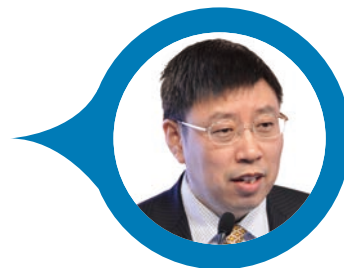


Luo Zhongwei Independent Non-executive Director

Mr. Luo, aged 60, a Doctor of Economics. Mr. Luo is currently a researcher of the Institute of Industrial Economics of Chinese Academy of Social Sciences, a professor and doctoral supervisor of the Graduate School of Chinese Academy of Social Sciences and the chief analyst of the Innovation Engineering Project of Chinese Academy of Social Sciences. He is also the director of Small and Medium-sized Enterprises Research Centre under Chinese Academy of Social Sciences, a legislative consultant to the Law on Promotion of Small and Medium-sized Enterprises for the National People's Congress, a member of the Investment Advisory Committee of the Investment Association of China, a member of the Management Modernisation Working Committee of China Enterprise Confederation, a scholar and tutor of the "Light of the West" Scheme under the Organisation Department of the Communist Party of China, as well as the Head of MBA Case Research Center of Graduate School of the Chinese Academy of Social Sciences. Mr. Luo served as an independent director of Zhejiang China Commodities City Group Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600415) and Sichuan Langsha Holding Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600137). Mr. Luo has long term engagement in research on industry and corporate strategies, corporate management, promotion and policy of small and medium-sized enterprises, development and reform of state-owned enterprises. He has extensive experience in strategic planning for corporate development and corporate management.

Liu Huangsong Independent Non-executive Director

Mr. Liu, aged 47, a Master of Science and a Doctor of Economics from Fudan University. Mr. Liu served as deputy section chief and officer of Shanghai Municipal Bureau of Statistics and director of the Bureau's Statistics and Industry Development Center, the general manager of the investment planning department, the general manager of the development and research department and a supervisor of China Worldbest Group, the vice general manager of a listed company under the group and the assistant to the group president, the director, researching professor and doctoral supervisor of Research Centre for Economic Prosperity of Shanghai Academy of Social Sciences, as well as the independent director of Hengdeli Holdings Limited, Shanghai Prime Machinery Company Limited (a company listed on the Hong Kong Stock Exchange, stock code: 02345), Jingwei Textile Machinery Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 00350) and Changan Fund Management Co., Ltd. Mr. Liu is currently the chief economist of Hengdeli Holdings Limited, the deputy director of the Center for Securities Studies of Fudan University, as well as the independent director of Shanghai Xinhua Media Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600825), Shanghai Zijiang Enterprise Group Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600210) and Changan International Trust Co., Ltd. Mr. Liu has long term engagement in research in economics and has extensive experience in economic operation and corporate management.





Jiang Fuxiu Independent Non-executive Director

Mr. Jiang, aged 46, a Doctor of Economics and a Postdoctoral Scholar in Management (Accounting). Mr. Jiang is currently the director, professor and doctoral supervisor of the Finance Department of the School of Business of Renmin University of China. Mr. Jiang is currently the independent director of four listed companies on the Shenzhen Stock Exchange, namely Yantai Longyuan Power Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300105), Beijing UTour International Travel Service Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002707), Lancy Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002612) and Shandong Qixing Iron Tower Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002359). Mr. Jiang has long term engagement in research in economics and has extensive experience in corporate governance and financial management.

Yu Meiping Chairman of the Supervisory Committee

Ms. Yu, aged 53, with a bachelor degree, is a senior economist as well as a senior political officer. Ms. Yu 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, as well as Chairperson of the Labour Union. She is currently a Party Committee Member and Leader of the discipline inspection team of the Company. 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.



Zhang Xiaoxu Vice Chairman of the Supervisory Committee

Mr. Zhang, aged 52, is a senior accountant with a bachelor degree. Mr. Zhang commenced career in Liaoning Fushun First Construction Company in 1982. He served as Accountant in Liaoning Fushun First Construction Company, Accountant and Chief Accountant of Liaoning Power Plant; and Deputy Head and Head of Finance Department, Deputy Chief Accountant, Chief Accountant of Liaoning Nenggong Power Generation Co., Ltd., and Vice Manager and Manager of Financial Department of Tianjin Jinneng Investment Company. He became the Manager of the settlement center of Tianjin Energy Investment Group Co., Ltd. since December 2013. Mr. Zhang has long been engaged in financial management and has extensive practical working experience.

Human Resources Overview



Liu Chuandong
Member of the Supervisory Committee

Mr. Liu, aged 53, post-graduate, is a senior accountant. Mr. Liu started to work in July 1981 and has successively served as Deputy Director of the Fund Settlement Management Center of CPI Group, Deputy General Manager of CPI Financial Co., Ltd., Deputy Head of Finance and Asset Management Department of CPI Group, General Manager and Deputy Party Committee Secretary of CPI Financial Co., Ltd., Director of Fund Settlement Management Center of CPI Group, General Manager and Party Committee Secretary of China Datang Finance Company Limited, Party Committee Secretary of CDC Capital Holding Company, as well as Director of the Financial Management Department of China Datang Corporation as well as Party Committee Secretary of CDC Capital Holding Company. He served as Chief Accountant of China Datang Corporation since October 2015. Mr. Liu has long been engaged in corporate finance as well as operation and management of power generation enterprises and has extensive experience in finance and management of power generation enterprises.

Guo Hong
Member of the Supervisory Committee

Ms. Guo, aged 47, with a post-graduate master degree, is a senior economist. She 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. 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 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.



Wang Xin
President of the Company

Mr. Wang, aged 55, is a holder of a master's degree and a senior engineer. He is currently the President and deputy Party Committee Secretary of the Company. Mr. Wang was the head of the Steam Engine Team, head of the Maintenance and Repair Management Division, head of the Biotechnology Division, assistant to the plant manager, deputy plant manager and chief engineer, plant manager and secretary of the party committee of Tianjin First Power Plant. He also served as the head of the Power Generation Department and the Heat Supply Division and deputy chief engineer of Tianjin Electric Power Company and was concurrently the general manager and secretary of the party committee of Sanyuan Power Group Co., Limited. Mr. Wang was the deputy head of the Production Safety Department of China Datang Corporation, secretary of the party committee and general manager of Datang Heilongjiang Power Generation Co., Ltd., head of the General Manager Office (International Cooperation) and assistant to general manager and head of the Office (Policy and Legal Department and International Cooperation Department) of CDC. Mr. Wang has long been engaged in the production and operation management of companies in the power sector and possesses extensive experiences in power generation and operation management. Mr. Wang was appointed as the President of the Company with effect from 21 March 2016.





Wang Guoping Vice President of the Company

Mr. Wang, aged 59, a postgraduate, and a senior accountant. He once served as Deputy Director 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. He has served as the Party Secretary and Deputy General Manager of the Company since December 2013. Mr. Wang has long been engaged in the financial management and auditing for power companies, and has extensive experience in financial management and auditing.

Jian Yingjun Vice President of the Company

Mr. Jian, aged 52, a senior engineer with university education. He served as the Chief Engineer of Jilin Thermoelectricity Plant, Deputy General Manager and General Manager of Huichun Power Generation Co., Ltd., Party Committee Member and Deputy General Manager of Anhui branch of CDC and Anhui Electric Power Corporation Ltd., General Manager of Anhui Electric Power Corporation Ltd., Secretary of Party Committee and General Manager of Datang Jilin Power Generation Company Limited as well as the Director of Fuel Management Department of CDC. He has served as a member of the Party Committee and Deputy General Manager of the Company since February 2015. Mr. Jian has long been involved in the production, operation and management work of power generation enterprises, and has extensive experience in production, operation and management.



Fu Guoqiang Vice President of the Company

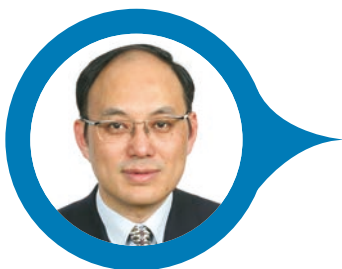
Mr. Fu, aged 52, university graduate, is a senior accountant and a Certified Public Accountant. He was previously Head of the Finance and Assets Management Department of Hebei Power Company and Manager of the Finance Department of North China Power Generation Corporation. He has been the Head of the Finance and Assets Management Department of CDC since December 2003 and a Party Committee Member and Deputy General Manager since August 2011. Mr. Fu has long been engaged in finance management in power system and has extensive practical experience in operation and management.

Fu Dong Vice President of the Company

Mr. Fu, aged 48 with a bachelor degree, is a senior engineer. 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 Committee of the Henan branch of CDC and Party Committee Secretary and General Manager of Henan Branch of CDC. He has been a Party Committee Member and the Vice President of the Company since August 2013. Mr. Fu is knowledgeable in operation management of power plants production. He also has extensive experience in corporate production and management.



Human Resources Overview



Hong Shaobin
Vice President of the Company

Mr. Hong, aged 49, a postgraduate, and a senior engineer. He worked as Deputy Director and Director of Marketing Division at Generation and Transmission Operation Department of State Electric Power Corporation, Deputy Director of Marketing Bureau of the CDC, Deputy General Manager, Deputy Party Secretary (Person-in-Charge) and General Manager of China National Water Resources & Electric Power Materials & Equipment Co., Ltd. He has been a Party Committee Member and Vice President of the Company since October 2015. Mr. Hong has long been engaged in roles in relation to electricity production, and business management of power enterprises, and has extensive experience in electricity production, and business management of power enterprises.

Meng Fankui
Vice President of the Company

Mr. Meng, aged 52, a senior engineer who holds a post-graduate degree. He served as the Deputy Chief of Zhangjiakou Power Plant, Chief of Xia Hua Yuan Power Plant, Chief of Zhangjiakou Power Plant, General Manager and Deputy Party Secretary of Inner Mongolia Branch Company of Datang and General Manager of Tuoketuo Power Generation Company. He served as the Deputy Party Secretary (responsible for leading the work of party group) and Deputy General Manager of Datang Hebei Power Generation Co., Ltd. He has been a member of the Party Committee and Deputy General Manager of the Company since June 2014. Mr. Meng has long been involved in production, operation, management and administrative work of power generation enterprises. He has extensive experience in production, operation and management of power generation companies.



Mok Chung Kwan Stephen
Joint Company Secretary



Mr. Mok Chung Kwan Stephen, aged 51, is a solicitor as defined in the Legal Practitioners Ordinance and currently a partner of Eversheds. Mr Mok graduated from the University of New South Wales in Australia with Bachelor of Commerce (Accounting) and Bachelor of Laws degrees. Mr. Mok possesses qualifications as a practicing solicitor in England and Wales, New South Wales of Australia, and Hong Kong. Mr. Mok has extensive experience in general business practices and corporate financial transactions, such as assisting corporations on listing their shares on the Stock Exchange, mergers and acquisitions, corporate restructuring, organising joint ventures, and compliance with the Listing Rules and securities-related laws of Hong Kong. Mr. Mok was the joint company secretary of the Company for the period from 30 June 2007 to 22 March 2011 and has been the legal adviser of the Company since the listing of the Company on the main board of the Stock Exchange in 1997. Mr. Mok was appointed as the joint company secretary of the Company on 22 December 2015.

7. Resigned directors, supervisors and senior management

- (1) Due to work adjustment of certain Directors, as considered and approved by general meeting of the Company, Mr. Dong Heyi, Mr. Ye Yansheng, Ms. Zhao Jie and Mr. Yang Wenchun resigned respectively in 2015.
- (2) Due to work adjustment of certain supervisors, as considered and approved by general meeting of the Company, Mr. Li Baoqing, shareholders' representative, resigned in 2015.
- (3) Due to work adjustment, as considered and approved by general meeting of the Company, Mr. Wang Zhenbiao, Mr. Wei Yuan, and Mr. Zhou Gang, Vice Presidents of the Company, and Mr. Wu Jing, President of the Company, resigned respectively in 2015.
- (4) Due to work adjustment, as considered and approved by general meeting of the Company, Mr. Wang Xianzhou and Mr. Liu Quancheng, the chief financial officer of the Company, resigned respectively in 2015.

- (5) Biography of abovementioned Directors, supervisors and senior management who resigned in 2015, are as follows:

Wang Zhenbiao: Aged 50, is a senior engineer with a post-graduate degree. He has been the Vice President of the Company. Mr. Wang ceased to be the Vice President of the Company since 12 January 2015 due to work adjustment. 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.

Wang Xianzhou: Aged 60, university graduate. He is a senior accountant and has been the Chief Financial Controller of the Company. Mr. Wang ceased to be the Chief Financial Controller of the Company since 12 January 2015 due to work adjustment and retired. Mr. Wang has acquired extensive experience in the financial management of power companies from his longstanding focus in this area.

Wei Yuan: Aged 60 and obtained a university degree. He is a senior economist and has been the Vice President of the Company. Mr. Wei ceased to be the Vice President of the Company since 29 April 2015 due to work adjustment and retired. 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

Li Baoqing: Aged 50, 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. He has been the shareholders' representative of the Company. Mr. Li ceased to be the shareholders' representative of the Company since 25 June 2015 due to work adjustment. Mr. Li has long been engaged in financial and operation management for power generation companies and has extensive management experience in financial and power generation companies.

Dong Heyi: Aged 64, graduated with a bachelor's degree. He has been the Independent Non-executive Director of the Company. Mr. Dong ceased to be the Independent Non-executive Director of the Company on 14 August 2015 due to work reasons. Mr. Dong has long been engaged in national macroeconomic research and management, and has extensive experience in economic management.

Ye Yansheng: Aged 64, is a senior economist with postgraduate qualifications. He has been the Independent Non-executive Director of the Company. Mr. Ye ceased to be the Independent Non-executive Director of the Company since 14 August 2015 due to work reasons. Mr. Ye has long been engaged in the management power enterprises and has extensive experience in the management of power enterprises.

Zhao Jie: Aged 59, graduated with a bachelor's degree. She has been the Independent Non-executive Director of the Company. Ms. Zhao ceased to be the Independent Non-executive Director of the Company since 14 August 2015 due to work reasons. Ms. Zhao has long been engaged in electric power design and planning, with extensive experience in electric power design and planning.

Zhou Gang: Aged 52, master graduate, is a senior engineer. He has been the Vice President, a Director and the Company Secretary of the Company. Mr. Zhao ceased to be the Vice President of the Company since 23 August 2015 due to work reasons, and ceased to be a Director and the Company Secretary of the Company since 23 September 2015. Mr. Zhou has extensive experience in international cooperation, power resources management and power generation enterprise operation and management.

Liu Quancheng: Aged 52, a senior accountant with university education. He has been the chief financial officer of the Company. Mr. Liu ceased to be the chief financial officer of the Company since 5 January 2016 due to work adjustment. Mr. Liu has long been involved in the financial management work of power generation enterprises, and has extensive experience in financial management.

Yang Wenchun: Aged 50, a senior engineer who holds a master's degree. He has been the Non-executive Director of the Company. Mr. Yang ceased to be the Non-executive Director of the Company since 26 February 2016 due to work adjustment. Mr. Yang has long been involved in production, operation, management and administrative work of power generation enterprises. He has extensive experience in production, operation and management of power generation companies.

Wu Jing: Aged 59, is a professor-grade senior engineer who holds a post-graduate degree. He had been President of the Company. Mr. Wu ceased to be President of the Company since 21 March 2016 due to work adjustment. Mr. Wu has long been involved in power generation and economic management, has extensive experience in management of power generation, and enjoys special government allowances by state council.

The resignations of the abovementioned Directors, supervisors and senior management were 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 specialised personnel have 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 2015, the Company conducted active and sincere communication with investors and analysts by

various channels including results presentations, 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 572 analysts and fund managers through results presentations, domestic, and overseas roadshows and reverse roadshows, 305 analysts and fund managers at investor forums, and 279 analysts and fund managers through company visits and telephone conferences.

Major investor relations activities conducted in 2015

Time	Information on Investor Relations Activities	Speaker at the conference	Number of one-to-one or one-to-many meetings	Number of people met
January	Deutsche Bank Access China Conference	No	7	27
	15th UBS Greater China Conference	No	8	23
March	Annual Results Presentation	Yes	–	140
	Annual Results Domestic Roadshow	No	7	26
	Annual Results Hong Kong Roadshow	No	11	33
April	Company's First Quarter Results Telephone Conference	No	–	76
May	Haitong Securities Strategy Conference in Spring	No	4	23
	Macquarie Information Session for A Share Listed Companies	No	6	17
	CLSA China Investment Forum	No	11	25
	HSBC China Investment Forum	No	7	19
	5th Morgan Stanley China Industries Summit	No	6	17
June	JP Morgan China Investors Forum	No	10	26
August	Company's Interim Results Domestic Presentation	Yes	–	28
	Company's Interim Results Overseas Presentation	Yes	–	152
	Company's Interim Results Roadshow in Hong Kong and Shenzhen	No	–	35
September	Nomura China Investment Forum	No	11	23
October	Third Quarter Report Telephone Conference	Yes	–	82
November	10th Citi China Investor Conference	No	8	21
	Credit Suisse China Investment Forum	No	7	15
	Bank of America Merrill Lynch China Investment Summit	No	11	20
	Shenwan Hongyuan Annual Investment Strategic Conference	No	5	23
December	CITIC Annual Securities Annual Strategy Conference	No	5	10
	China Merchants Securities Annual Strategic Conference	No	6	16

1. What is the Company's view on the trend of nationwide power supply and demand in 2016?

In 2016, the macro-economic growth will experience a gentle slowdown amidst overall stability and the overall estimated electricity demand will remain sluggish. According to the estimation of China Electricity Council, considering the temperature throughout the year, the electricity consumption of the entire society in 2016 is estimated to increase by 1% to 2% as compared with the same period last year. It is estimated that the newly installed generating capacity for the whole year will be approximately 100 million kW, of which, non-petrochemical energy will be approximately 52 million kW; installed generating capacity nationwide is expected to reach 1.61 billion kW, representing an increase of 6.5% as compared to that of last year, of which, capacity of hydropower, nuclear power, on-grid wind power and on-grid solar

power are expected to reach approximately 330 million kW, 34.50 million kW, 150 million kW and 57.00 million kW, respectively, while installed generating capacity of non-petrochemical energy will be increased by approximately 36%. Based on an integrated and balanced analysis, the nationwide electricity supply in 2016 is expected to be abundant with excessive supply in certain regions. Among which, over-supply of electricity will be severer in Northeast and Northwest regions. The overall electricity supply in Northern region will be balanced with abundant supply in certain provinces whereas the electricity supply in Central, Eastern and Southern regions will be generally ease with abundant supply in multiple provinces. Based on the mid-value of the growth rate of the electricity consumption (1% to 2%) in the entire society, the utilisation hours of power generation equipment throughout the year are estimated to be approximately 3,700 hours. Among which, the utilisation hours of coal-fired power generation equipment are estimated to be approximately 4,000 hours.

2. What are the Company's utilisation hours in each type of energy on full operational basis in 2015?

Type of energy/Item	Utilisation hours in 2015	Over the corresponding period last year (hour)
Full operational basis	4,240	-462
Coal-fired	4,482	-565
Including: coal-fired generator	4,620	-639
combustion engine	3,006	1,081
Hydropower	3,595	168
Wind power	1,875	-124
Photovoltaic	1,718	46

Investor Q&A

3. What progress did the Company make in obtaining approval for its projects in 2015?

During the year 2015, 19 power generation projects of the Company were officially approved with a total capacity of 9,488 MW.

Project details are set out as follows:

Type	Project name	Capacity (MW)
Coal-fired (Combustion engine)	Guangdong Leizhou Thermal Power Project	2,000
	Jiangxi Xinyu Coal-fired Project Phase II	2,000
	Inner Mongolia Xilinhaote Power Generation Plant	1,320
	Ningxia Pingluo Coal-fired Project	1,320
	Hebei Tangshan Beijiao Thermal Power Generation	700
	Liaoning Huludao Thermal Power Generation	700
	Jiangsu Jintan Gas-fired Power Generation	800
	Jiangsu Rugao Coal-fired Back-pressure Turbines	24
Sub-total		8,864
Wind Power	Zhejiang Jiaying Pinghu Wind Power Generation	32
	Ningxia Qingtongxia Wind Power Generation Phase II	48
	Jiangxi Wuning Taiyangshan	50
	Jiangxi Shicheng Jinhua Shan	99.5
	Hebei Datan Wind Power Generation	200
	Shanxi Xiaojingzhuang Wind Power	49.5
Sub-total		479

Type	Project name	Capacity (MW)
Photovoltaic	Qinghai Gonghe Photovoltaic Phase III	10
	Qinghai Ge'ermu Photovoltaic Phase III	50
	Fengning Photovoltaic Phase I	20
	Qinghai Gonghe Photovoltaic Phase IV	20
Sub-total		100
Hydropower (capacity expansion)	Chongqing Yinpan Hydropower Capacity Expansion	45
Sub-total		45
Total		9,488

4. What are the Company's capital expenditure plans and structures for 2015 and 2016?

The capital expenditure on a consolidated basis actually incurred in 2015 was approximately RMB20,182 million, and the capital expenditure on a consolidated basis to be incurred in 2016 is expected to be approximately RMB20,423 million. Details of the structure are set out in the table below.

Table of the plan on capital expenditure of the Company in 2015-2016 (RMB'00 million)

Time Investment Sector	Completed investment in 2015	Investment plan for 2016
Total of Datang International	201.82	204.23
Coal-fired power	62.03	82.99
Including: coal-fired generator	61.18	74.78
Combustion engine	0.85	8.21
Hydropower	71.58	74.45
Wind power and photovoltaic	16.55	18.37
Coal mine	12.61	4.48
Coal chemical	36.91	21.39
Others	2.14	2.55

5. What are the Company's achievements during the period of "Twelfth Five-year Plan"?

During the period of "Twelfth Five-year Plan", the Company achieved outstanding results:

- 1) **Operating results:** Over the past five years, the total assets of the Company increased by 44.90% from RMB212.9 billion to RMB308.5 billion. The scale of installed power generation increased by 16.64% from RMB36.30 million kW to 42.34 million kW. The operating profit for the year increased by 39.23% from RMB4.700 billion to RMB6.544 billion. The loss from coal-fired power enterprises decreased from 48% to 8%. A batch of enterprises with long-term losses in the history have successfully turned losses to profits.
- 2) **Safety production:** Over the past five years, the Company accomplished political energy securing missions during the period of the 18th Party Congress, APEC Summit, activities of the 70th anniversary of the victory of Anti-Japanese War and the "Two Sessions" "Two Conferences". 26 power generating units of the Company's system obtained Gold Awards for Reliable Generating Units of China (A Class), accounting for 13.5% of the total awards won in the entire country. The safety management standards of coal-chemical, coal and metallurgical enterprises were constantly increasing and the safety production was controllable and under control.
- 3) **Structural adjustment:** During the period of "Twelfth Five-year Plan", the accumulated power generation projects of the Company which have been approved amounted to 22.60 million kW and the total capacity of the commenced production reached 7.21 million. The power generation structure was constantly optimising. The power capacity of coal-fired power, hydropower and wind power accounted for 88.18%, 10.62% and 1.20% of the Company's total power capacity, respectively. The structure of power generation was changed to coal-fired power, hydropower, wind power, combustion engine and photovoltaic, accounting for 73.88%, 14.41%, 4.43%, 6.83% and 0.45% of the Company's total power capacity, respectively. The power generation of the Company became more green and high-efficient.
- 4) **Energy conservation and emission reduction:** Over the past five years, the coal consumption for power supply of coal-fired generator of the Company decreased by 17.87g/kWh. 59 generators of the Company were awarded the title of outstanding generators of energy benchmark of 600 thousand kW in the entire country. In accordance with the State policies and new requirements on the regional environmental protection, the Company accelerated the upgrade and reformation of the environmental production of the operating generators. The installation rate of denitrification reached 100% first among other similar enterprises,

especially the reformation of the ultra-low emission of the 31 generators which was at the leading level in the industry in terms of the speed of implementation and coverage. Over the past five years, the total annual emission of sulfur dioxide and nitrogen oxides decreased by 90% and 89.2%, respectively, overachieving the total emission target under the “Twelfth Five-year Plan”.

- 5) **Technological innovation:** During the period of “Twelfth Five-year Plan”, the Company was responsible for 6 projects under the “863” Plan of the State and 12 national and provincial technology support projects and obtained 2 science and technology improvement awards of the State, 98 industrial and provincial technology research results and 576 patents.

- 6) **Corporate governance:** During the period of “Twelfth Five-year Plan”, the Company raised RMB6.74 billion proceeds through additional issuance of A shares and the Company successively issued RMB9 billion bonds at low costs for three times. The Company was consecutively recognised as one of the advanced companies such as the top 250 of the global energy enterprises, the top 100 listed companies in the PRC, the top 100 capital brand value, a listed company with the best investor relationship management, the most valuable listed company for investment during the period of “Twelfth Five-year Plan” and the most socially responsible listed company.

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. 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 general meetings and execute the resolutions made at 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 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.

(I) Abide by the code on corporate governance practices

In 2015, 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, or punishment by other regulatory authorities and condemnation from stock exchanges.

The Company has adopted and has been in full compliance with all the code provisions under the Code on Corporate Governance Practices (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 2015 to 31 December 2015, 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, the Audit Committee as well as the Strategic Development and Risk Control 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 on 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.

(II) Corporate governance organisation and its operation

1. Shareholders and General Meeting

Over the 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 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 general meetings and a professional lawyer was invited to each general meeting as a witness to ensure all shareholders were treated equally and exercised their rights adequately.

The following matters were considered at the general meetings of the Company in 2015:

- (1) work reports of the Board and the Supervisory Committee of the Company;
- (2) final accounts;
- (3) profit distribution plan for 2014 which approved the payment of cash dividends of RMB0.13/share (tax inclusive) by the Company;
- (4) completion of changes of some Directors, i.e. Mr. Ying Xuejun to replace Mr. Zhou Gang as an Executive Director; Mr. Luo

Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu to replace Mr. Dong Heyi, Mr. Ye Yansheng and Ms. Zhao Jie as the Independent Non-executive Directors;

- (5) completion of changes of Shareholders' Representative Supervisor, i.e. Mr. Liu Chuandong to replace Mr. Li Baoqing as the Shareholders' Representative Supervisor;
- (6) provision of guarantees to certain companies controlled or invested by the Company based on its actual needs for the construction of projects;
- (7) certain connected transactions approved by independent shareholders in relation to the Company's provision of entrusted loans to connected parties, the deployment of sale of coal, the transfer of desulfurisation assets and denitrification assets and the coal chemical products businesses;
- (8) In accordance with the "Letter on Adjustments in Relevant Undertakings" issued by CDC, the controlling shareholder of the Company, the adjustments to the conditions and term of performance of injection of Hebei assets in the relevant undertakings were changed as follows: for the assets of CDC's coal-fired business in Hebei Province, CDC intends to inject such assets into the Company upon the results for coal chemical re-organisation is certain, the profitability of such assets is improved and the relevant conditions are satisfied, which would not be completed later than around October 2018;

Corporate Governance Report

- (9) agreed to appoint Ruihua Certified Public Accountants (Special General Partnership) and RSM Hong Kong Certified Public Accountants as certified public accountants for carrying out the domestic and overseas auditing work for the year 2015;
- (10) granted a mandate to the Board to determine the issuance of new shares of not more than 20% of each class of shares, etc.

For details about the resolutions passed at general meetings in 2015, please refer to the announcements on such resolutions published by the Company on the Hong Kong Stock Exchange's website.

CDC, the controlling shareholder of the Company, adhering to the principle of not competing with the Company directly or indirectly, has made relevant undertakings at the initial public issue of A shares by the Company in 2006 and in October 2010, respectively, so as to address the issue of business competition. CDC has provided supplementation and improvement to the above-mentioned undertakings in June 2014, May 2015 and September 2015 respectively. As at 31 December 2015, CDC has strictly and actively complied with the relevant undertakings. For details, please refer to the announcements of the Company dated 27 June 2014, 1 June 2015 and 13 October 2015.

In 2015, the Company placed particular emphasis on shareholders' relations, maintaining communication with shareholders through various channels to facilitate mutual understanding between the Company and its shareholders. In particular, the Company has established a division and assigned designated staff to receive visitors, making its contact numbers publicly available and to answer telephone enquiries at any time. In addition, the Company's website was set up to present the latest updates and past results of the Company as well as the management body of the Company, so as to facilitate shareholders' and investors' comprehensive understanding of the Company.

For details about the Company's communication with shareholders and investors in 2015, please refer to the "Management of Investor Relations" section of this Annual Report.

2. Directors and the Board

The Company has established a Board with members coming 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 that the Board can make decisions in a scientific manner. Pursuant to the Articles of Association, the Board currently comprises 15 members, including 5 Independent Non-executive Directors (i.e. Independent Directors), 2 Executive Directors and 8 Non-executive Directors. The Directors have extensive experiences in various areas such as macroeconomic management, power industry management and financial accounting management, thus ensuring that major decisions made by the Company are effective and scientific.

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

Chen Jinhang (Chairman), Hu Shengmu, Wu Jing (Vice Chairman), Liang Yongpan, Ying Xuejun, Liu Haixia, Guan Tiangang, Cao Xin, Cai Shuwen, Zhu Shaowen, *Jiang Guohua, *Feng Genfu, *Luo Zhongwei, *Liu Huangsong, *Jiang Fuxiu

(* Independent Director)

Note: In 2015, there was one Independent Director who has tendered resignation. The Company will complete the change of the Independent Director, namely Mr. Jiang Guohua, in due course. Prior to the completion of change, Mr. Jiang Guohua will continue his directorships until the date on which the new Independent Director is appointed.

The board formulates the overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The board members are fully committed to their roles and have acted in good faith to maximise the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

The Directors fully understood their responsibilities, powers and obligations, and were able 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 chairmans 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.

The Board formulated the "Rules of Proceedings for Board Meetings", which, amongst others, clarified matters to be decided by the Board, its scope of power and the rules of proceedings. During the Year, the Board held 13 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 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;
 - 2014 annual results announcement, half-year and quarterly results announcement for 2015 of the Company;
 - 2014 Social Responsibility Report of the Company;
 - 2014 Internal Control Report of the Company, etc.

Corporate Governance Report

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

- Investment in and Construction of Inner Mongolia Datang International Xilinhaote Power Plant Project, Investment in and Construction of New Liaoning Datang International Huludao Cogeneration Plant 'Replacing Small Capacity Unit with Larger Ones', Investment in and Construction of Hebei Datang International Tangshan Beijiao Cogeneration Project, Investment in and Construction of Rugao ETDZ Cogeneration Project, Investment in and Construction of Jiangsu Datang International Jintan Combustion Engine Cogeneration Project, etc.

(3) consideration of the guarantee and entrusted loan plans:

- provision of a guarantee for the financing of certain companies, which the Company controlled or invested in;
- provision of entrusted loans to certain companies, which the Company controlled or invested in, etc.

(4) consideration of connected transactions:

- coal sale and purchase as well as coal transportation between the subsidiaries of the Company;
- sale and purchase of coal chemical products between the subsidiaries of the Company;
- the commission of China Water Resources and Power, a subsidiary of CDC, by the subsidiaries of the Company to carry out centralised procurement of production materials and construction materials;
- the commission of Datang Research Institute, a subsidiary of CDC, by its subsidiaries or the Company to undertake technical monitoring and technical service work to certain power generation enterprises of Datang International and the consultation service for the whole process and technology;
- entering into a contract for invitation of tenders for a technical transformation project and a contract for general contracting, procurement with a subsidiary of CDC (Datang Technology Company) by the Company or its subsidiaries;

- entering into a Franchising Contract for Desulfurisation (Denitrification) System with a subsidiary of CDC (Datang Environment) by the Company or its subsidiaries;
 - entering into an Agreement of Substitutive Power Generation Right Transaction 2015 with Tuoketuo No. 2 Power Generation Company Limited by the Company or its subsidiaries;
 - Transferring the capacity indicators of small generating units to Leizhou Power Generation Company by the Company, etc.
- (5) Changes in the composition of the Board, the Supervisory Committee and the management:
- appointed Mr. Ying Xuejun as an executive Director and the Joint Company Secretary, and Mr. Luo Zhongwei, Mr. Liu Huangsong, Mr. Jiang Fuxiu as Independent Non-executive Directors;
 - submitted to the general meeting to consider and approve Mr. Liu Chuandong as the Shareholders' Representative Supervisor;
- Appointed Mr. Jian Yingjun as a vice president of the Company, Mr. Liu Quancheng as the chief accountant of the Company, and appointed Mr. Hong Shaobin as a vice president of the Company.
- (6) engagement of the Company's accountant for the Year:
- proposed to engage Ruihua Certified Public Accountants (Special General Partnership) and RSM Hong Kong Certified Public Accountants as auditors of domestic and overseas financial report for 2015 of the Company;
 - engaged Ruihua Certified Public Accountants (Special General Partnership) as auditor of internal controls for 2015 of the Company.
- In 2015, all Directors attended all the meetings either in person or by authorising proxies to attend the meetings on their behalf.

Corporate Governance Report

13 Board meetings were held in 2015, of which 6 were on-site meetings and 7 were meetings held through various means of communication.

	Attendance (in person)	Attendance by Alternate Director (proxy)
Executive Directors		
Wu Jing (Vice Chairman)	13/13	0/13
*Ying Xuejun	3/3	0/3
*Zhou Gang	6/9	3/9
Non-executive Directors		
Chen Jinhang (Chairman)	10/13	3/13
Hu Shengmu	11/13	2/13
Liang Yongpan	9/13	4/13
*Zhu Shaowen	–	–
*Yang Wenchun	12/13	1/13
Cao Xin	12/13	1/13
Cai Shuwen	11/13	2/13
Liu Haixia	12/13	1/13
Guan Tiangang	11/13	2/13
Independent Non-executive Directors		
*Dong Heyi	7/8	1/8
*Ye Yansheng	8/8	0/8
*Zhao Jie	8/8	0/8
Jiang Guohua	11/13	2/13
Feng Genfu	13/13	0/13
*Luo Zhongwei	4/5	1/5
*Liu Huangsong	4/5	1/5
*Jiang Fuxiu	5/5	0/5

* Mr. Ying Xuejun was appointed as the Company's Executive Director since 29 October 2015 and the Joint Company Secretary since 22 December 2015. Mr. Zhou Gang no longer assumed the position as Executive Director and the Company Secretary since 23 September 2015.

* Mr. Zhu Shaowen was appointed as the Company's Non-executive Director since 26 February 2016. Mr. Yang Wenchun no longer assumed the position as Non-executive Director since 26 February 2016.

* Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu were appointed as the Company's Independent Directors since 14 August 2015. Mr. Dong Heyi, Mr. Ye Yansheng and Ms. Zhao Jie no longer assumed the position as Independent Directors since 14 August 2015.

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 shareholders' rights, the Company's interests and the staff's lawful interests are not violated. During the reporting period, the Supervisory Committee held 6 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 senior 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), Liu Chuandong, Guo Hong

Shareholders' representative	Attendance (in person)	Attendance by Alternate Director (proxy)
Zhang Xiaoxu (Vice-Chairman of the Supervisory Committee)	5/6	1/6
*Li Baoqing	3/3	0/3
*Liu Chuandong	3/3	0/3

Employees' representative	Attendance (in person)	Attendance by Alternate Director (proxy)
Yu Meiping (Chairman of the Supervisory Committee)	6/6	0/6
Guo Hong	6/6	0/6

* Mr. Liu Chuandong was appointed as the supervisor of shareholders' representative of the Supervisory Committee as resolved at the general meeting since 25 June 2015. Mr. Li Baoqing no longer assumed position of supervisor of the shareholders' representative of the Supervisory Committee since 25 June 2015.

Corporate Governance Report

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

The Company has a total of 13 Non-executive Directors, of whom 5 are Independent 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 6 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 the appointment of Independent Directors, the principles for exercising 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 in respect of 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 actively 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 2015 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, supervised and inspected the Company's annual audit arrangements and process; bringing into full play the function of Independent Directors.

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 persons. The Chairman is Mr. Chen Jinhang while the President is Mr. Wu Jing (who resigned as president on 21 March 2016) during the Year. The responsibilities and authorities of the Chairman and the President are 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 President of the Company shall draft a special "Work Report of President" 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.

(III) 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 with written information which covers laws, regulations and other details related to the directors' 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 onsite 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.

Corporate Governance Report

Details of the trainings attended by the Directors in 2015 are set out below:

Director	Position	Type of Training	
		Participated	Training Type
Chen Jinhang	Chairman	B, C, D	A. Training provided by regulators
Hu Shengmu	Director	B, C, D	B. Attending seminars/forums
Wu Jing	Vice Chairman	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
Liang Yongpan	Director	B, C, D	D. Conduction on-site inspections on the Company's business
*Ying Xuejun	Director	A, B, C, D	
*Zhou Gang	Director	B, C, D	
Cao Xin	Director	A, B, C, D	
Cai Shuwen	Director	A, B, C, D	
Liu Haixia	Director	B, C, D	
Guan Tiangang	Director	B, C, D	
*Yang Wenchun	Director	B, C, D	
*Dong Heyi	Independent Director	B, C, D	
*Ye Yansheng	Independent Director	B, C, D	
*Zhao Jie	Independent Director	B, C, D	
Jiang Guohua	Independent Director	B, C, D	
Feng Genfu	Independent Director	B, C, D	
*Luo Zhongwei	Independent Director	B, C, D	
*Liu Huangsong	Independent Director	B, C, D	
*Jiang Fuxiu	Independent Director	B, C, D	

* Due to work commitments, Mr. Dong Heyi, Mr. Ye Yansheng and Ms. Zhao Jie no longer assumed director positions of the Company from 14 August 2015 as resolved at the general meeting. Mr. Zhou Gang no longer assumed director positions of the Company from 23 September 2015. Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu have been appointed as the Company's directors since 14 August 2015. Mr. Ying Xuejun has been appointed as the Company's director since 29 October 2015. Mr. Yang Wenchun no longer assumed the position as Director since 26 February 2016.

(IV) Remuneration of directors, supervisors and senior management

As of 31 December 2015, the annual remuneration of the Company's senior management (excluding Directors and supervisors) by band are as follows:

RMB0 to RMB400,000	1 person
RMB400,001 to RMB600,000	4 persons
RMB600,001 and above	3 persons

Note: The above emoluments represent the total emoluments (tax inclusive) of senior management (former and present) received from and payable by the Company, which include wages, subsidies and bonus.

Details of remuneration of Directors, supervisors and senior management in 2015 are set out in Note 14 to the Consolidated Financial Statements from page 159 to page 161.

(V) 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 seven Directors, two of whom are Independent Directors. The Committee has a chairman to be selected and appointed by the Board. The chairman 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:

Chairman: Luo Zhongwei (Independent Director)

Members: Jiang Fuxiu (Independent Director), Wu Jing (Executive Director), Liang Yongpan (Non-executive Director), Liu Haixia (Non-executive Director), Cao Xin (Non-executive Director), Zhu Shaowen (Non-executive Director)

- (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 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 according to the Articles of Association;

Corporate Governance Report

- (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 2015, 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
*Dong Heyi (Chairman and Independent Director)	1/1
*Ye Yansheng (Independent Director)	1/1
*Zhao Jie (Independent Director)	1/1
*Luo Zhongwei (Chairman and Independent Director)	–
*Jiang Fuxiu (Independent Director)	–
Wu Jing (Executive Director)	1/1
Liang Yongpan (Non-executive Director)	0/1
Liu Haixia (Non-executive Director)	0/1
Cao Xin (Non-executive Director)	1/1
*Yang Wenchun (Non-executive Director)	1/1
*Zhu Shaowen (Non-executive Director)	–

* Liang Yongpan and Liu Haixia, both of whom were Directors, did not attend the meeting due to business engagement.

* Members of the Committee were changed in 2015, among which Directors Luo Zhongwei, Jiang Fuxiu and Zhu Shaowen, assumed the position of the committee members after the meeting.

2. Nomination Committee

- (1) **Composition:** The Board establishes a Nomination Committee comprising five Directors, with Independent Directors making up more than half of the membership. The Committee has a chairman selected and appointed by the Board. The chairman 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:

Chairman: Liu Huangsong (Independent Director)

Members: Jiang Guohua (Independent Director), Feng Genfu (Independent Director), Hu Shengmu (Non-executive Director) and Ying Xuejun (Executive Director)

- (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 include:**

- (i) to make recommendations to the Board with respect to the scale, constitution and composition (including skills, knowledge and experience) of the Board with reference to the 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.

Corporate Governance Report

(4) Meetings:

Six meetings were held during 2015, at which changes to Directors, Independent Directors and deputy Vice President 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 (Chairman and Independent Director)	3/3
*Liu Huangsong (Chairman and Independent Director)	3/3
Jiang Guohua (Independent Director)	6/6
Feng Genfu (Independent Director)	6/6
Hu Shengmu (Non-executive Director)	6/6
*Zhou Gang (Executive Director)	3/3
*Ying Xuejun (Executive Director)	1/1

* Members of the Committee were changed in 2015, among which Director Liu Huangsong assumed the position of the committee member from 14 August 2015, and Director Ying Xuejun assumed the position of the committee member from 29 October 2015.

(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 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 established an Audit Committee that currently comprises 5 Directors, among which, Independent Directors made up more than half of the membership. The Committee has a

- chairman selected and appointed by the Board. The chairman 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:
- Chairman: Jiang Guohua (Independent Director)
- Members: Jiang Fuxiu (Independent Director), Feng Genfu (Independent Director), Guan Tiangang (Non-executive Director) and Cai Shuwen (Non-executive Director)
- (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.

Corporate Governance Report

(4) Meetings:

The Audit Committee held two meetings in 2015 to review the Company's 2014 annual results and 2015 interim results. Review of the Company's internal control system work was conducted and the Company's reappointment of auditors was considered.

Committee Members	Attendance
Jiang Guohua (Chairman and Independent Director)	2/2
*Ye Yansheng (Independent Director)	2/2
*Jiang Fuxiu (Independent Director)	–
Feng Genfu (Independent Director)	2/2
Guan Tiangang (Non-executive Director)	1/2
Cai Shuwen (Non-executive Director)	2/2

* Director Guan Tiangang did not attend the meeting due to business engagement.

* Members of the Committee were changed in 2015, among which Director Jiang Fuxiu, assumed the position of the committee member upon the meeting.

4. Remuneration and Appraisal Committee

- (1) Composition: The Board has established a Remuneration and Appraisal Committee that comprises of 5 directors, among which, Independent Directors made up more than half of the membership. The Committee has a chairman selected and appointed by the Board. The chairman 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:

Chairman: Liu Huangsong (Independent Director)

Members: Jiang Guohua (Independent Director), Feng Genfu (Independent Director), Hu Shengmu (Non-executive Director), Ying Xuejun (Executive Director)

- (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, and the proposals submitted by the Committee will be passed to the Board for consideration and decision;
- (ii) 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 approve the terms of Executive Directors' service contracts;
- (vi) to execute other matters as authorised by the Board.

(4) Meeting:

A meeting was held in 2015 to review the level of remuneration for the Company's Executive Directors and members of the senior management for 2014 and the plan of the level of remuneration for 2015.

Committee Members	Attendance
*Zhao Jie (Chairman and Independent Director)	1/1
*Liu Huangsong (Chairman and Independent Director)	—
Jiang Guohua (Independent Director)	1/1
Feng Genfu (Independent Director)	1/1
Hu Shengmu (Non-executive Director)	1/1
*Zhou Gang (Executive Director)	1/1
*Ying Xuejun (Executive Director)	—

* Members of the Committee were changed in 2015, among which Liu Huangsong and Ying Xuejun, being Directors, assumed the position of the committee member upon the meeting.

(VI) 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 requirements for corporate governance in the changing operating environment as well as under relevant systems.

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;

Corporate Governance Report

- 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".
- 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.

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

- The Terms of Reference of the Board
- Rules of Proceeding for the Board, Supervisory Committee and General Meetings
- The establishment of Specialised Committees under the Board and their duties
- Work System for Independent Directors
- The Terms of Reference of General Manager
- Information Disclosure System
- Registration System for Informed Parties with Access to Inside Information
- Management System for Connected Transactions

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 "2015 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.

(VII) 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 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 2015 (the benchmark date).

1. Establishment of Internal Control System:

In 2015, the Company paid considerable attention to the constant optimisation of internal control where four main aspects were accomplished: First, to clarify responsibilities by re-optimising and improving the risk management and relevant system for internal control in order to form a "1+6 System" to the risk management and internal control of Datang International, which further makes clear the responsibility of internal control for each level. Second, effective assessment by careful preparation, advance arrangement, and in accordance with the confirmative risk assessment

and internal control evaluation plan to commence risk assessment and internal control evaluation earnestly and to facilitate the establishment of internal control through the said assessment and evaluation. Third, to strengthen the appraisal by preparing and announcing the "Appraisal Rules to Indicators of Key Risk Management and Control" by form of negative list in order to reflect the appraisal situation of the indicators of key risk management and control and bring into the performance appraisal. Fourth, to improve the online monitoring, by utilising the office platform to build six modules of "indicators monitoring + tasks monitoring + procedures monitoring + risks monitoring + markets monitoring + stocks monitoring", strengthening the online monitoring.

2. Internal Control Work Plan:

In 2016, the Company closely focuses on the "internal control efficiency" to enhance the level of internal control establishment. First, to commence system assessment and inspection in order to strengthen the system implementation. Second, to enhance the actual efforts on risk assessment and internal control evaluation works, especially in grasping defects of the internal control for adjustment and change in order to realise the promotion of establishment, change and management through conducting assessments. Third, to elaborate the appraisal of the indicators of risk management and control, projecting the division of accountability in order to put efforts on solving carelessly problems in terms of risk control. Fourth, to strengthen the training of internal control, improve the professional level of the internal control staff and enhance the self-evaluation capacity of internal control.

Corporate Governance Report

(VIII) Company's auditors

In 2015, the Company engaged Ruihua and RSM Hong Kong 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 2015, the fee payable to Ruihua and RSM Hong Kong for the provision of audit service amounted to RMB15.77 million. No fee was paid by the Company in respect of non-statutory audit services. RMB1.8 million was paid by the Company as internal audit fees. The fee paid by the Company for non-audit service, i.e. the service fee in relation to the review of the sufficiency of working capital of the Company as contained in its major transaction circulars amounted to RMB70 thousand.

(IX) Communication with shareholders and the rights of shareholders

1. Shareholders can convene an extraordinary general meeting or share class 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 or share class meeting and to set out the meeting agenda. The Board shall convene an extraordinary general meeting or share class 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.

2. 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 relevant fees;
- (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.

3. 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.

4. Putting forward enquiries or proposals at shareholders' meeting to the Board

For putting forward any enquiries or proposals at shareholders' meeting 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

5. Amendments to Articles of Association

For the year ended 31 December 2015, there is no significant change in the Company's Articles of Association.

Report of the Directors

The directors are pleased to present the audited results of the Company for the year ended 31 December 2015.

Company results

During the Year, operating revenue of the Group was approximately RMB61,890 million, representing a decrease of approximately 11.83% as compared to the Previous Year. Total profit before tax amounted to RMB6,544 million, representing an increase of approximately 26.53% as compared to the Previous Year. Net profit attributable to equity holders of the company amounted to approximately RMB2,788 million, representing an increase of approximately 57.73% as compared to the Previous Year. Net profit excluding extraordinary gains and losses was approximately RMB4,183 million, representing an increase of approximately 15.24% as compared to the Previous Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.2094, representing an increase of RMB0.0766 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 RMB0.17 per share (tax inclusive) for the Year, and such profit distribution plan is subject to the

approval by the shareholders at the forthcoming annual general meeting. The Company is expected to complete the distribution of dividend on or before 31 August 2016.

Issue and listings of shares

The Company's H shares have been listed on the Stock Exchange of Hong Kong Limited and the London Stock Exchange Limited since 21 March 1997. On 9 September 2003, the Company issued 5-year United States Dollar convertible bonds of US\$153.8 million, which have been listed in Luxembourg, 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 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 2015, 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 A shares and H shares during 2015

Performance of the Company's H shares during 2015:

Closing price of H shares as at 31 December 2015	HK\$2.36 per share
Highest trading price of H shares between 1 January and 31 December 2015	HK\$5.02 per share
Lowest trading price of H shares between 1 January and 31 December 2015	HK\$2.22 per share
Total number of H shares traded between 1 January and 31 December 2015	4.739 billion shares

Performance of the Company's A shares during 2015:

Closing price of A shares as at 31 December 2015	HK\$5.14 per share
Highest trading price of A shares between 1 January and 31 December 2015	HK\$9.51 per share
Lowest trading price of A shares between 1 January and 31 December 2015	HK\$4.65 per share
Total number of A shares traded between 1 January and 31 December 2015	21.548 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. 26 April 2016, 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 2015 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 108 and page 109. The financial position of the Company and its subsidiaries as at 31 December 2015 is set out in the Consolidated Statement of Financial Position on page 110 and page 111.

The Company and its subsidiaries' consolidated cash flows for the year ended 31 December 2015 are set out in the Consolidated Statement of Cash Flows on page 113 and page 114.

Principal businesses and business review

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.

Further discussion and analysis of these activities as required by Schedule 5 of the Hong Kong Companies Ordinance are set out in the "Management Discussion and Analysis" section of this annual report.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2015.

Environmental policies and performances

The Company devotes to build up an environmental and sustainable operation system. The Group has implemented laws and regulations including Environmental Protection Law of the PRC and Prevention and Control of Water Pollution, etc.

Report of the Directors

Compliance with laws and regulations

In 2015, the Company has strictly complied with relevant laws, regulations and practices of the industry which have material impact on the operation of the Company.

Employees, major suppliers and customers

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

	2015	2014
Purchases		
The largest supplier	10.19%	10.53%
Top five suppliers	27.98%	26.54%
Sales		
The largest customer	24.85%	27.80%
Top five customers	57.01%	58.54%

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.

For the information on the important relationship between the Company and its employees, please refer to the section headed "Human Resources Overview" of this annual report.

Subsidiaries, joint ventures and associates

Details of subsidiaries, joint ventures and associates of the Company are set out in Note 49 to the Consolidated Financial Statements from page 218 to page 242, Note 22 to the Consolidated Financial Statements from page 178 to page 180 and Note 21 to the Consolidated Financial Statements from page 171 to page 178 respectively.

Dividend and earnings per share

The Board recommended the distribution of a proposed final dividend of RMB0.17 per share (tax inclusive) for the Year. Dividends to be distributed to domestic shareholders will be declared in and paid by Renminbi ("RMB"), while those to be distributed to foreign shareholders will be declared in RMB and 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 16 and 17 to the Consolidated Financial Statements on page 163.

Reserves

Movements in reserves during the Year are set out in Note 33(b) to the Consolidated Financial Statements on page 190, among which distributable reserves attributable to the shareholders amounted to approximately RMB17.768 billion.

Property, plant and equipment

Details of movements in property, plant and equipment during the year are set out in Note 18 to the Consolidated Financial Statements from page 164 to page 166.

Donation

During the Year, the Company and its subsidiaries have made charitable and relief donations of approximately RMB2,400,000.

Share capital

As at 31 December 2015, 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 32 to the Consolidated Financial Statements on page 187.

Share capital structure

As at 31 December 2015, 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 approximately 31.10%, 9.74%, 9.63%, 9.47%, 15.15% and 24.91%, respectively, of the issued share capital of the Company.

CDC's controlling subsidiary, China Datang Overseas Investment Company Limited, held 480,680,000 H shares; CDC and its parties acting in concert acquired 8,738,600 A shares of the Company on 9 July 2015, and therefore CDC and its subsidiaries held a total of 4,628,396,014 shares in the Company, representing 34.77% 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 2015 were as follows:

Total number of shareholders	247,071
Holders of domestic shares	246,535
Holders of H shares	536

Report of the Directors

Substantial shareholders of the company

So far as the Directors of the Company are aware, as at 31 December 2015, the interests or short positions of the persons (other than the Directors and chief executive of the Company) 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	/
	A shares	8,738,600	0.06	0.87	/
	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	/
JPMorgan Chase & Co.	H shares	199,438,444(L)	1.50(L)	/	6.01(L)
		4,862,835(S)	0.04(S)	/	0.14(S)
		55,403,209(P)	0.42(P)	/	1.67(P)
BlackRock, Inc.	H shares	194,726,290(L)	1.46(L)	/	5.87(L)

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

Notes:

- (1) Mr. Chen Jinhang, Mr. Hu Shengmu and Mr. Liang Yongpan, all Non-executive Directors, are employees of CDC. CDC and its parties acting in concert acquired 8,738,600 A shares of the Company on 9 July 2015.
- (2) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Company Limited.
- (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.

Interests of directors and supervisors in share capital

As at 31 December 2015, Mr. Meng Fankui, a Deputy General Manager of the Company, was interested in 5,000 A shares of the Company. Save as disclosed above, none of the Directors, supervisors and chief executive 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 be notified to the Company and 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 be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

Change in Director's Information

Name of Director	Details of change
Mr. Jiang Guohua	He ceased to be an independent director of Lushang Property Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600223) since 29 June 2015.
Mr. Feng Genfu	He ceased to be an independent director of Shaanxi Fenghuo Electronics Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000561) since 16 June 2015; he served as an independent director of Xian BODE Energy Equipment Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300023) since 3 August 2015.

The above information is disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors' and supervisors' service contracts

As at 31 December 2015, 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).

The biographies of the Directors are set out in the Section headed "Human Resources Overview" of this report.

Interests of directors and supervisors in contracts

No contracts of significance in relation to the Company's business to which the Company, its holding company or any of its subsidiaries was a party, and in which any Director or supervisor had a material interest, either

directly or indirectly, were entered into within the settlement date of the Year or anytime during the Year, and 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, its holding 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.

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.

Equity-linked agreement

The Company did not enter into any equity-linked agreement for the Year ended 31 December 2015.

Highest paid individuals

During the Year, the Group ran a basic salary system on the basis of position-points salary distribution for the Company's Directors, supervisors and members of senior management, and in accordance with the method of appraisal management, "overall accountability management and all-staff performance appraisal", to conduct appraisal. 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 or senior management. Details of their remunerations are set out in Note 15(c) to the Consolidated Financial Statements on page 162.

Report of the Directors

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.

Bank borrowings, overdrafts and other borrowings

Apart from the loans from China Datang Group Finance Company Limited, short-term bank loans, other

short-term loans, long-term bank loans, other long-term loans, short-term bonds and long-term bonds are set out from Note 42, Note 35, Note 43 and Note 36 to the Consolidated Financial Statements on page 205 and page 206, from page 193 to page 197, on page 206 and on page 198 respectively, there were no other loans of the Company and its subsidiaries as at 31 December 2015.

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 persons as defined under the Listing Rules, and such transactions were in compliance with the requirements on connected transactions under Chapter 14A of the Listing Rules.

Currency: RMB Unit: '000

No.	Connected Party	Major Terms of Transaction	Amount
1	China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.	Purchase of Production Materials	113,412
2	China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.	Purchase of Engineering Equipment	514,831
3	Datang Environment Industry Group Co., Ltd.	Electricity Fee of Desulfurisation and Denitrification	1,032,788
4	Datang Environment Industry Group Co., Ltd.	Material Fee of Desulfurisation and Denitrification	180,566
5	Jiangsu Xutang Power Generation Co., Ltd.	Revenue from Sales of Alternative Power Generation	115,242
6	China Datang Group Finance Co., Ltd.	Interest Income	61,257
7	China Datang Group Finance Co., Ltd.	Interest Expense	326,815
8	Datang Finance Leasing Company Limited	Rental Fee	3,760,000
9	Beijing Datang Fuel Co., Ltd.	Fuel Purchase	9,821,558
10	Inner Mongolia Datang Fuel Co., Ltd.	Fuel Purchase	2,002,549
11	Inner Mongolia Datang International Xilinhaote Company Limited	Fuel Purchase	228,017
12	Jiangsu Datang International Lvsigang Power Generation Company Limited (to Jiangsu Datang Shipping Company Limited)	Service Fee of Coal Transportation	56,144

No.	Connected Party	Major Terms of Transaction	Amount
13	Guangdong Datang International Chaozhou Power Generation Company Limited (to Jiangsu Datang Shipping Company Limited)	Service Fee of Coal Transportation	78,406
14	Beijing Datang Fuel Co., Ltd. (to Datang International (Hong Kong) Limited)	Fuel Purchase	166,691
15	Guangdong Datang International Chaozhou Power Generation Company Limited (to Datang International (Hong Kong) Limited)	Fuel Purchase	368,816
16	Inner Mongolia Datang International Keshiketeng Coal-based Gas Company Limited (from Datang Energy and Chemical Marketing Company Limited)	Chemical Products Purchase	334,653
17	Inner Mongolia Datang International Keshiketeng Coal-based Gas Company Limited (to Datang Energy and Chemical Marketing Company Limited)	Material Purchase	30,303
18	Datang Inner Mongolia Duolun Coal Chemical Company Limited (from Datang Energy and Chemical Marketing Company Limited)	Material Sale	1,068,889
19	China Datang Corporation Science and Technology Research Institute Company Limited	Technical Supervision Service	44,878
20	Shanghai Datang Financial Lease Co., Ltd.	Financial Lease	350,000

For related party transactions disclosed in note 48 of the consolidated financial statements which constituted connected transaction under the Listing Rules, the Company has complied with all the relevant requirements under Chapter 14A of the Listing Rules.

A. Continuing Connected Transactions in 2015

- On 31 October 2012, 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 equity interest of 52.5% and 22.5%, respectively, "Chaozhou Power Generation Company"), and Jiangsu Datang International Lvsigang Power Generation Company Limited (a subsidiary in which the Company and CDC held equity

interest of 55% and 35%, 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 the franchising Contract, these 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

Report of the Directors

on desulfurisation franchising in the State. The implementation of franchising for desulfurisation projects by Certain Power Plants of the Company could effectively revitalise the desulfurisation assets in stock of the Company, while the proceeds of transferring the desulfurisation assets could be used to finance the construction and operation of the enterprise, repay or substitute 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 for the Company. Meanwhile the professional management advantage of Datang Environment Company could be brought into full play, the operational efficiency of the desulfurisation facilities could be enhanced, and the risks concerning environmental protection could be reduced, and the operational costs of the Company could be saved. During 2015, Datang Environment Company changed its name to Datang Environment Industry Group Company Limited ("Datang Environment Industry Company"). As of 31 December 2015, it charged a total of approximately RMB373.75 million, of which RMB512.52 million for desulfurisation tariff and RMB138.77 million for the costs incurred for desulfurisation including water, electricity and gas, respectively, which did not exceed the annual cap as set out in the agreement (RMB540 million and RMB166 million, respectively). For details of the transaction, please refer to the announcement of the Company dated 10 February 2015.

2. On 25 April 2013, the Company entered into the Leasing Business Cooperation Agreement with Datang Finance Leasing Company Limited ("Datang Lease Company"), a non wholly-owned subsidiary of CDC, pursuant to which, the Company shall conduct certain financial leasing arrangements with a transaction amount not exceeding RMB10.0 billion 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 was RMB10.0 billion for each of the three years ended 31 December 2015. The purpose of the transaction was to help the Company broaden its financing channels and raise low-cost funds under the current situations where the scale of bank loans remained tight and the interest rates of bank financing stayed high; and to further strengthen the Company's and relevant unit's negotiation power when deploying the financial leasing business with other leasing companies. Meanwhile, Datang Lease Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would 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 2015, the actual aggregate annual transaction amount incurred was approximately RMB3,760 million and did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 25 April 2013.

3. CDC is the controlling shareholder of China Datang Group Finance Co., Ltd. (“Datang Finance Company”) and holds 71.8% of its equity interest. On 15 October 2013, the Company and Datang Finance Company entered into the Financial Services Agreement with a term commencing from 1 January 2014 to 31 December 2016. Pursuant to the agreement, Datang Finance Company 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 the Company and its subsidiaries with Datang Finance Company should not exceed RMB12,000 million. The entering into of the agreement to secure loans and other financing services at interest rates lower than those in the market, assisted in improving the overall standard of capital operation of the Company and in enhancing the Group’s bargaining power to negotiate external financing. The entering into of the Financial Services Agreement also enabled the Company to secure higher than market interest rates for deposits and enjoy payment and settlement services at zero rate, thereby increasing interest revenue from deposits and saving settlement costs. Meanwhile, pursuant to the Financial Services Agreement, the Group could strengthen its funds control and accounts management through the funds management platform of Datang Finance Company, thereby further improving the efficiency of fund applications, and mitigating and avoiding financial risks. During the term of the agreement, the transaction amount did not exceed the cap as set out in the agreement. As of 31 December 2015, the balance of deposits of the Company and its subsidiaries with Datang Finance Company was approximately RMB4,735 million. For details of the transaction, please refer to the announcement of the Company dated 15 October 2013.
4. On 23 December 2014, the Company entered into the Coal Purchase and Sale Framework Agreement with Beijing Datang Fuel Company Limited (“Beijing Datang Fuel Company”), a subsidiary in which the Company and Datang Electric Power Fuel Company Limited, a wholly-owned subsidiary of CDC, held 51% and 49% equity interest, respectively. Pursuant to the agreement, the Company agreed to purchase coal from Beijing Datang Fuel Company with maximum aggregate annual transaction amount of approximately RMB21,289 million for a term of one year commencing from 1 January 2015 to 31 December 2015. The purpose of the transaction was primarily to secure coal supply to the Company and the power generation enterprises of its subsidiaries, and fully leverage from advantages in terms of supply and economy-of-scale of purchase of specialised fuel management 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 Company and its subsidiaries. As of 31 December 2015, the actual aggregate annual transaction amount incurred was approximately RMB9,822 million. The transaction amount did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 23 December 2014.

Report of the Directors

5. On 23 December 2014, the Company entered into the Coal Purchase and Sale Framework Agreement with Inner Mongolia Datang Fuel Company Ltd. (“Inner Mongolia Fuel Company”), a wholly-owned subsidiary of Beijing Datang Fuel Company. Pursuant to the agreement, the Company agreed to purchase coal from Inner Mongolia Fuel Company with maximum aggregate annual transaction amount of approximately RMB5,228 million for a term of one year commencing from 1 January 2015 to 31 December 2015. The purpose of the transaction was 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 fuel management 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 Company and its subsidiaries. As of 31 December 2015, the actual aggregate annual transaction amount incurred was approximately RMB2,003 million. The abovementioned transaction amount did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 23 December 2014.
6. On 23 December 2014, the Company entered into the Coal Purchase and Sale Framework Agreement with Inner Mongolia Datang International Xilinhaote Mining Company Limited (“Xilinhaote Mining Company”), a subsidiary in which the Company and China Datang Coal Industry Co., Ltd., a wholly-owned subsidiary of CDC, held 60% and 40% equity interest, respectively. Pursuant to the agreement, the Company agreed to purchase coal from Xilinhaote Mining Company with maximum aggregate annual transaction amount of approximately RMB886 million for a term of one year commencing from 1 January 2015 to 31 December 2015. The purchase of coal by the Company and its subsidiaries from Xilinhaote Mining Company was to secure coal supply to the Company and its power generation enterprises, and to fully leverage from the advantages in terms of supply and economy-of-scale of purchase of a specialised coal company, thereby exercising control over the costs of fuel and at the same time, increased the operating revenue of Xilinhaote Mining Company and the Company’s self-sufficiency rate of coal for production. As of 31 December 2015, the actual aggregate annual amount of the abovementioned transaction was approximately RMB228 million. During the term of the agreement, the transaction amount did not exceed the annual cap as set out in the agreement. For details of the transaction, please refer to the announcement of the Company dated 23 December 2014.

7. On 23 December 2014, Datang International (Hong Kong) Limited (“Hong Kong Company”), a wholly-owned subsidiary of the Company, entered into the Fuel Sale Framework Agreement with certain subsidiaries of the Company:

(1) Hong Kong Company entered into the Fuel Sale Framework Agreement with Beijing Datang Fuel Company pursuant to which Hong Kong Company agreed to sell coal to Beijing Datang Fuel Company with a maximum aggregate annual transaction amount of approximately RMB682 million for a term of one year commencing from 1 January 2015 to 31 December 2015. As of 31 December 2015, the actual aggregate annual transaction amount incurred was approximately RMB167 million. During the term of the agreement, the transaction amount did not exceed the annual cap set out in the agreement.

(2) Hong Kong Company entered into the Fuel Sale 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, with a maximum aggregate annual transaction amount of approximately RMB1,875.5 million for a term of one year commencing from 1 January 2015 to 31 December 2015. As of 31 December 2015, the actual aggregate annual transaction amount incurred was approximately RMB369 million. During the term of the agreement, the transaction amounts did not exceed the annual cap as set out in the agreement.

The above transactions were primarily for leveraging from 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. For details of the transactions, please refer to the announcement of the Company dated 23 December 2014.

8. On 25 April 2014, Datang Energy and Chemical Marketing Company Limited (“Energy and Chemical Marketing Company”), a wholly-owned subsidiary of Datang Energy and Chemical Company Limited (“Datang Energy and Chemical Company”), which is a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement of Chemical Products and Materials with certain branch companies and subsidiaries of the Company. Pursuant to the agreement, upon expiration of the term of the agreement on 31 December 2014 where no change is to be made by the parties to the terms of the agreement, it shall be extended for one year automatically. The continuing connected transactions to be implemented are set out below:

(1) Energy and Chemical Marketing Company purchased natural gas and chemical products from and sold chemical materials to Inner Mongolia Datang International Keshiketeng Coal-based Gas Company Limited (“Keqi Coal-based Gas Company”, in which Datang Energy and Chemical Company, a wholly-owned subsidiary of the Company, and CDC, held 51% and 10% equity interest, respectively), a non wholly-owned subsidiary of Datang Energy and Chemical Company.

Report of the Directors

Energy and Chemical Marketing Company extended the term of the Framework Agreement of Sale of Natural Gas with Keqi Coal-based Gas Company, pursuant to which, Energy and Chemical Marketing Company agreed to purchase natural gas from Keqi Coal-based Gas Company with an annual cap for aggregate transaction amount of approximately RMB4.029 billion for a term commencing from 1 January 2015 to 31 December 2015. As of 31 December 2015, the actual aggregate annual amount of the transaction was approximately RMB335 million. During the term of the agreement, the transaction amount did not exceed the annual cap as set out in the agreement.

Energy and Chemical Marketing Company extended the term of the Sale and Purchase Contract of Chemical Products with Keqi Coal-based Gas Company, pursuant to which, Energy and chemical marketing Company agreed to purchase chemical products from Keqi Coal-based Gas Company with an annual cap for aggregate transaction amount of approximately RMB623 million for a term commencing from 1 January 2015 to 31 December 2015. As of 31 December 2015, no relevant transaction has been carried out.

Energy and Chemical Marketing Company extended the term of the Procurement Contract of Chemical Products with Keqi Coal-based Gas Company, pursuant to which, Energy and Chemical Marketing Company agreed to sell chemical

materials to Keqi Coal-based Gas Company with an annual cap for aggregate transaction amount of approximately RMB135 million for a term commencing from 1 January 2015 to 31 December 2015. As of 31 December 2015, the actual aggregate annual amount of the transaction was approximately RMB30.30 million. During the term of the agreement, the transaction amount did not exceed the annual cap as set out in the agreement.

- (2) Energy and Chemical Marketing Company purchased chemical products from, and sold chemical materials to, Datang Inner Mongolia Duolun Coal Chemical Company Limited ("Duolun Coal Chemical Company", in which Datang Energy and Chemical Company and CDC held 60% and 40% equity interest, respectively), a subsidiary of Datang Energy and Chemical Company.

Energy and Chemical Marketing Company extended the term of the Sale and Purchase Contract of Chemical Products with Duolun Coal Chemical Company, pursuant to which, (i) Energy and Chemical Marketing Company agreed to purchase chemical products from Duolun Coal Chemical Company with an annual cap for aggregate transaction amount of approximately RMB4.147 billion; (ii) Energy and Chemical Marketing Company agreed to sell chemical materials to Duolun Coal Chemical Company with an annual cap for aggregate transaction amount of approximately RMB1.16 billion for a term commencing from 1 January

2015 to 31 December 2015. As of 31 December 2015, the actual aggregate annual amount of the transaction was approximately RMB1,069 million. During the term of the agreements, the transaction amount did not exceed the annual cap as set out in the agreements.

For details of the transaction, please refer to the announcement of the Company dated 23 December 2014.

9. On 6 January 2015, the Company and China National Water Resources & Electric Power Materials & Equipment Co., Ltd. ("China Water Resources and Power Company"), a wholly-owned subsidiary of CDC, a controlling shareholder of the Company, entered into the Framework Agreement for Construction Materials Purchase which was effective from 1 January 2015 to 31 December 2015. The continuing connected transactions contemplated under the Framework Agreement for Construction Materials Purchase were subject to an annual cap of RMB1 billion (including the purchase costs for the machinery, equipment and materials of construction projects and the management service fees payable to China Water Resources and Power Company) for the year ended 31 December 2015. Pursuant to the agreement, according to the actual demands of the Company and its subsidiaries, China Water Resources and Power Company would conduct tender of materials purchase in accordance with the relevant laws and regulations of the State. Pursuant to the tender results, the Company and its subsidiaries would enter into specific purchase contracts with China Water Resources and Power Company in connection with the centralised purchase of machinery, equipment and materials

required for project construction. The entering into and implementation of the agreement were to fully leverage on the role of China Water Resources and Power Company as a professional institution in sourcing machinery, equipment and materials of construction projects, and to leverage on the advantage of bulk purchasing, in order to enhance purchase quality, lower purchase costs, thereby enhancing the profitability of the Company. As of 31 December 2015, the actual aggregate annual transaction amount incurred was RMB113.41 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 6 January 2015.

10. On 7 January 2015, Shipping Company entered into the Framework Agreement in relation to Transportation Business with Lvsigang Power Generation Company and Chaozhou Power Generation Company, respectively:
 - (1) Shipping Company and Lvsigang Power Generation Company entered into the Lvsigang Shipping Framework Agreement, pursuant to which Shipping Company agreed to provide coal transportation service to Lvsigang Power Generation Company with a maximum aggregate annual transaction amount of approximately RMB83 million for a term of one year commencing from 1 January 2015 to 31 December 2015. As of 31 December 2015, the actual aggregate annual transaction amount incurred was RMB56.14 million.

Report of the Directors

- (2) Shipping Company and Chaozhou Power Generation Company entered into the Chaozhou Shipping Framework Agreement, pursuant to which Shipping Company agreed to provide coal transportation service to Chaozhou Power Generation Company with a maximum aggregate annual transaction amount of approximately RMB189 million for a term of one year commencing from 1 January 2015 to 31 December 2015. As of 31 December 2015, the actual aggregate annual transaction amount incurred was RMB78.41 million.

The purposes of the agreements were to ensure the fuel supply to the coastal power generation enterprises of the Company, and that the Shipping Company could 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 as set out in the agreements. For details of the transactions, please refer to the announcement of the Company dated 7 January 2015.

11. On 13 January 2015, the Company and China Water Resources and Power Company, entered into the Framework Agreement for Production Materials Purchase which was effective from 1 January 2015 to 31 December 2015. The continuing connected transactions contemplated under the Framework Agreement for Production Materials Purchase were subject to an annual cap of RMB600 million for the year ended 31 December 2015. Pursuant to the agreement, according to the

actual demands of the Company and its subsidiaries, China Water Resources and Power Company would conduct tender of materials purchase in accordance with the relevant laws and regulations of the State. Pursuant to the tender results, the Company and its subsidiaries would enter into specific purchase contracts with China Water Resources and Power Company in connection with the centralised purchase of machinery, equipment and materials required for technical transformation projects. The entering into and implementation of the agreement were to fully leverage on the role of China Water Resources and Power as a professional institution in sourcing the machinery, equipment and materials of technical transformation projects to leverage the bulk purchase advantage, enhance purchase quality and lower purchase costs, thereby enhancing the profitability of the Company. As of 31 December 2015, the actual aggregate annual transaction amount incurred was RMB514.83 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 13 January 2015.

12. On 22 January 2015, Lvsigang Power Generation Company entered into the Franchising Contract with Datang Technology Industry Company Limited (the "Datang Technology Industry Company", a wholly-owned subsidiary of CDC). Pursuant to such contract, Lvsigang Power Generation Company authorised Datang Technology Industry Company to carry out franchising in respect of the Denitrification Assets of the corresponding coal-fired power generating units and operate, maintain and manage the denitrification

facilities during the franchise period. During the franchise period, Datang Technology Industry Company shall be entitled to the revenue from the denitrification tariffs and shall reimburse and compensate Lvsigang Power Generation Company for the costs incurred for denitrification, including water, electricity and gas. The implementation of franchising for denitrification projects by Lvsigang Power Generation Company can effectively revitalise the Denitrification Assets in stock of the Company, while the proceeds of transferring the Denitrification Assets can be used to finance corporate development and operation, repaying or substituting new bank loans, and effectively ease the financial pressure of the Company and reduce the Company's asset-to-liability ratio. Meanwhile the professional management advantage of Datang Technology Industry Company can be brought into full play, the operational efficiency of the denitrification facilities can be enhanced, the risks concerning environmental protection can be reduced, and the operational costs of the Company can be saved. During 2015, Datang Technology Industry Company changed its name into Datang Environment Industry Company. As of 31 December 2015, Datang Environment Industry Company received approximately RMB101.01 million as denitrification service fee, which did not exceed the annual cap as set out in the agreement (being RMB120.00 million (exclusive of tax) and RMB16.00 million (exclusive of tax), respectively). For details of the transaction, please refer to the announcement of the Company dated 22 January 2015.

13. On 27 February 2015, 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 plants 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 was expected that the maximum aggregate annual transaction amount receivable by the Company for each of the three years ended 31 December 2015, 31 December 2016 and 31 December 2017 would not exceed RMB800 million. The purpose of the transaction was to fully utilise the planned generation target of the shut-down generating units, and the advantages in large generating units with high efficiency, low energy consumption and low emissions discharge to improve the Company's profit margins. The relevant transactions were able to achieve the purpose of a win-win situation for both parties, and were in the interests of the Company's Shareholders and the interests of the parties to the transaction as a whole. During the valid term of the agreement, the transaction amount did not exceed the cap as set out in the agreement. As of 31 December 2015, the actual aggregate annual transaction amount incurred was RMB115.24 million. For details of the transaction, please refer to the announcement of the Company dated 27 February 2015.

Report of the Directors

14. On 16 June 2015, the Company entered into the Technical Monitoring Framework Agreement with China Datang Corporation Science and Technology Research Institute Company Limited (“Datang Research Institute”), a wholly-owned subsidiary of CDC, with a term from 1 January 2015 to 31 December 2015, pursuant to which Datang Research Institute shall provide technical monitoring and technical service work to certain power generation enterprises of the Company in 2015. Pursuant to the agreement, the annual cap of the transaction amount is approximately RMB50 million. Datang Research Institute shall provide technical monitoring and technical service work which includes but not limited to the 10 Technology Supervision and 5 Technology Management services, and shall provide technical support and guidance in respect of technical difficulties. By engaging Datang Research Institute to undertake the technical monitoring and technical service work of the Company, the Company would be able to enhance the level of standardisation, formalisation and professional management of its technical monitoring, thereby better ensuring the safe and efficient operation of its power generation business. As of 31 December 2015, the actual annual amount incurred was approximately RMB44.88 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 16 June 2015.
15. On 30 June 2015, certain power plants of the Company, including Hebei Datang International Zhangjiakou Thermal Power Generation Company Limited (“Zhangjiakou Thermal Power Company”, a wholly-owned subsidiary of the Company), Chaozhou Power Generation Company, Hebei Datang International Wangtan Power Generation Company Limited (“Wangtan Power Generation Company”, a 70% owned subsidiary of the Company), Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (“Tuoketuo Power Company”, a 60% owned subsidiary of the Company), and Inner Mongolia Datang International Tuoketuo No.2 Power Generation Company Limited (“Tuoketuo No.2 Power Generation Company”, a 40% owned subsidiary of the Company and a 20% owned subsidiary of CDC) (collectively, “Certain Power Plants of the Company”, entered into the Franchising Contracts with Datang Technology Industry Company, respectively. Pursuant to such contracts, Certain Power Plants of the Company authorised Datang Technology Industry Company to carry out franchising in respect of the Desulfurisation Assets or Denitrification Assets of the corresponding coal-fired power generating units and operate, maintain and manage the desulfurisation or denitrification facilities during the franchise period. Datang Technology Industry Company shall be entitled to the revenue from the desulfurisation or denitrification tariffs and shall reimburse and compensate Certain Power Plants of the Company for

the costs incurred for desulfurisation or denitrification, including water, electricity and gas. The implementation of franchising for desulfurisation and denitrification projects by Certain Power Plants of the Company can effectively revitalise the Desulfurisation Assets and Denitrification Assets in stock of the Company, while the proceeds of transferring the Desulfurisation Assets and Denitrification Assets can be used to finance corporate development and operation, repaying or substituting new bank loans, and effectively ease the financial pressure of the Company and reduce the Company's asset-to-liability ratio. Meanwhile, the professional management advantage of Datang Technology Industry Company can be brought into full play, the operational efficiency of the desulfurisation and denitrification facilities can be enhanced, the risks concerning environmental protection can be reduced, and the operational costs of the Company can be saved. During 2015, Datang Technology Industry Company changed its name to Datang Environment Industry Company. As of 31 December 2015, Datang Environment Industry Company received approximately RMB334.33 million in aggregate as desulfurization and denitrification service fees, of which desulfurisation or denitrification electricity fee was RMB368.33 million, and the fee for water, electricity and gas, etc. needed by desulfurisation and denitrification was RMB34.00 million, not exceeding the annual cap as set out in the agreement (being RMB416.67 million and RMB77.14 million, respectively). For details of the transaction, please refer to the announcement of the Company dated 30 June 2015.

16. On 11 September 2015, the Company entered into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Co., Ltd. ("Shanghai Datang Financial Lease Company", a non wholly-owned subsidiary of the CDC), pursuant to which, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries with a principal of not exceeding RMB10.0 billion for every 12 months from the effective date of the agreement for a term of 36 months from the date of entering into the agreement. Relevant arrangements under the Leasing and Factoring Business Cooperation Agreement are beneficial to the Company to obtain financing support and relevant financing services at a lower-than-market interest rate, so as to further lower its capital costs; and to further strengthen the Company's and relevant unit's negotiation power when deploying the financial leasing business with other leasing companies. Meanwhile, Shanghai Datang Financial Lease Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would be able to provide more convenient, effective and efficient financial leasing as well as factoring products design services to the Company when compared to those services provided by other financial leasing companies. As of 31 December 2015, the actual annual amount incurred was approximately RMB350 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 11 September 2015.

Report of the Directors

17. On 30 October 2015, certain power plants companies of the Company, including Shanxi Datang International Shentou Power Generation Company Limited (in which the Company held 60% equity shares, "Shentou Power Company"), Tianjin Datang International Panshan Power Generation Company Limited (in which the Company held 75% equity shares, "Panshan Power Company"), Zhejiang Datang International Wushashan Power Generation Company Limited (in which the Company held 51% equity shares, "Wushashan Power Company") (collectively as "Certain Power Plants of the Company") entered into the Franchising Contracts with relevant project based branches and subsidiaries of Datang Environment Industry Company, respectively. Pursuant to such contracts, Certain Power Plants of the Company authorised Datang Environment Industry Company to carry out franchising in respect of the Desulfurisation Assets or Denitrification Assets of the corresponding coal-fired power generating units and operate, maintain and manage the desulfurisation or denitrification facilities during the franchise period. Datang Environment Industry Company shall be entitled to the revenue from the desulfurisation or denitrification tariffs and shall reimburse and compensate Certain Power Plants of the Company for the costs incurred for desulfurisation or denitrification, including water, electricity and gas. The implementation of franchising for desulfurisation and denitrification projects by Certain Power Plants of the Company can effectively revitalise the Desulfurisation Assets and Denitrification Assets in stock of the Company, while the proceeds of transferring the Desulfurisation Assets and Denitrification Assets can be used to finance corporate development and operation, repaying or substituting new bank loans, and effectively ease the financial pressure of the Company and reduce the Company's asset-to-liability ratio. Meanwhile, the professional management advantage of Datang Environment Industry Company can be brought into full play, the operational efficiency of the desulfurisation and denitrification facilities can be enhanced, and the risks concerning environmental protection can be reduced, and the operational costs of the Company can be saved. As of 31 December 2015, Datang Environment Industry Company received approximately RMB43.14 million as desulfurisation and denitrification service fees, of which desulfurisation or denitrification electricity fee was RMB50.94 million, and the fee for water, electricity and gas, etc. needed by desulfurisation and denitrification was RMB7.80 million, not exceeding the annual cap as set out in the agreement (being RMB52.50 million and RMB8.70 million, respectively). For details of the transaction, please refer to the announcement of the Company dated 2 November 2015.
18. Other continuing connected transactions that have not been carried out
 - (1) On 23 December 2014, Jiangsu Datang Shipping Company Limited ("Shipping Company") entered into the Transportation Service Framework Agreement with Beijing Datang Fuel Company, pursuant to which Shipping Company agreed to provide coal transportation service to Beijing Datang Fuel Company with a maximum aggregate annual transaction amount of approximately RMB50 million for a term of one year commencing from 1 January 2015

to 31 December 2015. The main 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, the Shipping Company can arrange transportation in a more timely and rapid manner according to the fuel demand of the power generation enterprises of the Company so as to ensure coal supply. As of 31 December 2015, no relevant transaction has been carried out. For details of the transaction, please refer to the announcement of the Company dated 23 December 2014.

- (2) On 9 June 2015, the Company and Beijing Datang Fuel Company entered into the Supplemental Agreement, pursuant to which the Company agreed the joining of the three subsidiaries to purchase coal from Beijing Datang Fuel Company for a term commencing from 1 May 2015 to 31 December 2015, with the condition that the approved maximum transaction amount under the Fuel Purchase Framework Agreement (Beijing) (i.e. RMB21,289 million) shall not be exceeded. The purpose of the transaction is primarily for securing coal supply to the Company and the power generation enterprises of its subsidiaries, and fully leveraging 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 Company and its subsidiaries. As of 31 December 2015, no relevant transaction has been carried out. For details of the transaction, please refer to the announcement of the Company dated 9 June 2015.

- (3) On 9 June 2015, Datang Fuel Company and Beijing Datang Fuel Company entered into the Coal Purchase and Sale Framework Agreement, pursuant to which Datang Fuel Company agreed to sell coal to Beijing Datang Fuel Company with a maximum aggregate annual transaction amount of approximately RMB460 million for a term commencing from 1 May 2015 to 31 December 2015. The purpose of the transaction is primarily for fully leveraging the advantages in terms of procurement of Beijing Datang Fuel Company, securing coal supply to the Company and the power generation enterprises of its subsidiaries, and is beneficial for the adjustment of coal structure of the Company and the power generation enterprises of its subsidiaries, so as to control operating costs and enhance profitability. As of 31 December 2015, no relevant transaction has been carried out. For details of the transaction, please refer to the announcement of the Company dated 9 June 2015.

Report of the Directors

- (4) On 17 July 2015, Datang Fuel Company and Jiangxi Datang International Xinyu Power Generation Company Limited (“Xinyu Power Generation Company”, a wholly-owned subsidiary of the Company) entered into the Coal Purchase and Sale Framework Agreement, pursuant to which Datang Fuel Company agreed to sell coal to Xinyu Power Generation Company with a maximum aggregate annual transaction amount of approximately RMB50 million for a term commencing from 1 June 2015 to 31 December 2015. The purpose of the transaction is primarily for fully leveraging the advantages in terms of provision and the large scale of procurement of company specialised in coal trading, which is able to stabilise the market price of coal to some extent, controlling fuel cost and reducing the negative impacts of the fluctuating coal market on the Company. As of 31 December 2015, no relevant transaction has been carried out. For details of the transaction, please refer to the announcement of the Company dated 17 July 2015.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors of the Company have reviewed the above continuing connected transactions referred to in paragraphs 1 to 18 and are of the opinion that the continuing connected transactions as stated in paragraphs 1 to 18 above have been (i) carried out in the usual and ordinary course of business of the Group; (ii) conducted on normal commercial terms; and (iii) entered into in accordance with the terms of the respective agreements which are fair and reasonable and in the interests of the Company’s shareholders as a whole.

The Company’s external auditor was engaged to report on the Group’s continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. For the purpose of Rule 14A.56 of the Listing Rules, the auditor of the Company, has provided a letter to the Board confirming that:

- (i) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provisions of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the agreements governing the transactions; and
- (iv) nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the maximum aggregate annual value as disclosed in the relevant announcements.

A copy of the auditors’ letter has been provided by the Company to the Hong Kong Stock Exchange.

B. Other connected transactions in 2015

1. On 22 January 2015, Lvsigang Power Generation Company entered into the Asset Transfer Agreement with Environment Technology Industry Company, a controlling subsidiary of CDC. Pursuant to such agreement, Lvsigang Power Generation Company agreed to transfer the Denitrification Assets to Datang Technology Industry Company, a franchising company engaging in denitrification business, at a total consideration of the transfer of asset of approximately RMB157.3418 million. As of 31 December 2015, the actual annual amount incurred was approximately RMB157.3418 million. For details of the transaction, please refer to the announcement of the Company dated 22 January 2015.
2. On 12 February 2015, the Company, Datang Finance Company and Duolun Coal Chemical Company entered into the Entrusted Loan Contract. The Company shall entrust Datang Finance Company as the lending agent to provide the entrusted loan of an aggregate amount of RMB1 billion to Duolun Coal Chemical Company during the term of the contract. The term of the Entrusted Loan Contract is 12 months commencing from 12 February 2015 to 11 February 2016. Given the historical cooperation between Datang Finance Company and the Company and in view of the cooperation history between Datang Finance Company and the Company and given that the provision of entrusted loan services by Datang Finance Company is covered within the capital risks control measures under the Financial Services Agreement, Datang Finance Company 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. Further, the handling fees charged by Datang Finance Company will not be higher than those charged by other PRC commercial banks. In view of the above considerations, the Company appointed Datang Finance Company, rather than other PRC commercial banks, as the lending agent. The entrusted loan will be primarily utilised by Duolun Coal Chemical Company to replenish its liquidity loans and replace due borrowings, and is thus beneficial for the smooth progress of the production and operation activities of Duolun Coal Chemical Company. As of 31 December 2015, the actual annual amount incurred was approximately RMB1 billion. 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 13 February 2015.

3. During May to August 2015, various technological transformation projects contracts entered into between certain power plants or subsidiaries of the Company and Datang Environment Industry Company, a controlled subsidiary of CDC, and its subsidiaries or consortium, by public tender and tender evaluation:
 - (1) "Contract on Anti-corrosion for Inner Tube of No.2 Chimney of Lvsigang Power Generation Company" entered into between Lvsigang Power Generation Company and Datang Engineering Company on 19 May 2015 with a contract amount of RMB11.493185 million.

Report of the Directors

- (2) “Contract on Modification Project for Integrated Desulfurisation and Dust Removal of No.1 and No.2 Power Generating Units of Zhangjiakou Thermal Power Company” entered into between Zhangjiakou Thermal Power Company and Datang Engineering Company on 21 May 2015 with a contract amount of RMB27.36 million.
- (3) “Contract on Modification Project for Flue Gas Residual Heat Utilisation and Recycling Device of No.11 Power Generating Unit (300MW) of Hohhot Thermal Power Company” entered into between Inner Mongolia Datang International Hohhot Thermal Power Company Ltd. (“Hohhot Thermal Power Company”) and Datang (Beijing) Energy Management Company Limited (“Datang (Beijing) Energy Company”) on 8 June 2015 with a contract amount of RMB6.61222 million.
- (4) “Contract on Modification of Low Pressure Coal-saving Machine of Boiler No.6 of Zhangjiakou Power Plant” entered into between Zhangjiakou Power Plant and Datang (Beijing) Energy Company on 1 July 2015 with a contract amount of RMB8.8278 million.
- (5) “Contract on the EPC Modification Project for the Ultra-low Emission for Power Generating Units No. 3–8 of Douhe Power Plant” entered into between Douhe Power Plant, the Company’s power plant, and Datang Environment Industry Company – Datang Engineering Company consortium on 25 August 2015 with a contract amount of RMB139.85 million.
- (6) “Technological Transformation Projects Contract on the Modification Project for Flue Gas Ultra-low Emission for Power Generating Units No.1 and 2 of Wangtan Power Generation Company” entered into between Wangtan Power Generation Company and Datang Environment Industry Company – Datang Engineering Company consortium on 25 August 2015 with a contract amount of RMB39.56 million.

The Company considered that the Company’s power plants and subsidiaries carry out the Technological Transformation Projects by way of public tender to make appointment, mainly for the purposes of ensuring the on-schedule completion of Technological Transformation Projects of Company’s subsidiaries, to fully ride on the professional advantage of Datang Environment Industry Company and its subsidiaries, as well as to control cost to a certain extent through large scale purchasing facilities. As of 31 December 2015, the aggregate transaction amount incurred was RMB189.32 million. For details of the transaction, please refer to the announcement of the Company dated 25 August 2015.

4. On 18 May 2015, Inner Mongolia Datang International Zhungeer Mining Company Limited (“Zhungeer Company”, a subsidiary of the Company) and Inner Mongolia Datang International Renewable Energy Resource Development Company Limited (“Renewable Resource Company”, a 40.35% owned subsidiary of the Company), entered into the Entrusted Loan Agreement with Hohhot Branch of

China CITIC Bank, pursuant to which, Zhungeer Company shall entrust Hohhot Branch of China CITIC Bank to act as the lending agent to provide entrusted loan of an aggregate amount of RMB150 million to Renewable Resource Company during the term of the agreement. The term of the Entrusted Loan Agreement is 12 months commencing from 18 May 2015 to 17 May 2016. In order to ensure the smooth progress of the production and operation activities of Renewable Resource Company, Zhungeer Company provides the entrusted loan of not exceeding RMB150 million to Renewable Resource Company in aggregate. The Company is of the view that, given both Zhungeer Company and Renewable Resource Company are subsidiaries of the Company, the entrusted loan is beneficial to enhancing the utilisation efficiency of Zhungeer Company's capital while effectively satisfying the capital needs of Renewable Resource Company; and the terms of the Entrusted Loan Agreement are fair and reasonable, have been entered into after arm's length negotiation among all parties thereto and determined on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole. As of 31 December 2015, the actual annual transaction amount incurred was approximately RMB150 million. 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 19 May 2015.

5. On 21 May 2015, the Company, Duolun Coal Chemical Company and China Construction Bank Railway Branch entered into the Entrusted Loan Contract, pursuant to which, the Company shall entrust China Construction Bank Railway Branch to act as the lending agent to provide the entrusted loan of an aggregate amount

of RMB1 billion to Duolun Coal Chemical Company during the term of the contract. The term of the Entrusted Loan Contract is 12 months commencing from 21 May 2015 to 20 May 2016. In order to ensure the replacement of due borrowings on schedule as well as to replenish liquid capital in a timely manner, the Company provides the entrusted loan of not exceeding RMB1 billion to Duolun Coal Chemical Company. The Company is of the view that the entrusted loan, which will be primarily utilised by Duolun Coal Chemical Company to replenish its liquidity loans and replace due borrowings, is thus beneficial for the smooth progress of the production and operation activities of Duolun Coal Chemical Company. As of 31 December 2015, the actual annual transaction amount incurred was approximately RMB1 billion. 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 21 May 2015.

6. On 21 May 2015, the Company and Renewable Resource Company entered into the Entrusted Loan Agreement with Industrial and Commercial Bank of China ("ICBC") Xuanwu Branch, pursuant to which, the Company shall entrust ICBC Xuanwu Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB360 million to Renewable Resource Company during the term of the agreement. The term of the Entrusted Loan Agreement is 36 months commencing from 21 May 2015 to 18 May 2018. In order to ensure the smooth progress of the production and operation activities of Renewable Resource Company, the Company provides the entrusted loan of not exceeding RMB360 million to Renewable Resource Company in aggregate. The Company is of the

Report of the Directors

view that the provision of entrusted loan to Renewable Resource Company can effectively satisfy the capital needs of Renewable Resource Company; and the terms of the Entrusted Loan Agreement are fair and reasonable, have been entered into after arm's length negotiation among all parties thereto and determined on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole. As of 31 December 2015, the actual annual transaction amount incurred was approximately RMB360 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 May 2015.

7. On 9 June 2015, the Company and Renewable Resource Company entered into the Entrusted Loan Agreement with ICBC Xuanwu Branch, pursuant to which, the Company shall entrust ICBC Xuanwu Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB200 million to Renewable Resource Company during the term of the agreement. The term of the Entrusted Loan Agreement is 36 months commencing from 10 June 2015 to 8 June 2018. In order to ensure the smooth progress of the production and operation activities of Renewable Resource Company, the Company provides the entrusted loan of not exceeding RMB200 million to Renewable Resource Company in aggregate. The Company is of the view that the provision of entrusted loan to Renewable Resource Company can effectively satisfy the capital needs of Renewable Resource Company; and the terms of the Entrusted Loan Agreement are fair and reasonable, have been entered into after arm's length negotiation among all

parties thereto and determined on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole. As of 31 December 2015, the actual annual transaction amount incurred was 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 10 June 2015.

8. On 19 June 2015, the Company and Xilinhaote Mining Company entered into the Entrusted Loan Agreement with China Construction Bank Railway Branch, pursuant to which, the Company agreed to entrust China Construction Bank Railway Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB1.5 billion to Xilinhaote Mining Company during the term of the agreement. The term of the Entrusted Loan Agreement is 12 months commencing from 19 June 2015 to 18 June 2016. In order to ensure the replacement of due borrowings on schedule as well as to replenish liquid capital in a timely manner, the Company provides the entrusted loan of not exceeding RMB1.5 billion to Xilinhaote Mining Company. The Company is of the view that the entrusted loan, which will be primarily utilised by Xilinhaote Mining Company to replenish its liquidity loans and replace due borrowings, is thus beneficial for the smooth progress of the production and operation activities of Xilinhaote Mining Company. As of 31 December 2015, the actual annual transaction amount incurred was approximately RMB1,261 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 19 June 2015.

9. On 29 June 2015, the Company and ICBC Xuanwu Branch entered into the Entrusted Loan Framework Agreement, pursuant to which, the Company entrusted ICBC Xuanwu Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB4.0 billion to Duolun Coal Chemical Company during the term of the agreement. The term of the entrusted loan framework agreement is 12 months commencing from 29 June 2015 to 28 June 2016. In order to ensure the replacement of due borrowings on schedule as well as to replenish liquid capital in a timely manner, the Company provides entrusted loans of an aggregate amount of not exceeding RMB4.0 billion to Duolun Coal Chemical Company. The Company is of the view that the entrusted loans, which will be primarily utilised by Duolun Coal Chemical Company to replenish their liquidity loans and replace due borrowings, are thus beneficial for the smooth progress of the production and operation activities of Duolun Coal Chemical Company. As of 31 December 2015, the actual annual transaction amount incurred was approximately RMB3,140 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 29 June 2015.
10. On 29 June 2015, the Company and Xilinhaote Mining Company entered into the Entrusted Loan Agreement with China Construction Bank Railway Branch, pursuant to which, the Company agreed to entrust China Construction Bank Railway Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB2.0 billion to Xilinhaote Mining Company during the term of the agreement. The term of the entrusted loan agreement is 12 months commencing from 29 June 2015 to 28 June 2016. In order to ensure the replacement of due borrowings on schedule as well as to replenish liquid capital in a timely manner, the Company provides entrusted loans of an aggregate amount of not exceeding RMB2.0 billion to Xilinhaote Mining Company, respectively. The Company is of the view that the entrusted loans, which will be primarily utilised by Xilinhaote Mining Company to replenish their liquidity loans and replace due borrowings, are thus beneficial for the smooth progress of the production and operation activities of Xilinhaote Mining Company. As of 31 December 2015, the actual annual transaction amount incurred was approximately RMB1,010 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 29 June 2015.
11. On 30 June 2015, some power generation companies including Zhangjiakou Thermal Power Company, Chaozhou Power Company, Wangtan Power Generation Company, Tuoketuo Power Company and Tuoketuo No. 2 Power Generation Company (collectively, "Some Power Companies of the Company") entered into the Asset Transfer Agreements with relevant project based branches and subsidiaries of Datang Environment Industry Company, respectively. Pursuant to such agreements, Some Power Companies of the Company agreed to transfer the Desulfurisation Assets or Denitrification Assets to Datang Environment Industry Company, a franchising company engaging in desulfurisation or denitrification business, at an aggregate consideration of approximately RMB1,210.0345 million. As of 31 December 2015, the actual annual transaction amount incurred was

Report of the Directors

approximately RMB1,151.10 million. For details of the transaction, please refer to the announcement of the Company dated 30 June 2015.

12. During September to October 2015, various technological transformation projects contracts entered into between certain subsidiaries of the Company and Datang Environment Industry Company, a controlled subsidiary of CDC, and its subsidiaries or consortium, by public tender and tender evaluation:

- (1) "General Contract on Integrated Modification Project for Flue Gas Pollutants Ultra-low Emission, Desulfurisation and Dust Removal of No.1 Power Generating Units of Linfen Thermal Company" and supplemental contract thereto entered into between Linfen Thermal Power Company and Datang Environment Industry Company on 16 September 2015 and 20 October 2015 with a contract amount of RMB14.668 million.
- (2) "General Contract on Modification Project for Flue Gas Pollutants Ultra-low Emission and Denitrification of No.1 Power Generating Units of Shanxi Datang International Linfen Thermal Power Company Limited" entered into between Linfen Thermal Power Company and Datang Environment Industry Company on 16 September 2015 with a contract amount of RMB6.98 million.
- (3) "Contract on Modification Project for Flue Gas Residual Heat Utilisation and Recycling Device of No.1 Power Generating Unit

(600MW) of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited" entered into between Tuoketuo Power Generation Company and Datang (Beijing) Energy Management Company Limited on 22 September 2015 with a contract amount of RMB9.26414 million.

- (4) "Contract on Technological Modification Project for Flue Gas Ultra-low Emission (Desulfurisation, Denitrification and Dust Removal) of No. 3 Coal-fired Power Generating Unit of Tianjin Datang International Panshan Power Generation Company Limited" entered into between Panshan Power Generation Company and Datang Environment Industry Company – Datang Engineering Company Limited consortium on 12 October 2015 with a contract amount of RMB30.27607 million.

The Company considered that the Company's power plants and subsidiaries carry out the Industry Technological Transformation Projects by way of public tender to make appointment, mainly for the purposes of ensuring the on-schedule completion of Technological Transformation Projects of Company's subsidiaries, to fully ride on the professional advantage of Datang Environment Industry Company and its subsidiaries, as well as to control cost to a certain extent through large scale purchasing facilities. As of 31 December 2015, the aggregate transaction amount incurred was RMB40.86 million. For details of the transaction, please refer to the announcement of the Company dated 14 December 2015.

13. On 14 September 2015, Zhangjiakou Power Plant, as owned by the Company, entered into "Technological Transformation Projects Contract on the Modification Project for the Ultra-low Emission for Environmental Facilities Units No.1-8 of Zhangjiakou Power Plant" with Datang Environment Industry Company – Datang Engineering Company consortium, by public tender and tender evaluation, and the aggregate contract amount was approximately RMB411.66 million. The Company considered that the Company's power plant and subsidiaries carry out the Technological Transformation Projects by way of public tender to make appointment, mainly for the purposes of ensuring the on-schedule completion of Technological Transformation Projects of Company's subsidiaries, to fully ride on the professional advantage of Datang Environment Industry Company and its subsidiaries, as well as to control cost to a certain extent through large scale purchasing facilities. As of 31 December 2015, the aggregate transaction amount incurred was RMB116.56 million. For details of the transaction, please refer to the announcement of the Company dated 14 September 2015.
14. On 30 October 2015, part of power enterprises of the Company, including Shentou Power Company, Panshan Power Company and Wushashan Power Company (collectively "Certain Power Plants of the Company"), entered into "Asset Transfer Agreements" with relevant project based branches and subsidiaries of Datang Environment Industry Company, respectively. In accordance with those contracts, Certain Power Plants of the Company agreed to transfer the Desulfurisation Assets or Denitrification Assets to Datang Environment Industry Company, the franchising company. The aggregate assets transaction amount was approximately RMB757.5120 million. As of 31 December 2015, the actual aggregate annual transaction amount incurred was approximately RMB705.29 million. For details of the transaction, please refer to the announcement of the Company dated 2 November 2015.
15. On 14 December 2015, Zhangjiakou Power Plant, as owned by the Company, entered into the "Contract on the EPC General Contract on Coal Mine Closure Project of Phase 2 of Zhangjiakou Power Plant of Datang International Power Generation Co., Ltd." with Datang Environment Industry Company, by public tender and tender evaluation, and the aggregate contract amount was approximately RMB132.18689 million. The Company considered that the Company's power plant and subsidiaries carry out the Technological Transformation Projects by way of public tender to make appointment, mainly for the purposes of ensuring the on-schedule completion of Technological Transformation Projects of Company's subsidiaries, to fully ride on the professional advantage of Datang Environment Industry Company and its subsidiaries, as well as to control cost to a certain extent through large scale purchasing facilities. As of 31 December 2015, the aggregate transaction amount incurred was RMB17.86 million. For details of the transaction, please refer to the announcement of the Company dated 14 December 2015.
16. On 17 December 2015, Hebei Datang International Tangshan Thermal Power Company Limited ("Tangshan Thermal Power Company"), Wangtan Power Generation Company and Panshan Power Company, subsidiaries of the Company, entered into three Technological Transformation Projects Contract with Datang Environment Industry Company;

Report of the Directors

among which, the “EPC General Contracting Contract on Coal Mine Closure Project for Hebei Datang International Tangshan Thermal Power Company Limited” entered into between Tangshan Thermal Power Company and Datang Environment Industry Company on 17 December 2015 with a contract amount of RMB43.005476 million; the “Contract on EPC General Contracting Project of Coal Mine Closure for Hebei Datang International Wangtan Power Generation Company Limited” entered into between Hebei Datang International Wangtan Power Generation Company Limited and Datang Environment Industry Company on 17 December 2015 with a contract amount of RMB79.498288 million; the “Contract on Modification Project of Mine Closure for Tianjin Datang International Panshan Power Generation Company Limited” entered into between Panshan Power Company and Datang Environment Industry Company on 17 December 2015 with a contract amount of RMB96.455679 million. As of 31 December 2015, the aggregate transaction amount incurred was RMB173.67 million. For details of the transaction, please refer to the announcement of the Company dated 17 December 2015.

17. On 18 December 2015, the “Contract on Modification of Centralised Chemical Water Treatment System for the Whole Power Plant of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited” was entered into between Tuoketuo Power Generation Company Limited and Datang Technologies and Engineering with a contract amount of RMB10.85 million by public tender and tender evaluation. The Company is of the view that the Company invited public tender for the Technological Transformation Projects for the power generating units of its power plants, mainly for the purposes of ensuring the on-schedule completion

of Technical Transformation Projects of the subsidiary of the Company, to fully ride on the professional advantage of Datang Environment Company and its subsidiaries, as well as to control cost to a certain extent through large scale purchasing of facilities. As of 31 December 2015, the aggregate transaction amount incurred was RMB10.85 million. For details of the transaction, please refer to the announcement of the Company dated 23 December 2015.

18. On 30 December 2015, Tuoketuo Power Generation Company, Renewable Resource Company, and Datang Finance Company entered into three Entrusted Loan Contracts. Tuoketuo Power Generation Company entrusted Datang Finance Company to act as the lending agent to provide entrusted loan of an aggregate amount of RMB1.36 billion to Renewable Resource Company during the term of the contracts. As of 31 December 2015, the aggregate transaction amount incurred was RMB1,320 million. For details of the transaction, please refer to the announcement of the Company dated 30 December 2015.
19. On 31 December 2015, Leizhou Power Generation Company entered into the Agreement on the Transfer of Capacity Indicators of Small Generating Units with Huayin Power and Dongguan Power and Chemical Industry. Pursuant to the agreement, Leizhou Power Generation Company agreed to acquire the capacity indicators of the small coal-fired generating units owned by the abovementioned two companies at the transaction price of approximately RMB332.2233 million. As of 31 December 2015, the aggregate transaction amount incurred was RMB332.2233 million. For details of the transaction, please refer to the announcement of the Company dated 31 December 2015.

20. Other continuing connected transactions that have not been carried out

- (1) On 15 April 2015, Shanxi Datang International Linfen Thermal Power Company Limited (“Linfen Thermal Power Company”), a non-wholly owned subsidiary of the Company and Datang Technologies and Engineering Co., Ltd. (“Datang Engineering Company”), a non wholly-owned subsidiary of Datang Technology Industry Company (which is a wholly-owned subsidiary of CDC), entered into the “General Contract for Capacity Expansion and Modification Project of Coal Transportation System in relation to 2x300MW Generating Units Operated by Linfen Thermal Power Company”, which has a aggregate contract amount of approximately RMB59.98 million, by public tender and tender evaluation. The Company is of the view that the Company and Linfen Thermal Power Company agreed to appoint Datang Technologies and Engineering Company to carry out the capacity expansion and modification mainly for the purposes of ensuring the on-schedule completion of the capacity expansion and modification of Linfen Thermal Power Company, to fully ride on its professional advantage, as well as to control cost to a certain extent through large scale purchasing of facilities. During 2015, Datang Technology changed its name to Datang Environmental Industry Group Company Limited. As of 31 December 2015, no relevant transaction has been carried out. For details of the transaction, please refer to the announcement of the Company dated 15 April 2015.

- (2) On 27 November 2015, Beijing Gaojing Thermal Power Plant of Datang International Power Generation Co., Ltd. (“Gaojing Thermal Power Plant”), a power plant under the direct management of the Company, and Tuoketuo No.2 Power Generation Company of the Company entered into the Substitutive Power Generation Agreement with State Grid Beijing Electric Power Corporation and North China Branch of State Grid Corporation of China, pursuant to which the parties agreed to conduct substitutive power generation transactions. The transaction amount under the Substitutive Power Generation Agreement was estimated to be RMB56.1585 million which was determined according to the confirmed plan of substitutive power generation volumes and settlement of electricity fee. As of 31 December 2015, there is no any transaction amount incurred. For details of the transaction, please refer to the announcement of the Company dated 27 November 2015.

- (3) On 23 December 2015, Douhe Power Plant entered into the “Contract on the EPC General Contracting Project of Stockyard Shed Building for Douhe Power Plant of Datang International Power Generation Co., Ltd.” with Datang Environment Industry Company, a controlled subsidiary of CDC, by public tender and tender evaluation, and the contract amount was RMB128.86938 million. The Company considered that the Company’s power plants and subsidiaries carry out the

Report of the Directors

Technological Transformation Projects by way of public tender to make appointment, mainly for the purposes of ensuring the on-schedule completion of Technological Transformation Projects of Company's power plant, to fully ride on the professional advantage of Datang Environment Industry Company and its subsidiaries, as well as to control cost to a certain extent through large scale purchasing facilities. As of 31 December 2015, there is no any transaction amount incurred. For details of the transaction, please refer to the announcement of the Company dated 23 December 2015.

- (4) On 25 December 2015, the Company, Datang Energy and Chemical Company, China Construction Bank Railway Branch and Duolun Coal Chemical Company entered into the Entrusted Loan Framework Agreement, pursuant to which, the Company entrusted China Construction Bank Railway Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB6.0 billion to Duolun Coal Chemical Company during the term of the agreement. The term of the entrusted loan contract is 12 months commencing from 23 December 2015 to 22 December 2016. The Company is of the view that the entrusted loans, which will be primarily utilised by Duolun Coal Chemical Company to replace due borrowings and repay principal and interest, are thus beneficial for the smooth progress of the production and operation activities of Duolun

Coal Chemical Company. As of 31 December 2015, there was no transaction amount incurred. For details of the transaction, please refer to the announcement of the Company dated 28 December 2015.

- (5) On 25 December 2015, the Company, China Construction Bank Railway Branch and Renewable Resource Company entered into the Entrusted Loan Framework Agreement, pursuant to which, the Company entrusted China Construction Bank Railway Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB4.0 billion to Renewable Resource Company during the term of the agreement. The term of the entrusted loan contract is 36 months commencing from 1 January 2016 to 31 December 2018. The Company is of the view that the entrusted loans, which will be primarily utilised by Renewable Resource Company to replace due borrowings and repay principal and interest, are thus beneficial for the smooth progress of the production and operation activities of Renewable Resource Company. As of 31 December 2015, there was no transaction amount incurred. For details of the transaction, please refer to the announcement of the Company dated 28 December 2015.
- (6) On 25 December 2015, the Company, Datang Energy and Chemical Company, China Construction Bank Railway Branch and Xilinhaote Mining Company entered into the Entrusted Loan

Framework Agreement, pursuant to which, the Company entrusted China Construction Bank Railway Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB1.0 billion to Xilinhaote Mining Company during the term of the agreement. The term of the entrusted loan contract is 12 months commencing from 23 December 2015 to 22 December 2016. The Company is of the view that the entrusted loans, which will be primarily utilised by Xilinhaote Mining Company to replace due borrowings and repay principal and interest, are thus beneficial for the smooth progress of the production and operation activities of Xilinhaote Mining Company. As of 31 December 2015, there was no transaction amount incurred. For details of the transaction, please refer to the announcement of the Company dated 28 December 2015.

- (7) On 30 December 2015, the Company entered into the Agreement on the Transfer of Capacity Indicators of Small Generating Units with Guangdong Datang International Leizhou Power Generation Co., Ltd. ("Leizhou Power Generation Company", a subsidiary in which the Company, Datang Huayin Electric Power Co., Ltd, a non-wholly owned subsidiary of CDC, CDC and Leizhou City Peicai Infrastructure Construction Co., Ltd. held 34%, 33%, 30% and 3%, respectively). Pursuant to the agreement, the Company agreed to transfer the capacity indicators of small coal-fired generating units owned by the Company to Leizhou

Power Generation Company at a transaction price of approximately RMB367.096 million. As of 31 December 2015, no transaction has been carried out. For details of the transaction, please refer to the announcement of the Company dated 30 December 2015.

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 will 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. The Company may at its discretion provide additional non-recurring individual savings pension insurance funds depending on the operating results of the year. 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.

Interest capitalisation

During the Year, the interest capitalised in respect of construction-in-progress amounted to approximately RMB3,497,478 thousand.

Other significant matters

1. The Company entered into the reorganisation framework agreement with China Reform Holdings Corporation Ltd. ("Reform Corporation") for the proposal of the reorganisation of the Company's coal-to-chemical segment and related projects on 7 July 2014.

Report of the Directors

The Company entered into a termination agreement of the reorganisation framework agreement with Reform Corporation on 29 March 2016. After the negotiation between both parties, stipulations under the reorganisation framework agreement shall no longer be carried out.

After negotiation with China Datang Corporation (“CDC”), CDC will take the lead in facilitating the reorganisation in relation to the Company’s coal-to-chemical business segment and related projects.

2. The Company completed the issuance of “2015 Datang International Power Generation Co., Ltd.’s Super Short-term Debentures (First Tranche)” (the “2015 First Tranche Super Short-term Debentures”) on 19 March 2015. The issuance amount for the 2015 First Tranche Super Short-term Debentures was RMB3 billion with a maturity period of 160 days. The unit nominal value is RMB100 and the issuing interest rate is at 4.60%.
3. The Company completed the issuance of “2015 Datang International Power Generation Co., Ltd.’s Super Short-term Debentures (Second Tranche)” (the “2015 Second Tranche Super Short-term Debentures”) on 21 May 2015. The issuance amount for the 2015 Second Tranche Super Short-term Debentures was RMB4 billion with a maturity period of 270 days. The unit nominal value is RMB100 and the issuing interest rate is at 3.13%.
4. The Company completed the issuance of “2015 Datang International Power Generation Co., Ltd.’s Super Short-term Debentures (Third Tranche)” (the “2015 Third Tranche Super Short-term Debentures”) on 15 June 2015. The issuance amount for the 2015 Third 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 3.10%.
5. The Company completed the issuance of “2015 Datang International Power Generation Co., Ltd.’s Super Short-term Debentures (Fourth Tranche)” (the “2015 Fourth Tranche Super Short-term Debentures”) on 17 July 2015. The issuance amount for the 2015 Fourth 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 3.00%.
6. The Company completed the issuance of “2015 Datang International Power Generation Co., Ltd.’s Super Short-term Debentures (Fifth Tranche)” (the “2015 Fifth Tranche Super Short-term Debentures”) on 21 August 2015. The issuance amount for the 2015 Fifth Tranche Super Short-term Debentures was RMB4 billion with a maturity period of 270 days. The unit nominal value is RMB100 and the issuing interest rate is at 3.15%.
7. The Company completed the issuance of “2016 Datang International Power Generation Co., Ltd.’s Super Short-term Debentures (First Tranche)” (the “2016 First Tranche Super Short-term Debentures”) on 25 February 2016. The issuance amount for the 2016 First 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 2.63%.
8. The Company completed the issuance of “2016 Datang International Power Generation Co., Ltd.’s Super Short-term Debentures (Second Tranche)” (the “2016 Second Tranche Super Short-term Debentures”) on 15 March 2016. The issuance amount for the 2016 Second Tranche Super Short-term Debentures was RMB3 billion with a maturity period of 178 days. The unit nominal value is RMB100 and the issuing interest rate is at 2.42%.

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 that the Company has adopted 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 consolidated financial statements for the Year ended 31 December 2015 prepared under International Financial Reporting Standards have been audited by RSM Hong Kong.

In June 2013, 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.

Subsequently, the Company received notice that RSM China Certified Public Accountants (Special General Partnership) merged with Crowe Horwath China CPAs (Special General Partnership), and renamed as Ruihua Certified Public Accounts (Special General Partnership) ("Ruihua").

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 Hong Kong.

Ruihua and RSM Hong Kong are the domestic and overseas, respectively, financial auditor of the Company for the Year following an approval on its appointment at the 2014 annual general meeting of the Company and are responsible for domestic and overseas, respectively, auditing, among other things, of the Company's financial report for the Year.

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

29 March 2016

Report of the Supervisory Committee

Dear supervisors,

During the Year, in the spirit of being accountable to all shareholders of Datang International Power Generation Company Limited (the “Company”) and in accordance with the Company Law of the People’s Republic of China (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 in the jurisdictions where the Company

is listed, members of the Supervisory Committee of the Company dutifully and conscientiously fulfilled their monitoring duties. In 2015, members of the Supervisory Committee attended all general meetings, Board meetings and meetings of the specialised committees held by the Board. They also actively participated in the review of the Company’s major decisions and periodically examined the Company’s operation and financial position, striving 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 2015 is as follows:

A. Supervisory committee meeting

Convening of the Supervisory Committee Meetings	Details of the Subjects Discussed at the Supervisory Committee Meetings
On 19 January 2015, the 9th meeting of the eighth session of Supervisory Committee of the Company was held by way of written correspondence	Considered and approved the Resolution on Provisions for Asset Impairment in 2014
On 18 March 2015, the 10th meeting of the eighth session of Supervisory Committee of the Company was held	Considered and approved the Work Report of the Supervisory Committee for Year 2014, the Proposal of Final Accounts for Year 2014, the 2015 Financial Budget Report, the 2014 Profit Distribution Proposal, the Explanation on the Publication of 2014 Annual Report, the Resolution on the Explanation of Correction of Accounting Errors”, and the Resolution on the 2014 Internal Control Evaluation Report and Audit Report of the Company.
On 26 April 2015, the 11th meeting of the eighth session of Supervisory Committee of the Company was held by way of written correspondence	Considered and approved the Explanation on the 2015 First Quarterly Report and the Resolution on the Change of Shareholders’ Representative Supervisor.
On 14 August 2015, the 12th meeting of the eighth session of Supervisory Committee of the Company was held	Considered and approved the Explanation on the 2015 Interim Results Announcement.
On 12 October 2015, the 13th meeting of the eighth session of Supervisory Committee of the Company was held by way of written correspondence	Considered and approved the Resolution on Adjustments in Relevant Undertakings by the Controlling Shareholder of the Company
On 29 October 2015, the 14th meeting of the eighth session of Supervisory Committee of the Company was held	Considered and approved the 2015 Third Quarterly Report

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 acquired understanding of the major operating decision-making process through attending (or attending as observers) the Board meetings, general meetings and major internal integrated or professional meetings of the Company, and inspected and monitored the financial position and the operation of the Company. The Supervisory Committee is of the view that in 2015 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 and its operation and decisions were scientific and rational. Meanwhile, the Company has established and continued to enhance its internal management and internal control systems and developed an effective internal control mechanism. 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 of the Company 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, took part in reviewing the auditor's report and provided 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 Systems for Business Enterprises and Accounting Standards for Business Enterprises, and that the Company's 2015 financial report and the standard unqualified audit report issued by the accountants truthfully reflect the financial position and the operating results of the Company.

3. Acquisition and Disposal of Assets by the Company

- (1) For the year 2015, some controlled subsidiaries of the Company transferred the desulfurisation assets or denitrification assets to Datang Environment Industry Group Co., Ltd. or its subsidiaries, to carry out concession operations in respect of desulfurisation or denitrification business. In particular, four transferors of desulfurisation assets were Zhangjiakou Thermal Power Company (at the consideration of RMB165,365,600), Wangtan Power Company (at the consideration of RMB151,417,000), Panshan Power Company (at the consideration

Report of the Supervisory Committee

of RMB175,546,600), and Shentou Power Company (at the consideration of RMB118,821,600). Eight transferors of denitrification assets were Lvsigang Power Company (at the consideration of RMB157,341,800), Tuoketuo Power Company (at the consideration of RMB373,182,700), Tuoketuo No. 2 Power Company (at the consideration of RMB111,207,600), Chaozhou Power Company (at the consideration of RMB260,915,600), Zhangjiakou Thermal Power Company (at the consideration of RMB52,307,200), Wangtan Power Company (at the consideration of RMB95,638,800), Panshan Power Company (at the consideration of RMB104,954,200) and Shentou Power Company (at the consideration of RMB112,458,700).

- (2) The surrender of certain right of first refusal: Energy and Chemical Company, a wholly-owned subsidiary of the Company, surrendered the right of first refusal to take 34% stake in Keqi Coal-based Gas Company. The Company surrendered the right of first refusal to acquire 8% share of Chaozhou Power Generation.
- (3) Disposal of circuit assets: Lvsigang Power Company, a subsidiary of the Company, transferred its circuit assets exported from unit 1-4# to Jiangsu Provincial Power

Company, at the consideration of not exceeding RMB287,280,900 (exclusive of tax).

The Board has considered and approved the above issues and the Company has fulfilled relevant disclosure obligations pursuant to the Listing Rules. In the case when these disposal and acquisition constituted connected transactions, the Independent Directors had expressed independent opinions, the Supervisory Committee was of the view that the considerations for the relevant acquisition were reasonable, and did not harm the interests of the shareholders of the Company.

4. Connected transactions of the Company

During the Year, major connected transactions conducted by the Company primarily concerned procurement of production or construction materials, invitation of tenders for a technical transformation project, concession operations in respect of the desulfurisation assets or denitrification assets, sale and purchase of fuels, sale and purchase of chemical products, and entrusted loans. After verification, the Supervisory Committee is of the opinion that the connected transactions of the Company in 2015 were conducted on normal commercial terms; the transactions were in compliance with the requirements of the PRC laws and regulations and the Articles of Association; and the Company has fulfilled its disclosure obligations as

required by the listing rules on Shanghai Stock Exchange and Hong Kong Stock Exchange.

5. Review status of and opinion on the Internal Control Evaluation Report

The Supervisory Committee of the Company reviewed the Company's 2015 Internal Control Evaluation Report and communicated with the management of the Company and the accounting firm that was responsible for the internal auditing of the Company. The Supervisory Committee is of the opinion that the Company has rectified the ordinary deficiencies identified according to the relevant internal control deficiencies identification standards during the Year pursuant to the Evaluation and Management Measures of Internal Control of the Company in the internal control evaluation process. In addition, the Company will enhance the evaluation of risk issues and internal control deficiencies by optimising the relevant systems and complimentary measures, so as to strengthen the monitoring and inspection, standardise its business practices and ensure its business operations are in compliance with laws and regulations.

The Supervisory Committee agreed with unqualified audit report on internal control issued by Ruihua China Certified Public Accountants (Special General Partnership).

C. Work plan for 2016

In 2016, members of the Supervisory Committee of the Company will continue to conscientiously learn the relevant state laws and regulations in order to enhance their political qualities and business capabilities, and to raise the awareness of supervision and diligent and dutiful fulfillment of obligations. In the spirit of being accountable to shareholders and employees of the Company, members of the Supervisory Committee will exercise effective supervision over the Company's major decisions through ways such as attending Board meetings and relevant important business meetings of the Company. Meanwhile, the Supervisory Committee will further supervise and reinforce the Company's awareness towards risk prevention in respect of the Company' operating activities. Members of the Supervisory Committee will further improve the internal control system of the Company and enhance its efforts in the implementation of its internal control system and the effectiveness of internal controls, so as to ensure standardised operation as well as the sustainable and healthy development of the Company.

Supervisory Committee

Datang International Power Generation Co., Ltd.

29 March 2016

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.

An individual Relevant Shareholder will be subject to income tax on dividends they receive above an annual £5,000 tax free dividend allowance. 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.



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 set out on pages 108 to 243, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 issued by the International Accounting Standards Board 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 issued by the International Federation of Accountants. 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 financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Hong Kong
Certified Public Accountants
Hong Kong

29 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Operating revenue	8	61,890,285	70,194,327
Operating costs			
Fuel for power and heat generation		(21,901,632)	(27,437,948)
Fuel for coal sales		(372,034)	(1,734,683)
Depreciation		(11,354,266)	(11,451,071)
Repairs and maintenance		(1,620,914)	(2,325,049)
Salaries and staff welfare		(3,457,161)	(3,256,951)
Local government surcharges		(694,732)	(683,340)
Others		(9,174,250)	(10,256,083)
Total operating costs		(48,574,989)	(57,145,125)
Operating profit		13,315,296	13,049,202
Shares of profits of associates		515,041	606,547
Shares of profits of joint ventures		389,595	112,703
Investment income		160,865	220,069
Other gains	9	100,619	8,391
Impairment losses on available-for-sale financial assets		(38,672)	(208,992)
Interest income		76,585	88,881
Finance costs	11	(7,974,858)	(8,704,485)
Profit before tax		6,544,471	5,172,316
Income tax expense	12	(3,284,099)	(3,283,822)
Profit for the year	13	3,260,372	1,888,494

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Reclassification adjustments for amounts transferred to profit or loss upon disposals of available-for-sale financial assets		(52,901)	–
Reclassification adjustments for amounts transferred to profit or loss arising from impairment of available-for-sale financial assets		38,672	184,914
Fair value loss on available-for-sale financial assets		(37,653)	(72,429)
Shares of other comprehensive income of associates		19,760	34,004
Exchange differences on translating foreign operations		9,679	4,281
Income tax on items that may be reclassified to profit or loss		12,970	(29,813)
Other comprehensive income for the year, net of tax		(9,473)	120,957
Total comprehensive income for the year		3,250,899	2,009,451
Profit for the year attributable to:			
Owners of the Company		2,787,739	1,767,417
Non-controlling interests		472,633	121,077
		3,260,372	1,888,494
Total comprehensive income for the year attributable to:			
Owners of the Company		2,778,266	1,888,374
Non-controlling interests		472,633	121,077
		3,250,899	2,009,451
		<i>RMB</i>	<i>RMB</i>
Earnings per share			
Basic and diluted	17	0.21	0.13

Consolidated Statement of Financial Position

At 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	18	256,735,094	252,791,177
Investment properties	19	577,627	590,580
Intangible assets	20	4,378,081	4,372,138
Development costs		11	31
Investments in associates	21	7,981,871	7,596,175
Investments in joint ventures	22	5,575,810	5,653,654
Available-for-sale financial assets	23	4,978,596	5,022,210
Deferred housing benefits	24	3,360	24,289
Long-term entrusted loans to associates	25	121,778	100,183
Deferred tax assets	38	1,182,573	1,386,234
Other non-current assets	26	1,074,792	1,413,593
Total non-current assets		282,609,593	278,950,264
Current assets			
Inventories	27	3,857,781	3,744,420
Accounts and notes receivables	28	7,859,689	10,004,824
Prepayments and other receivables	29	8,517,913	8,329,124
Short-term entrusted loans to related parties	30	–	813,170
Tax recoverable		13,212	12,149
Current portion of long-term entrusted loans to associates	25	–	335,706
Current portion of other non-current assets	26	63,360	50,278
Cash and cash equivalents and restricted deposits	31	5,573,891	5,288,498
Total current assets		25,885,846	28,578,169
TOTAL ASSETS		308,495,439	307,528,433

Consolidated Statement of Financial Position

At 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the Company			
Share capital	32	13,310,038	13,310,038
Reserves	34	29,320,653	27,925,977
Retained earnings			
Proposed dividends	16	2,262,706	1,730,305
Others		404,086	1,198,561
		45,297,483	44,164,881
Non-controlling interests		18,286,856	19,293,312
Total equity		63,584,339	63,458,193
Non-current liabilities			
Long-term loans	35	130,061,212	137,691,639
Long-term bonds	36	15,410,018	15,394,158
Deferred income	37	3,194,264	2,436,534
Deferred tax liabilities	38	606,985	644,226
Provisions	39	372,138	42,191
Other non-current liabilities	40	19,485,144	11,380,386
Total non-current liabilities		169,129,761	167,589,134
Current liabilities			
Accounts payables and accrued liabilities	41	27,603,263	28,627,496
Taxes payables		1,264,011	1,709,059
Dividends payables		316,706	100,595
Short-term loans	42	14,785,757	13,753,134
Short-term bonds	43	15,143,743	11,000,000
Current portion of non-current liabilities	35,36,40	16,667,859	21,290,822
Total current liabilities		75,781,339	76,481,106
Total liabilities		244,911,100	244,070,240
TOTAL EQUITY AND LIABILITIES		308,495,439	307,528,433
NET CURRENT LIABILITIES		(49,895,493)	(47,902,937)

Approved by the Board of Directors on 29 March 2016 and are signed on its behalf by:

Wu Jing

Ying Xuejun

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2015

	Attributable to owners of the Company											Total equity RMB'000
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Restricted reserve	Foreign currency translation reserve	Available-for-sale financial assets revaluation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2014	13,310,038	9,910,838	4,186,401	10,842,720	88,471	39,334	(29,070)	720,588	4,695,264	43,764,584	20,065,272	63,829,856
Total comprehensive income for the year	-	-	-	-	-	4,281	116,676	-	1,767,417	1,888,374	121,077	2,009,451
Capital injections from non-controlling interests	-	-	-	-	-	-	-	110,024	-	110,024	1,575,943	1,685,967
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(663)	-	(663)	(1,010)	(1,673)
Others	-	-	-	-	-	-	-	(233)	-	(233)	510	277
Transfer from restricted reserve	-	-	-	-	(2,872)	-	-	-	2,872	-	-	-
Transfer to surplus reserves	-	-	349,350	1,590,132	-	-	-	-	(1,939,482)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(1,597,205)	(1,597,205)	(2,468,480)	(4,065,685)
Changes in equity for the year	-	-	349,350	1,590,132	(2,872)	4,281	116,676	109,128	(1,766,398)	400,297	(771,960)	(371,663)
At 31 December 2014	13,310,038	9,910,838	4,535,751	12,432,852	85,599	43,615	87,606	829,716	2,928,866	44,164,881	19,293,312	63,458,193
At 1 January 2015	13,310,038	9,910,838	4,535,751	12,432,852	85,599	43,615	87,606	829,716	2,928,866	44,164,881	19,293,312	63,458,193
Total comprehensive income for the year	-	-	-	-	-	9,679	(19,152)	-	2,787,739	2,778,266	472,633	3,250,899
Capital injections from non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,151,064	1,151,064
Capital withdrawal from non-controlling interests	-	-	-	-	-	-	-	77,396	-	77,396	(146,796)	(69,400)
Disposals of subsidiaries	-	-	-	-	-	-	-	-	-	-	(167,679)	(167,679)
Others	-	-	-	-	-	-	-	7,245	-	7,245	(20,913)	(13,668)
Transfer to restricted reserve	-	-	-	-	4,011	-	-	-	(4,011)	-	-	-
Transfer to surplus reserves	-	-	457,146	858,351	-	-	-	-	(1,315,497)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(1,730,305)	(1,730,305)	(2,294,765)	(4,025,070)
Changes in equity for the year	-	-	457,146	858,351	4,011	9,679	(19,152)	84,641	(262,074)	1,132,602	(1,006,456)	126,146
At 31 December 2015	13,310,038	9,910,838	4,992,897	13,291,203	89,610	53,294	68,454	914,357	2,666,792	45,297,483	18,286,856	63,584,339

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	44(a)	28,178,087	28,996,250
Interest received		76,585	88,881
Income tax paid		(3,205,099)	(2,837,918)
Net cash generated from operating activities		25,049,573	26,247,213
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(18,173,743)	(20,242,150)
Additions to intangible assets		(12,864)	(119,263)
Acquisition of a subsidiary		–	(41,221)
Investments in joint ventures		(78,910)	(278,900)
Investments in associates		(109,890)	(338,736)
Investments in available-for-sale financial assets		(180,045)	(850,000)
Additional entrusted loans made		(19,810)	(1,036,600)
Proceeds from disposals of property, plant and equipment		2,067,875	1,432
Disposals of subsidiaries	44(b)	(26,608)	–
Proceeds from disposals of associates		–	107,876
Proceeds from disposals of available-for-sale financial assets		228,014	–
Repayments of entrusted loans		1,196,600	925,200
Dividends received		767,956	359,199
Interest received from entrusted loans to related parties		31,942	75,575
Others		106,990	413,215
Net cash used in investing activities		(14,202,493)	(21,024,373)

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital injections from non-controlling interests		1,151,064	1,685,967
Capital withdrawal from non-controlling interests	44(c)	(69,400)	–
Drawdown of short-term loans		39,303,824	27,862,380
Drawdown of long-term loans		17,461,050	14,629,182
Issuance of short-term bonds		18,200,000	21,000,000
Issuance of long-term bonds, net of issuance costs		–	6,476,000
Proceeds from sale and finance leaseback transactions		12,165,520	2,367,947
Repayment of short-term loans		(37,822,435)	(32,348,480)
Repayment of long-term loans		(23,126,269)	(14,125,389)
Repayment of short-term bonds		(14,300,000)	(15,000,000)
Repayment of long-term bonds		(5,500,000)	(3,000,000)
Repayment of finance lease payables		(3,707,878)	(2,128,355)
Interest paid		(10,612,451)	(11,406,653)
Dividends paid to owners of the Company		(1,730,305)	(1,597,205)
Dividends paid to non-controlling interests		(2,078,654)	(2,515,158)
Others		3,348	(324)
Net generated used in financing activities		(10,662,586)	(8,100,088)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Effect of foreign exchange rate changes		1,548	9,679
CASH AND CASH EQUIVALENTS AT 1 JANUARY		5,013,275	7,880,844
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	31	5,199,317	5,013,275

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

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. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”). IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

At 31 December 2015, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2015, the Group had net current liabilities of approximately RMB49.90 billion. The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB262.54 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 consolidated financial statements on a going concern basis.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

(a) Application of new and revised IFRSs

In the current year, the Group has adopted all the new and revised IFRSs issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2015:

Amendment to IAS 40 (Annual Improvements to IFRSs 2011–2013 Cycle)

The amendment clarifies the application of IFRS 3 and IAS 40 in respect of acquisitions of investment property. IAS 40 assists preparers to distinguish between investment property and owner-occupied property, then IFRS 3 helps them to determine whether the acquisition of an investment property is a business combination. The amendment had no effect on the Group's consolidated financial statements.

Amendment to IFRS 8 (Annual Improvements to IFRSs 2010–2012 Cycle)

The amendment requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, and clarifies that reconciliations of the total of the reportable segments' assets to the entity's assets are required only if the segment assets are reported regularly. These clarifications had no effect on the Group's consolidated financial statements.

(b) New and revised IFRSs in issue but not yet effective

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2015. The directors anticipate that the new and revised IFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position. List of new and revised IFRSs in issue but not yet effective that are relevant to the Group's operations is as follows:

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

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

(b) New and revised IFRSs in issue but not yet effective (Continued)

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers ¹
IFRS 16	Leases ²
Amendments to IAS 1	Disclosure Initiative ³
Amendments to IAS 7	Disclosure Initiative ⁴
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to IAS 27	Equity Method in Separate Financial Statements ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle ³

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

³ Effective for first annual IFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

⁴ Effective prospectively for annual periods beginning on or after 1 January 2017, with earlier application permitted.

⁵ Effective for annual periods beginning on or after a date to be determined. Early adoption is permitted.

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(d) Amendments to the Rules Governing the Listing of Securities on the Stock Exchange

The Stock Exchange in April 2015 released revised Appendix 16 of the Rules Governing the Listing of Securities in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31 December 2015. The amendments results in changes to the presentation and disclosures of certain information in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain available-for-sale financial assets that are measured at fair value).

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5 to consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated 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 and any accumulated foreign currency translation reserve relating to that subsidiary.

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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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.

(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 2015 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any 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 sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

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 sum of the consideration transferred in a business combination to calculate the goodwill.

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.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. 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 investment 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 and other comprehensive income is recognised in consolidated profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), 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 Group's entire carrying amount of that associate (including goodwill) 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 2015

4. 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. The Group has assessed the type of each of its joint arrangement and determined them to all be joint ventures.

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 the investment 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 and other comprehensive income is recognised in consolidated profit or loss and other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Joint arrangements (Continued)

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 Group's entire carrying amount of that joint venture (including goodwill) 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.

(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 value 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Foreign currency translation (Continued)

(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 monetary items that form part 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 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 sufficient 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 equipment 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 consolidated 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Leases (Continued)

The Group as lessee (Continued)

(ii) Finance leases (Continued)

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 2015

4. 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 – 40 years
Technology know-how	23 years
Computer software	2 – 9 years
Others	10 years

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average basis. 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 consolidated 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an financial asset is under a contract whose terms require delivery of the financial assets 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.

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically accounts and notes receivables, other receivables and cash and cash equivalents are classified in this category.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income and accumulated in the investment revaluation reserve, 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 from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Accounts and notes receivables and other receivables

Accounts and notes receivables and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

If collection of accounts and notes receivables and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

(o) Cash and cash equivalents

For the purpose of the consolidated 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 recognised 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.

(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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 of items of income or expense that are taxable or deductible in other years and 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 consolidated 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 interests in joint arrangements, 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.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset / CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset / CGU whose impairment is being measured.

Impairment losses for the CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(ab) Impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For available-for-sale financial assets, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for accounts and notes receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Impairment of financial assets (Continued)

Only for accounts and notes receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for accounts and notes and other receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

(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 consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. 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 consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These consolidated 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 2 to the consolidated financial statements.

(b) Joint control assessment

The Group holds 40% or above of the voting rights of its joint arrangements. The directors have determined that the Group has joint control over these arrangements as under the contractual agreements, it appears that unanimous consent is required from all parties to the agreements for the all relevant activities of Hebei Yuzhou Energy Multiple Development Company Limited ("Yuzhou Energy Multiple Company"), Kailuan (Group) Yuzhou Mining Company Limited ("Yuzhou Mining Company"), Inner Mongolia Huineng Datang Changtan Coal Mining Company Limited ("Changtan Mining Company") and Fujian Ningde Nuclear Power Company Limited ("Ningde Nuclear Power Company").

(c) Joint arrangements of limited companies

The Group's joint arrangements of Yuzhou Energy Multiple Company, Yuzhou Mining Company, Changtan Mining Company and Ningde Nuclear Power Company are structured as limited companies and provide the Group and the parties to the agreements with rights to the net assets of the limited companies under the arrangements. Therefore, the directors have determined that Yuzhou Energy Multiple Company, Yuzhou Mining Company, Changtan Mining Company and Ningde Nuclear Power Company are classified as joint ventures of the Group.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

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) Property, plant and equipment and depreciation

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.

The carrying amount of property, plant and equipment as at 31 December 2015 was RMB256,735,094 thousand (2014: RMB252,791,177 thousand).

(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 4 (aa) to the consolidated 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.

During the year, impairment loss of RMB1,332,132 thousand (2014: RMB2,203,912 thousand) was recognised. Details of the impairment loss calculation are provided in note 18 to the consolidated financial statements.

5. 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.

The carrying amount of goodwill at the end of the reporting period was RMB899,886 thousand (2014: RMB899,886 thousand) and no impairment loss was recognised during the year. Details of the impairment of goodwill assessment calculation are provided in note 20 to the consolidated financial statements.

(e) Impairment of available-for-sale financial assets

The Group determines whether available-for-sale financial assets 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 a financial asset 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.

During the year, impairment loss of RMB38,672 thousand (2014: RMB208,992 thousand) was recognised.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(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.

As at 31 December 2015, impairment losses on intangible assets other than goodwill amounted to nil (2014: RMB42,457 thousand).

(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.

As at 31 December 2015, the carrying amount of deferred tax assets was RMB1,182,573 thousand (2014: RMB1,386,234 thousand).

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(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 judgement 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.

As at 31 December 2015, allowance for inventories amounted to RMB728,187 thousand (2014: RMB386,376 thousand).

(i) Allowance for accounts and other receivables

The Group makes allowance for accounts and other receivables based on assessments of the recoverability of the accounts and other receivables, including the current creditworthiness and the past collection history of each debtor. Allowance for accounts and other receivables arises where events or changes in circumstances indicate that the balances may not be collectible. The identification of allowance for accounts and other receivables, in particular of a loss event, requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the accounts and other receivables and allowance for accounts and other receivables in the year in which such estimate has been changed.

As at 31 December 2015, allowance for accounts and other receivables amounted to RMB2,033,217 thousand (2014: RMB812,852 thousand).

(j) 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.

During the year, income tax of RMB3,284,099 thousand (2014: RMB3,283,822 thousand) was charged to profit or loss based on the estimated profit.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

6. 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

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities.

(b) Price risk

The Group's certain available-for-sale financial assets amounted to RMB169,029 thousand (2014: RMB392,688 thousand) as disclosed in note 23 to the consolidated 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 2015 and 2014. The Group closely monitors the pricing trends in the open market in determining their long-term strategic stakeholding decisions.

(c) Credit risk

The Group's credit risk is primarily attributable to its bank deposits, accounts receivables, other receivables, short-term entrusted loans and long-term entrusted loans.

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.

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

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 consolidated 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 consolidated financial statements. The Group does not hold any collateral as security for all the receivables.

At 31 December 2015, accounts and notes receivables due from the top five debtors amounted to RMB3,310,200 thousand (2014: RMB4,557,537 thousand), representing 42.12% (2014: 45.55%) 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.

(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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

The maturity analysis based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2015					
Long-term loans	19,896,751	21,514,500	69,762,832	102,842,117	214,016,200
Long-term bonds	792,500	792,500	8,545,500	10,216,500	20,347,000
Finance lease payables	3,622,653	3,576,604	14,870,162	3,017,099	25,086,518
Other non-current liabilities, excluding finance lease payables	291,557	291,006	859,020	1,420,033	2,861,616
Accounts payables and accrued liabilities	27,603,263	–	–	–	27,603,263
Short-term loans	15,408,852	–	–	–	15,408,852
Short-term bonds	15,143,743	–	–	–	15,143,743
At 31 December 2014					
Long-term loans	22,300,878	24,536,582	82,156,062	103,444,173	232,437,695
Long-term bonds	6,572,500	792,500	8,877,500	10,677,000	26,919,500
Finance lease payables	2,964,436	2,641,468	5,769,914	2,690,235	14,066,053
Other non-current liabilities, excluding finance lease payables	61,647	291,006	866,020	1,704,039	2,922,712
Accounts payables and accrued liabilities	28,627,496	–	–	–	28,627,496
Short-term loans	14,535,299	–	–	–	14,535,299
Short-term bonds	11,000,000	–	–	–	11,000,000

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

6. 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 2015 and 2014.

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 2015, if interest rates on RMB and USD denominated loans had been 50 basis points (2014: 50 basis points) lower respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB486,883 thousand (2014: RMB521,513 thousand) and RMB2,785 thousand (2014: RMB2,060 thousand) higher, respectively, arising mainly as a result of lower interest expense on the loans. If interest rates on RMB and USD denominated loans had been 50 basis points (2014: 50 basis points) higher respectively with all other variables held constant, consolidated profit after tax for the year would have been RMB486,883 thousand (2014: RMB521,513 thousand) and RMB2,785 thousand (2014: RMB2,060 thousand) lower, respectively, arising mainly as a result of higher interest expense on the loans.

(f) Categories of financial instruments at 31 December 2015

	2015 RMB'000	2014 RMB'000
Financial assets:		
Loans and receivables (including cash and cash equivalents)	16,651,356	18,889,336
Available-for-sale financial assets	4,978,596	5,022,210
Financial liabilities:		
Financial liabilities at amortised cost	239,473,702	239,238,230

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

6. FINANCIAL RISK MANAGEMENT (Continued)

(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.

7. 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 2015:

Description	Fair value measurements using Level 1:	
	2015 RMB'000	2014 RMB'000
Recurring fair value measurements:		
Available-for-sale financial assets		
Listed securities in Hong Kong	169,029	194,864
Listed securities outside Hong Kong	–	197,824
Total	169,029	392,688

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

8. OPERATING REVENUE

An analysis of the Group's operating revenue for the year is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Sales of electricity	55,556,321	62,589,174
Heat supply	1,434,570	1,306,685
Sales of coal	267,649	1,757,130
Sales of chemical products	1,839,983	1,916,735
Others	2,791,762	2,624,603
	61,890,285	70,194,327

9. OTHER GAINS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Gain on disposal of a subsidiary	452	–
Gain on disposals of associates	–	8,391
Gain on disposals of available-for-sale financial assets	100,167	–
	100,619	8,391

10. 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 coal ash and aluminium smelting products, etc., and are included in "other segments".

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

10. SEGMENT INFORMATION (Continued)

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 4 to the consolidated financial statements. Segment profits or losses do not include dividend income from available-for-sale financial assets, gain or loss on disposals of available-for-sale financial assets and income tax expense. Segment assets do not include available-for-sale financial assets and deferred tax assets. Segment liabilities do not include current 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.

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

	Power generation segment <i>RMB'000</i>	Coal segment <i>RMB'000</i>	Chemical segment <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2015					
Revenue from external customers	57,616,609	276,277	1,852,071	2,145,328	61,890,285
Intersegment revenue	109,953	13,480,800	18,183	1,042,373	14,651,309
Segment profit/(loss)	13,147,168	(1,523,440)	(4,305,017)	(826,331)	6,492,380
Depreciation and amortisation	9,658,705	306,417	1,304,715	310,460	11,580,297
Net (losses)/gains on disposals of property, plant and equipment	(629)	3	–	–	(626)
Gain on disposals of intangible assets	369	–	–	–	369
Gain on disposals of construction in progress	20,530	–	–	–	20,530
Gain on disposals of long-term investments	452	–	–	–	452
Impairment losses on assets	165,020	1,283,918	1,294,826	189,235	2,932,999
Interest income	54,366	11,383	4,121	6,715	76,585
Interest expense	6,420,383	304,268	988,492	70,292	7,783,435
Shares of profits of associates	161,403	42,181	–	333,079	536,663
Shares of profits/(losses) of joint ventures	593,000	(188,697)	–	–	404,303
Income tax expense	3,022,690	274,331	3,266	23,357	3,323,644

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

10. SEGMENT INFORMATION (Continued)

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

	Power generation segment <i>RMB'000</i>	Coal segment <i>RMB'000</i>	Chemical segment <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2014					
Revenue from external customers	64,406,294	1,768,329	1,931,929	2,087,775	70,194,327
Intersegment revenue	132,517	20,094,671	20,722	1,057,463	21,305,373
Segment profit/(loss)	12,421,849	(1,515,930)	(5,164,994)	(515,873)	5,225,052
Depreciation and amortisation	9,616,816	257,715	1,345,770	413,046	11,633,347
Net gains on disposals of property, plant and equipment	935	–	111	3,301	4,347
Gain on disposals of long-term investments	7,633	–	–	758	8,391
Impairment losses/(reversal of impairment losses) on assets	11,270	1,468,344	1,765,567	(8,436)	3,236,745
Interest income	69,075	7,941	4,598	7,267	88,881
Interest expense	7,044,672	325,830	987,671	159,126	8,517,299
Shares of profits of associates	105,825	260,408	–	235,113	601,346
Shares of profits/(losses) of joint ventures	332,877	(195,199)	–	–	137,678
Income tax expense/(credit)	3,027,292	(6,077)	265,993	36,778	3,323,986

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

10. SEGMENT INFORMATION (Continued)

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

	Power generation segment <i>RMB'000</i>	Coal segment <i>RMB'000</i>	Chemical segment <i>RMB'000</i>	Other segments <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2015					
Segment assets	211,867,418	25,571,602	68,655,276	10,951,061	317,045,357
Including:					
Investments in associates	1,085,341	2,067,004	1,404	4,632,010	7,785,759
Investments in joint ventures	4,678,202	762,850	–	–	5,441,052
Additions to non-current assets (other than financial assets and deferred tax assets)	24,500,275	413,971	11,071,737	34,558	36,020,541
Segment liabilities	163,234,461	22,331,414	65,314,457	7,954,757	258,835,089
At 31 December 2014					
Segment assets	212,922,389	28,508,324	66,532,848	14,896,155	322,859,716
Including:					
Investments in associates	828,678	1,984,833	1,405	4,492,778	7,307,694
Investments in joint ventures	4,631,552	883,855	–	–	5,515,407
Additions to non-current assets (other than financial assets and deferred tax assets)	19,675,722	1,385,975	1,619,081	321,686	23,002,464
Segment liabilities	172,011,658	23,125,739	58,552,330	9,254,917	262,944,644

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

10. SEGMENT INFORMATION (Continued)

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Revenue		
Total revenue of reportable segments	76,541,594	91,499,700
Elimination of intersegment revenue	(14,651,309)	(21,305,373)
Consolidated revenue	61,890,285	70,194,327
Profit or loss		
Total profit or loss of reportable segments	6,492,380	5,225,052
Dividend income from available-for-sale financial assets	129,507	143,363
Gain on disposals of available-for-sale financial assets	100,167	–
Elimination of intersegment profits	(153,947)	(156,742)
IFRS adjustment on reversal of general provision on mining funds	(2,707)	(14,619)
Other IFRS adjustments	(20,929)	(24,738)
Consolidated profit before tax	6,544,471	5,172,316

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

10. SEGMENT INFORMATION (Continued)

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Assets		
Total assets of reportable segments	317,045,357	322,859,716
Available-for-sale financial assets	4,970,330	5,013,944
Deferred tax assets	1,150,903	1,355,564
Elimination of intersegment assets	(19,798,242)	(26,797,857)
Reclassification of non-income taxes recoverable	4,865,531	4,719,616
IFRS adjustment on reversal of general provision on mining funds	332,996	428,957
Other IFRS adjustments	(71,436)	(51,507)
Consolidated total assets	308,495,439	307,528,433
Liabilities		
Total liabilities of reportable segments	(258,835,089)	(262,944,644)
Current tax liabilities	(721,074)	(804,573)
Deferred tax liabilities	(579,632)	(617,218)
Elimination of intersegment liabilities	20,117,579	25,042,819
Reclassification of non-income taxes recoverable	(4,865,531)	(4,719,616)
Other IFRS adjustments	(27,353)	(27,008)
Consolidated total liabilities	(244,911,100)	(244,070,240)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

10. 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 <i>RMB'000</i>	Elimination of intersegment <i>RMB'000</i>	IFRS adjustment on reversal of general provision on mining funds <i>RMB'000</i>	Other IFRS adjustments <i>RMB'000</i>	Total per consolidated statement of financial position / statement of profit or loss and other comprehensive income <i>RMB'000</i>
Year ended 31 December 2015					
Shares of profits of associates	536,663	–	(21,622)	–	515,041
Shares of profits of joint ventures	404,303	–	(14,708)	–	389,595
Income tax expense	3,323,644	(38,890)	2,961	(3,616)	3,284,099
Year ended 31 December 2014					
Shares of profits of associates	601,346	–	5,201	–	606,547
Shares of profits of joint ventures	137,678	–	(24,975)	–	112,703
Income tax expense	3,323,986	(38,379)	1,289	(3,074)	3,283,822
At 31 December 2015					
Investments in associates	7,785,759	–	196,112	–	7,981,871
Investments in joint ventures	5,441,052	–	134,758	–	5,575,810
At 31 December 2014					
Investments in associates	7,307,694	–	288,481	–	7,596,175
Investments in joint ventures	5,515,407	–	138,247	–	5,653,654

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

10. SEGMENT INFORMATION (Continued)

Geographical information (under IFRS):

During the years ended 31 December 2015 and 2014, all revenues from external customers are generated domestically. At 31 December 2015, non-current assets (excluding financial assets and deferred tax assets) amounted to RMB276,148,568 thousand (2014: RMB272,171,434 thousand) and RMB4,221 thousand (2014: RMB46,077 thousand) are located in the PRC and foreign countries, respectively.

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

Revenue from major customers:

	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Power generation segment		
North China Branch of State Grid Corporation of China	15,377,161	19,512,315
State Grid Zhejiang Electric Power Company	5,676,155	6,045,793
State Grid Jibei Electric Power Company	5,411,558	4,757,402
Guangdong Power Grid Corporation	4,941,097	5,990,343
State Grid Beijing Electric Power Corporation	3,874,988	1,869,510

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

11. FINANCE COSTS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Interest expense on:		
Short-term loans	631,340	983,679
Long-term loans	8,601,393	9,235,105
Short-term bonds	628,451	452,783
Long-term bonds	602,524	883,914
Finance leases	770,711	698,129
Discounted notes receivables	12,763	30,317
Others	33,731	4,515
Total borrowing costs	11,280,913	12,288,442
Amount capitalised	(3,497,478)	(3,771,143)
Exchange gain, net	7,783,435	8,517,299
Others	18,048	3,927
	173,375	183,259
	7,974,858	8,704,485

Borrowing costs on funds borrowed generally are capitalised at a rate of 5.36% (2014: 6.14%) per annum.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

12. INCOME TAX EXPENSE

	2015 RMB'000	2014 RMB'000
Current tax – PRC Enterprise Income Tax		
Provision for the year	3,068,577	2,930,818
Under-provision in prior years	7,672	79,514
	3,076,249	3,010,332
Deferred tax	207,850	273,490
	3,284,099	3,283,822

The Company and its subsidiaries, other than as stated below, are generally subject to PRC Enterprise Income Tax statutory rate of 25% (2014: 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) Pursuant to documents Cai Shui [2008]46 "Implementation of Catalogue of Preferential Enterprise Income Tax Treatment for Public Infrastructure Projects" and [2008]116 "Catalogue of Preferential Enterprise Income Tax Treatment for Public Infrastructure Projects" issued by the MOF and the State Administration of Taxation of the PRC, 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 and solar 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 2020.
- (iii) Pursuant to document Cai Shui [2011]58 "Circular on the Issues Concerning Related Tax Policies for the In-depth Implementation of 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

12. 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:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Profit before tax	6,544,471	5,172,316
Tax at the PRC Enterprise Income Tax rate of 25% (2014: 25%)	1,636,118	1,293,079
Tax effect of income that is not taxable	(288,827)	(222,642)
Tax effect of expenses that are not deductible	171,416	823,462
Tax effect of utilisation of tax losses not previously recognised	(50,928)	(34,616)
Tax effect of temporary differences not recognised	2,092,808	1,376,248
Reversal of tax losses previously recognised	–	456,942
Under-provision in prior years	7,672	79,514
Tax effect of tax concession	(277,242)	(226,358)
Others	(6,918)	(261,807)
Income tax expense	3,284,099	3,283,822

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

13. PROFIT FOR THE YEAR

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Auditors' remuneration	15,770	15,420
Acquisition-related costs (included in operating costs)	–	28
Allowance for accounts receivables	341,427	338,020
Allowance for inventories (included in operating costs)	347,385	15,153
Allowance for other receivables	907,770	437,366
Amortisation of deferred income	(1,068,443)	(101,727)
Amortisation of intangible assets (included in operating costs)	51,333	57,302
Cost of major inventories sold and consumed		
– Fuel	22,273,666	29,172,631
– Spare parts and consumable supplies	422,923	575,748
Rental income generated from investment properties	(30,435)	(22,078)
Dividend income from equity investments	(129,507)	(143,363)
Net gains on disposals of property, plant and equipment	(20,273)	(4,347)
Impairment losses on available-for-sale financial assets	38,672	208,992
Impairment losses on intangible assets other than goodwill (included in operating costs)	–	42,457
Impairment losses on property, plant and equipment (included in operating costs)	1,332,132	2,203,912
Reversal of allowance for inventories	(5,555)	–
Reversal of allowance for other receivables	(28,832)	(9,155)
Staff costs excluding directors' and supervisors' emoluments		
– Salaries and welfares	2,257,684	2,214,403
– Retirement benefits	485,755	460,634
– Housing benefits	236,775	231,192
– Other costs	476,947	350,722

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

14. BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS

(a) The remuneration of every director and supervisor is set out below:

		Emoluments paid or receivable in respect of a person's service as a director and supervisor whether of the Company or its subsidiary undertaking						Total RMB'000
		Salaries, allowance and bonus				Retirement benefits RMB'000	Other benefits RMB'000	
		Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000			
Name of director								
	Chen Jinhang	-	-	-	-	-	-	-
	Hu Shengmu	-	-	-	-	-	-	-
	Wu Jing	-	347	452	799	60	98	957
	Liang Yongpan	-	-	-	-	-	-	-
	Ying Xuejun (i)	-	277	132	409	44	98	551
	Zhou Gang (ii)	-	126	-	126	37	98	261
	Liu Haixia	-	-	-	-	-	-	-
	Guan Tiangang	-	-	-	-	-	-	-
	Cao Xin	-	-	-	-	-	-	-
	Cai Shuwen	-	-	-	-	-	-	-
	Yang Wenchun (iii)	-	-	-	-	-	-	-
	Zhao Jie (iv)	97	-	-	-	-	-	97
	Jiang Guohua	137	-	-	-	-	-	137
	Dong Heyi (iv)	-	-	-	-	-	-	-
	Ye Yansheng (iv)	97	-	-	-	-	-	97
	Feng Genfu	137	-	-	-	-	-	137
	Luo Zhongwei (v)	-	-	-	-	-	-	-
	Liu Huangsong (v)	-	-	-	-	-	-	-
	Jiang Fuxiu (v)	-	-	-	-	-	-	-
	Zhu Shaowen (vi)	-	-	-	-	-	-	-
		468	750	584	1,334	141	294	2,237
Name of supervisor								
	Zhang Xiaoxu	-	-	-	-	-	-	-
	Li Baoqing (vii)	-	-	-	-	-	-	-
	Liu Chuandong (viii)	-	-	-	-	-	-	-
	Yu Meiping	-	288	387	675	47	98	820
	Guo Hong	-	156	420	576	20	98	694
		-	444	807	1,251	67	196	1,514
	Total for 2015	468	1,194	1,391	2,585	208	490	3,751

Notes:

- (i) Appointed on 29 October 2015
- (ii) Ceased on 23 September 2015
- (iii) Ceased on 26 February 2016
- (iv) Ceased on 14 August 2015
- (v) Appointed on 14 August 2015
- (vi) Appointed on 26 February 2016
- (vii) Ceased on 25 June 2015
- (viii) Appointed on 25 June 2015

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

14. BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (Continued)

(a) The remuneration of every director and supervisor is set out below: (Continued)

		Emoluments paid or receivable in respect of a person's service as a director and supervisor whether of the Company or its subsidiary undertaking						Total RMB'000
		Salaries, allowance and bonus				Retirement benefits RMB'000	Other benefits RMB'000	
		Fees RMB'000	Basic salaries and allowances RMB'000	Bonus RMB'000	Subtotal RMB'000			
Name of director								
		-	-	-	-	-	-	-
	(i)	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	(ii)	-	347	-	347	58	105	510
	(iii)	-	-	-	-	-	-	-
		-	194	262	456	44	105	605
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	(iv)	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	(v)	-	-	-	-	-	-	-
	(vi)	-	-	-	-	-	-	-
	(iv)	137	-	-	-	-	-	137
		137	-	-	-	-	-	137
		137	-	-	-	-	-	137
		137	-	-	-	-	-	137
	(v)	-	-	-	-	-	-	-
		685	541	262	803	102	210	1,800
Name of supervisor								
		-	-	-	-	-	-	-
	(vii)	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	294	190	484	45	105	634
	(viii)	-	133	202	335	14	86	435
		-	427	392	819	59	191	1,069
	Total for 2014	685	968	654	1,622	161	401	2,869

Notes:

- (i) Ceased on 24 January 2014
- (ii) Appointed on 24 January 2014
- (iii) Ceased on 30 October 2014
- (iv) Ceased on 27 August 2014
- (v) Appointed on 27 August 2014
- (vi) Appointed on 30 October 2014
- (vii) Ceased on 3 April 2014
- (viii) Appointed on 3 April 2014

Neither any of the directors nor the supervisors waived any remunerations during the year (2014: nil).

14. BENEFITS AND INTEREST OF DIRECTORS AND SUPERVISORS (Continued)

(b) Directors' and supervisors' termination and other benefits

During the year, no remunerations were paid by the Group to any of the directors or the supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.

(c) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

15. EMPLOYEE BENEFITS

(a) Retirement benefits

The Group is required to make specific contributions to the state-sponsored retirement plan at a rate of 20% (2014: 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 2015 pursuant to these arrangements amounted to RMB724,093 thousand (2014: RMB666,479 thousand).

(b) Housing benefits

Apart from the housing benefits and monetary subsidies as stated in note 24 to the consolidated 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% (2014: 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 2015, the Group provided RMB318,220 thousand (2014: RMB296,384 thousand) to the fund.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

15. EMPLOYEE BENEFITS (Continued)

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included one (2014: no) director and two (2014: no) supervisor(s) whose emoluments are reflected in the analysis presented in note 14(a) to the consolidated financial statements. The emoluments of the remaining two (2014: five) individuals are set out below:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Basic salaries and allowances	643	1,476
Bonus	838	1,654
Retirement benefits	95	249
Other benefits	196	525
	1,772	3,904

The emoluments fell within the following bands:

	Number of individuals	
	2015	2014
Nil to RMB837,780 (2014: RMB788,870) (equivalent to HKD1,000,000)	3	2
RMB837,781 to RMB1,256,670 (2014: RMB788,871 to RMB1,183,305) (equivalent to HKD1,000,001 to HKD1,500,000)	2	3
	5	5

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

16. DIVIDENDS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Proposed final of RMB0.17 (2014: RMB0.13) per share	2,262,706	1,730,305

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.

17. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB2,787,739 thousand (2014: RMB1,767,417 thousand) and the weighted average number of ordinary shares of 13,310,038 thousand (2014: 13,310,038 thousand) in issue during the year.

Diluted earnings per share

During the years ended 31 December 2015 and 2014, the Company did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share is equal to basic earnings per share.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

18. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Electricity	Coal chemical	Transportation	Others	Construction	Total
	use rights	and structures	utility plants	specialised assets	facilities		in progress	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost								
At 1 January 2014	2,997,694	68,861,920	125,569,985	19,047,307	3,461,776	5,569,263	85,756,715	311,264,660
Transfer in/(out)	-	7,240,277	10,630,924	960,731	58,074	3,839,368	(23,139,897)	(410,523)
Additions	608,469	1,007	2,052,736	-	33,484	35,820	22,461,610	25,193,126
Acquisition of a subsidiary	-	34,683	15,005	-	62	353	-	50,103
Disposals	-	(85,463)	(2,566,652)	-	(13,118)	(16,624)	-	(2,681,857)
At 31 December 2014 and 1 January 2015	3,606,163	76,052,424	135,701,998	20,008,038	3,540,278	9,428,180	85,078,428	333,415,509
Transfer in/(out)	-	15,552,135	13,570,056	17,046,664	265,101	346,207	(46,794,173)	(14,010)
Additions	164,671	44	13,765	21,347	25,082	30,844	35,079,062	35,334,815
Disposals of subsidiaries	(5,292)	(763,089)	(4,179,376)	-	(21,625)	(10,155)	(128,011)	(5,107,548)
Disposals	-	(1,105,772)	(10,394,804)	(7,665,675)	(524,787)	(71,278)	-	(19,762,316)
At 31 December 2015	3,765,542	89,735,742	134,711,639	29,410,374	3,284,049	9,723,798	73,235,306	343,866,450

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

	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
Accumulated depreciation and impairment losses								
At 1 January 2014	344,828	13,739,215	50,622,383	605,910	1,265,465	1,206,955	-	67,784,756
Transfer out	-	(17,832)	-	-	-	-	-	(17,832)
Charge for the year	77,994	2,455,386	7,420,812	790,510	265,923	540,746	-	11,551,371
Impairment losses	-	300,029	-	1,423,534	6,380	54,413	419,556	2,203,912
Disposals	-	(1,197)	(872,120)	-	(12,553)	(12,005)	-	(897,875)
At 31 December 2014 and 1 January 2015	422,822	16,475,601	57,171,075	2,819,954	1,525,215	1,790,109	419,556	80,624,332
Transfer out	-	(2,657)	-	-	-	-	-	(2,657)
Charge for the year	88,154	2,775,868	7,529,547	792,186	278,459	576,633	-	12,040,847
Impairment losses	-	-	31,752	-	-	-	1,300,380	1,332,132
Disposals of subsidiaries	(309)	(177,212)	(1,374,531)	-	(16,092)	(5,208)	-	(1,573,352)
Disposals	-	(287,519)	(3,438,803)	(1,169,488)	(326,028)	(68,108)	-	(5,289,946)
At 31 December 2015	510,667	18,784,081	59,919,040	2,442,652	1,461,554	2,293,426	1,719,936	87,131,356
Carrying amount								
At 31 December 2015	3,254,875	70,951,661	74,792,599	26,967,722	1,822,495	7,430,372	71,515,370	256,735,094
At 31 December 2014	3,183,341	59,576,823	78,530,923	17,188,084	2,015,063	7,638,071	84,658,872	252,791,177

During the year, depreciation expenses charged into operating costs and construction in progress amounted to RMB11,329,960 thousand (2014: RMB11,432,921 thousand) and RMB710,887 thousand (2014: RMB118,450 thousand), respectively.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2015 the carrying amount of property, plant and equipment pledged as security for the Group's long-term loans amounted to RMB3,814,509 thousand (2014: RMB3,872,135 thousand).

During the year, Gansu Datang International Liancheng Power Generation Company Limited made impairment loss of RMB31,752 thousand on its property, plant and equipment which are used in power generation segment. As these property, plant and equipment were unable to meet the emission standard of electrostatic precipitation outlet dust under the State's Twelfth-Five Year Plan, replacement for these property, plant and equipment is required. Their recoverable amount which has been determined on the basis of its value in use using discounted cash flow method was estimated at zero.

In addition, due to the extension of project construction period resulting in increase in total construction investment and lower-than-expected future natural gas selling price, Liaoning Datang International Fuxin Coal-based Gas Company Limited expected that the carrying amount of its property, plant and equipment exceeded the future cash flow stream to be generated from the plant being built. This indicated that there may be impairment of property, plant and equipment. It carried out review of the recoverable amount of these property, plant and equipment which are used in the Group's chemical segment. This led to the recognition of impairment loss of RMB1,300,380 thousand that has been recognised in profit or loss. The recoverable amount of the relevant assets which has been reduced to RMB14,799,635 thousand has been determined on the basis of its value in use using discounted cash flow method. The discount rate used was 10.52%.

During the year ended 31 December 2014, Inner Mongolia Datang International Xilinhaote Mining Company Limited, Datang Inner Mongolia Duolun Coal Chemical Company Limited and Datang Hulunbei'er Fertilizer Company Limited incurred continuing increasing losses as compared to the corresponding period last year and indication of impairment was shown in relation to their property, plant and equipment. The Group carried out reviews of the recoverable amount of these property, plant and equipment which are used in the Group's coal segment and chemical segment. The reviews led to the recognition of impairment losses of RMB2,203,912 thousand that had been recognised in profit or loss. The recoverable amount of the relevant assets which has been reduced to RMB12,411,061 thousand, RMB23,586,278 thousand and RMB2,515,557 thousand respectively had been determined on the basis of their value in use using discounted cash flow method. The discount rates used were 12.60%, 10.30% and 10.57% respectively.

At 31 December 2015 the carrying amount of buildings and structures, electricity utility plants, coal chemical specialised assets, transportation facilities and others held by the Group under finance leases amounted to RMB3,383,188 thousand (2014: RMB2,224,102 thousand), RMB8,020,901 thousand (2014: RMB4,964,316 thousand), RMB6,923,664 thousand (2014: nil), RMB1,274,320 thousand (2014: RMB1,183,569 thousand) and RMB442,367 thousand (2014: nil) respectively.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

19. INVESTMENT PROPERTIES

	<i>RMB'000</i>
Cost	
At 1 January 2014	517,766
Transfer in	155,049
Disposals	(13,586)
At 31 December 2014 and 1 January 2015	659,229
Transfer in	11,787
Transfer out	(492)
At 31 December 2015	670,524
Accumulated depreciation	
At 1 January 2014	50,499
Charge for the year	18,150
At 31 December 2014 and 1 January 2015	68,649
Charge for the year	24,306
Transfer out	(58)
At 31 December 2015	92,897
Carrying amount	
At 31 December 2015	577,627
At 31 December 2014	590,580

At 31 December 2015, the Group's total future minimum lease payments under non-cancellable operating leases of investment properties are receivable as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within one year	18,796	18,054
In the second to fifth years, inclusive	59,041	73,777
After five years	8,323	11,654
	86,160	103,485

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

20. 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 2014	899,886	2,710,177	37,763	694,249	145,243	14,844	4,502,162
Additions	-	100,000	-	5,126	35,193	347	140,666
Disposals	-	-	-	-	(85)	-	(85)
At 31 December 2014 and 1 January 2015	899,886	2,810,177	37,763	699,375	180,351	15,191	4,642,743
Additions	-	-	-	32,145	24,018	1,541	57,704
Disposal of a subsidiary	-	-	-	-	(6,042)	-	(6,042)
At 31 December 2015	899,886	2,810,177	37,763	731,520	198,327	16,732	4,694,405
Accumulated amortisation and impairment losses							
At 1 January 2014	-	30,678	30,220	31,691	61,402	14,596	168,587
Amortisation for the year	-	1,812	3,695	31,552	22,540	47	59,646
Impairment losses	-	-	-	42,457	-	-	42,457
Disposals	-	-	-	-	(85)	-	(85)
At 31 December 2014 and 1 January 2015	-	32,490	33,915	105,700	83,857	14,643	270,605
Amortisation for the year	-	1,476	2,695	28,501	18,895	194	51,761
Disposal of a subsidiary	-	-	-	-	(6,042)	-	(6,042)
At 31 December 2015	-	33,966	36,610	134,201	96,710	14,837	316,324
Carrying amount							
At 31 December 2015	899,886	2,776,211	1,153	597,319	101,617	1,895	4,378,081
At 31 December 2014	899,886	2,777,687	3,848	593,675	96,494	548	4,372,138

The Group carried out a review of the recoverable amount of its intangible assets other than goodwill in 2014, having regard to the market conditions of the Group's products. These assets are used in the Group's chemical segment. The review led to the recognition of impairment losses on technology know-how of RMB42,457 thousand that have been recognised in profit or loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use using discounted cash flow method. The discount rate used was 10.30%.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

20. INTANGIBLE ASSETS (Continued)

Goodwill

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
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
Sichuan Jinkang Electricity Development 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

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

20. INTANGIBLE ASSETS (Continued)

Goodwill (Continued)

The recoverable amounts of the CGUs have been 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, the estimated remaining coal reserves and the mining plan. These key assumptions are based on past practices 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 the next five years. 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.

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

	2015	2014
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited	7.61%	9.12%
Jiangxi Datang International Xinyu Power Generation Company Limited	9.70%	7.33%
Inner Mongolia Datang International Zhunge'er Mining Company Limited	10.26%	18.06%
Sichuan Jinkang Electricity Development Company Limited	7.06%	8.11%
Shenzhen Datang Baochang Gas Power Generation Company Limited	7.65%	6.98%
Others	7.25% to 10.84%	7.73% to 16.50%

Based on the assessments, the Group believes that there is no impairment of goodwill at 31 December 2015 and 2014.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. INVESTMENTS IN ASSOCIATES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Unlisted investments:		
Share of carrying amount of interests	7,981,871	7,596,175

Details of the Group's associates at 31 December 2015 are as follows:

Name	Place of incorporation/ registration	Registered and paid-up capital <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
North China Electric Power Research Institute Company Limited	PRC	124,980	30%	–	Power related technology services
Tongfang Investment Company Limited ("Tongfang Investment Company")	PRC	550,000	36.36%	–	Project investments and management
Shanxi Zhang Electric 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
Tangshan Huaxia Datang Power Fuel Company Limited	PRC	20,000	30%	–	Power fuel trading

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. INVESTMENTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
China Datang Group Finance Company Limited ("Datang Finance") (i)	PRC	4,869,872	15.89%	–	Financial services
Inner Mongolia Bazhu Railway Company Limited	PRC	100,000	20%	–	Railway and highway construction and operational management
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. ("Datang Wealth Company") (ii)	PRC	100,000	15%	–	Investment management and advisory
Fuxin Huanfa Wastage Disposal Company Limited	PRC	Registered capital: 25,000; paid-up capital: 20,000	–	20%	Environmental greening
Chongqing Fuling Water Resources Development Company Limited	PRC	120,000	–	42%	Hydropower technology development
Fujian Baima Harbour Railway Spur Line Company Limited	PRC	316,500	–	33%	Railway transportation
Jinzhou Thermal Power Company Limited	PRC	150,000	–	26%	Heat supply
Macro Technologies Inc. (Vietnam) Limited	Vietnam	USD150,000	–	35%	Electricity related technical services
Chongqing Guanming Investment Company Limited	PRC	100,000	49%	–	Investment management

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. INVESTMENTS IN ASSOCIATES (Continued)

Name	Place of incorporation/ registration	Registered and paid-up capital RMB'000 unless otherwise stated	Percentage of equity interest		Principal activities
			Direct	Indirect	
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: 506,090	20%	–	Hydropower construction
Datang Finance Leasing Company Limited ("Datang Leasing Company")	PRC	Registered capital: 1,000,000; paid-up capital: 2,000,000	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	390,221	40%	–	Nuclear power development, construction and operations
Beijing Shangshan Hengsheng Property Company Limited ("Shangshan Property Company") (iii)	PRC	63,763	60%	–	Property development
Datang Tibet Wangpai Hydropower Development Company Limited	PRC	95,000	20%	–	Hydropower construction
Ningxia Datang International Daba Power Generation Company Limited	PRC	489,691	50%	–	Power generation
Jiangxi Jiangmei Datang Coal Company Limited	PRC	20,000	35%	–	Sales of coal
Tongmei Datang Tashan II Power Generation Company Limited	PRC	200,000	40%	–	Power generation
Chongqing Nengtou Electricity Company Limited	PRC	200,000	29%	–	Power supply

Notes:

- (i) Although the Company holds less than 20% equity interest in Datang Finance, the Company exercises significant influence over Datang Finance which is a non-bank financial institution because the Company has board representation in Datang Finance and the Group had material transactions with Datang Finance.
- (ii) Although the Company holds less than 20% equity interest in Datang Wealth Company, the directors of the Company consider that the Company exercises significant influence over Datang Wealth Company because the Company is entitled to appoint 2 directors out of 5 directors of Datang Wealth Company.
- (iii) The Company entered into an agreement with another shareholder of Shangshan Property Company, which holds 40% equity interest in Shangshan Property Company. Pursuant to this agreement, the Company and the another shareholder would nominate 3 directors and 4 directors respectively. Therefore, the Company does not obtain control over Shangshan Property Company.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. INVESTMENTS IN ASSOCIATES (Continued)

The following table shows information on the 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	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Project investments and management		Power generation	
% of ownership interests/ voting rights held by the Group	36.36%/36.36%	36.36%/36.36%	40%/40%	40%/40%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	942,095	809,946	3,047,497	3,123,922
Current assets	451,428	255,255	464,410	552,361
Non-current liabilities	(8,203)	(10,561)	(1,800,000)	(2,480,000)
Current liabilities	(390,114)	(1,337)	(855,184)	(363,533)
Net assets	995,206	1,053,303	856,723	832,750
Group's share of net assets	361,856	382,981	342,689	333,100
Others	20	20	–	–
Group's share of carrying amount of interests	361,876	383,001	342,689	333,100
Year ended 31 December:				
Revenue	4,182	3,439	1,529,386	1,816,468
Profit from operations	171,002	37,773	323,803	342,091
Other comprehensive income	(66,797)	–	–	–
Total comprehensive income	104,205	37,773	323,803	342,091
Dividends received from associates	72,720	–	120,000	171,274

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. INVESTMENTS IN ASSOCIATES (Continued)

Name	Tashan Coal Company		Datang Finance	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Coal construction and mining		Financial services	
% of ownership interests/ voting rights held by the Group	28%/28%	28%/28%	15.89%/15.89%	20%/20%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	7,007,099	6,601,446	23,089,887	16,707,046
Current assets	4,615,542	5,225,053	10,020,969	10,462,550
Non-current liabilities	(1,462,012)	(1,916,287)	–	–
Current liabilities	(2,143,188)	(2,508,946)	(26,374,310)	(22,022,377)
Net assets	8,017,441	7,401,266	6,736,546	5,147,219
Group's share of net assets	2,244,883	2,072,354	1,070,437	1,029,444
Others	(75,719)	186,750	152	(1,976)
Group's share of carrying amount of interests	2,169,164	2,259,104	1,070,589	1,027,468
Year ended 31 December:				
Revenue	4,244,329	5,759,590	1,396,262	1,209,137
Profit from operations	469,433	1,105,460	928,945	830,259
Other comprehensive income	–	–	–	–
Total comprehensive income	469,433	1,105,460	928,945	830,259
Dividends received from associates	110,384	50,000	273,254	–

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. INVESTMENTS IN ASSOCIATES (Continued)

Name	Xiduo Railway Company		Datang Leasing Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Railway transportation services		Finance leasing business	
% of ownership interests/ voting rights held by the Group	34%/34%	34%/34%	20%/20%	20%/20%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	10,035,330	9,698,734	16,572,466	10,954,827
Current assets	135,212	125,479	1,374,200	601,985
Non-current liabilities	(5,417,656)	(5,206,186)	(2,116,857)	(5,003,329)
Current liabilities	(1,183,471)	(976,768)	(13,446,090)	(4,139,432)
Net assets	3,569,415	3,641,259	2,383,719	2,414,051
Group's share of net assets	1,213,601	1,238,028	476,744	482,810
Others	227,747	228,156	–	–
Group's share of carrying amount of interests	1,441,348	1,466,184	476,744	482,810
Year ended 31 December:				
Revenue	1,308,852	853,783	830,648	608,840
(Loss) /profit from operations	(66,940)	(33,702)	69,669	306,136
Other comprehensive income	–	–	–	–
Total comprehensive income	(66,940)	(33,702)	69,669	306,136
Dividends received from associates	–	–	20,000	–

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. INVESTMENTS IN ASSOCIATES (Continued)

Name	Baxin Railway Company	
	2015	2014
Principal place of business/country of incorporation	PRC/PRC	
Principal activities	Railway construction	
% of ownership interests/voting rights held by the Group	20%/20%	20%/20%
	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:		
Non-current assets	6,217,425	5,974,218
Current assets	1,813,424	1,867,654
Non-current liabilities	(5,152,668)	(5,087,854)
Current liabilities	(305,588)	(180,806)
Net assets	2,572,593	2,573,212
Group's share of net assets	514,519	514,642
Others	119,295	120,420
Group's share of carrying amount of interests	633,814	635,062
Year ended 31 December:		
Revenue	6,738	14,008
Loss from operations	(6,240)	(9,148)
Other comprehensive income	–	–
Total comprehensive income	(6,240)	(9,148)
Dividends received from associates	–	–

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

21. 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.

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
At 31 December:		
Carrying amounts of interests	1,485,647	1,009,446
Year ended 31 December:		
Profit from operations	193,888	86,283
Other comprehensive income	–	–
Total comprehensive income	193,888	86,283

22. INVESTMENTS IN JOINT VENTURES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Unlisted investments:		
Share of carrying amount of interests	5,575,810	5,653,654

Details of the Group's joint ventures at 31 December 2015 are as follows:

Name	Place of incorporation/ registration	Registered and paid-up capital <i>RMB'000</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
Yuzhou Energy Multiple Company	PRC	1,019,014	50%	–	Power generation
Yuzhou Mining Company	PRC	1,079,157	34%	15%	Coal mining and sales
Changtan Mining Company	PRC	50,000	40%	–	Coal mining and sales
Ningde Nuclear Power Company	PRC	10,116,000	44%	–	Nuclear power plant construction and operations

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

22. 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	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Power generation		Coal mining and sales	
% of ownership interests/ voting rights held by the Group	50%/50%	50%/50%	49%/49%	49%/49%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	3,316,939	2,587,054	5,836,633	5,600,180
Current assets	186,622	130,270	268,631	640,820
Non-current liabilities	(2,263,476)	(360,000)	(1,580,919)	(2,630,173)
Current liabilities	(568,441)	(1,679,466)	(3,208,524)	(1,923,160)
Net assets	671,644	677,858	1,315,821	1,687,667
Group's share of net assets	335,822	338,929	644,752	826,957
Others	–	–	(182,949)	(243,784)
Group's share of carrying amount of interests	335,822	338,929	461,803	583,173
Cash and cash equivalents included in current assets	38,242	24,961	17,271	201,706
Current financial liabilities (excluding accounts and other payables and provisions) included in current liabilities	–	(1,353,300)	(2,197,113)	(953,920)
Non-current financial liabilities (excluding accounts and other payables and provisions) included in non-current liabilities	(2,263,476)	(360,000)	(1,353,453)	(1,622,100)
Year ended 31 December:				
Revenue	144,991	184,497	2,392,915	5,142,483
Depreciation and amortisation	(18,127)	(18,238)	(146,650)	(219,898)
Interest income	108	76	1,014	1,121
Interest expense	(53,583)	(54,669)	(26,452)	(56,321)
Income tax (expense)/credit	–	(513)	10,005	(34,644)
Loss from operations and total comprehensive income	(157,166)	(137,582)	(356,166)	(361,073)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

22. INVESTMENTS IN JOINT VENTURES (Continued)

Name	Changtan Mining Company		Ningde Nuclear Power Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
Principal activities	Coal mining and sales		Nuclear power plant construction and operations	
% of ownership interests/ voting rights held by the Group	40%/40%	40%/40%	44%/44%	44%/44%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	205	14	49,860,697	49,306,828
Current assets	49,756	50,000	6,039,071	5,146,998
Non-current liabilities	–	–	(40,865,132)	(36,744,453)
Current liabilities	(4)	(14)	(4,253,601)	(6,959,981)
Net assets	49,957	50,000	10,781,035	10,749,392
Group's share of net assets	19,983	20,000	4,743,655	4,729,732
Others	80,000	80,000	(65,453)	(98,180)
Group's share of carrying amount of interests	99,983	100,000	4,678,202	4,631,552
Cash and cash equivalents included in current assets	47,447	46,092	335,323	377,558
Current financial liabilities (excluding accounts and other payables and provisions) included in current liabilities	–	–	(1,173,543)	(6,270,936)
Non-current financial liabilities (excluding accounts and other payables and provisions) included in non-current liabilities	–	–	(40,501,839)	(36,521,084)
Year ended 31 December:				
Revenue	–	–	6,684,012	3,981,182
Depreciation and amortisation	–	–	(1,151,234)	(680,393)
Interest expense	(38)	–	(1,731,338)	(1,260,401)
Income tax credit	–	–	1,013	–
(Loss) /profit from operations and total comprehensive income	(43)	–	1,379,671	596,900
Dividends received from joint ventures	–	–	742,893	121,760

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Equity securities, at fair value		
Listed in Hong Kong	169,029	194,864
Listed outside Hong Kong	–	197,824
Market value of listed securities	169,029	392,688
Unlisted equity securities, at cost	4,833,645	4,653,600
Less: Impairment losses	(24,078)	(24,078)
	4,809,567	4,629,522
	4,978,596	5,022,210

The fair values of listed securities are based on current bid prices. All the unlisted equity securities were carried at cost as they do not have a quoted market price in an active market and their fair values cannot be reliably measured.

24. 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 2015 (2014: nil). The benefits were amortised over the remaining average service life of the relevant employees.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

24. DEFERRED HOUSING BENEFITS (Continued)

	<i>RMB'000</i>
Cost	
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	653,269
Accumulated amortisation	
At 1 January 2014	604,242
Charge for the year	24,738
At 31 December 2014 and 1 January 2015	628,980
Charge for the year	20,929
At 31 December 2015	649,909
Carrying amount	
At 31 December 2015	3,360
At 31 December 2014	24,289

25. LONG-TERM ENTRUSTED LOANS TO ASSOCIATES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Entrusted loans to associates	121,778	435,889
Less: Current portion of long-term entrusted loans to associates	–	(335,706)
	121,778	100,183

At 31 December 2015, the long-term entrusted loans to associates carried interest rate ranging from 4.75% to 6.00% (2014: of 6.15%) per annum and there were neither pledges nor guarantees received on these loans.

The long-term entrusted loans are due within 2 and 3 years (2014: 3 years) from the end of the reporting period.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

26. OTHER NON-CURRENT ASSETS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Long-term receivables	237,217	274,404
Long-term prepaid expenses	679,906	821,437
Others	221,029	368,030
	1,138,152	1,463,871
Less: Current portion of other non-current assets	(63,360)	(50,278)
	1,074,792	1,413,593

27. INVENTORIES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Raw materials	2,610,511	2,779,254
Finished goods	998,556	696,000
Others	248,714	269,166
	3,857,781	3,744,420

28. 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:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Accounts receivables from third parties	7,278,013	9,468,926
Notes receivables from third parties	516,622	504,789
Accounts receivables from related parties	65,054	31,109
	7,859,689	10,004,824

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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

28. ACCOUNTS AND NOTES RECEIVABLES (Continued)

The ageing analysis of accounts and notes receivables is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within one year	7,165,522	9,059,461
Between one to two years	408,095	682,669
Between two to three years	134,081	61,826
Over three years	151,991	200,868
	7,859,689	10,004,824

At 31 December 2015, the Group applied tariff collection rights in securing loans, for which details please refer to notes 35 and 42 to the consolidated financial statements.

Reconciliation of allowance for accounts and notes receivables:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
At 1 January	342,712	4,692
Allowance for the year	341,427	338,020
At 31 December	684,139	342,712

At 31 December 2015, accounts and notes receivables of RMB694,167 thousand (2014: RMB945,363 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:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Between one to two years	408,095	682,669
Between two to three years	134,081	61,826
Over three years	151,991	200,868
	694,167	945,363

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

29. PREPAYMENTS AND OTHER RECEIVABLES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Prepayments		
Prepayments for fuel and materials	158,998	275,905
Prepayments for construction	23,797	5,138
VAT recoverable	4,854,850	4,700,913
Other taxes recoverable	10,759	24,952
Prepayments to related parties	48,138	54,905
Prepayments for transportation cost	49,317	22,444
Others	137,835	182,864
	5,283,694	5,267,121
Other receivables		
Advanced payments for construction	358,769	743,813
Receivables from disposals of property, plant and equipment	149,746	81,082
Staff advances	4,208	7,776
Staff housing maintenance fund deposits	16,669	21,513
Receivables from sales of materials	30,707	101,667
Receivables from related parties	84,257	6,071
Other deposits	174,353	108,936
Dividends receivables	783,985	444,125
Government grant receivables	298,158	257,919
Prepayments for fuel recoverable	1,657,711	991,003
Receivables from transfer of construction projects	249,933	–
Others	774,801	768,238
	4,583,297	3,532,143
Allowance for doubtful debts	(1,349,078)	(470,140)
	3,234,219	3,062,003
	8,517,913	8,329,124

Reconciliation of allowance for other receivables:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
At 1 January	470,140	41,929
Allowance for the year	907,770	437,366
Reversal of allowance	(28,832)	(9,155)
At 31 December	1,349,078	470,140

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

30. SHORT-TERM ENTRUSTED LOANS TO RELATED PARTIES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Entrusted loans to a joint venture (i)	–	803,170
Entrusted loan to a fellow subsidiary (ii)	–	10,000
	–	813,170

Notes:

- (i) At 31 December 2014, the short-term entrusted loans to a joint venture carried interest rate ranging from 6.336% to 6.653% per annum and there were neither pledges nor guarantees received on these loans.
- (ii) At 31 December 2014, the short-term entrusted loan to a fellow subsidiary carried interest rate of 6% per annum and there was neither pledge nor guarantee received on this loan.

31. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Bank deposits	838,522	2,824,054
Deposits with Datang Finance	4,735,155	2,463,508
Cash on hand	214	936
	5,573,891	5,288,498
Restricted deposits included in bank deposits	(374,574)	(275,223)
Cash and cash equivalents	5,199,317	5,013,275

The carrying amounts of the Group's cash and cash equivalents and restricted deposits are denominated in the following currencies:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
RMB	5,530,223	5,098,760
USD	32,379	159,319
HKD	11,121	29,606
EUR	–	21
Indonesian Rupiah	168	792
	5,573,891	5,288,498

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

32. SHARE CAPITAL

	Number of shares			Amount		
	A shares (i)	H shares (i)	Total	A shares	H shares	Total
	'000	'000	'000	RMB'000	RMB'000	RMB'000
Registered, issued and fully paid: Shares of RMB1 (2014: RMB1) each						
At 1 January 2014,						
31 December 2014,						
1 January 2015 and						
31 December 2015	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.

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 2015 was 79.39% (2014: 79.37%).

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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	16,640,323	16,153,812
Investment properties	216,899	225,125
Intangible assets	50,545	42,754
Investments in subsidiaries	35,703,018	35,653,506
Investments in associates	6,105,564	5,641,388
Investments in joint ventures	5,781,718	5,506,268
Available-for-sale financial assets	4,102,472	3,922,427
Deferred housing benefits	–	2,280
Long-term entrusted loans to subsidiaries	4,954,222	10,736,079
Long-term entrusted loan to an associate	101,662	100,183
Deferred tax assets	151,377	146,344
Other non-current assets	183,456	183,456
Total non-current assets	73,991,256	78,313,622
Current assets		
Inventories	161,847	268,306
Accounts and notes receivables	1,237,836	1,497,751
Prepayments and other receivables	2,163,766	1,610,378
Short-term entrusted loans to subsidiaries	4,736,378	4,718,335
Short-term entrusted loans to related parties	–	803,170
Current portion of other non-current assets	4,900,000	4,335,706
Cash and cash equivalents	1,393,358	2,179,471
Total current assets	14,593,185	15,413,117
TOTAL ASSETS	88,584,441	93,726,739

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Statement of financial position of the Company (Continued)

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
EQUITY AND LIABILITIES		
Equity		
Share capital	13,310,038	13,310,038
Reserves	28,307,864	26,994,647
Retained earnings		
Proposed dividends	2,262,706	1,730,305
Others	2,213,673	858,350
Total equity	46,094,281	42,893,340
Non-current liabilities		
Long-term loans	8,250,000	14,912,600
Long-term bonds	15,410,018	15,394,158
Deferred income	533,496	483,835
Other non-current liabilities	14,000	21,000
Total non-current liabilities	24,207,514	30,811,593
Current liabilities		
Accounts payables and accrued liabilities	2,488,830	3,054,982
Taxes payables	121,342	289,455
Short-term loans	800,000	500,000
Short-term bonds	14,215,474	11,000,000
Current portion of non-current liabilities	657,000	5,177,369
Total current liabilities	18,282,646	20,021,806
Total liabilities	42,490,160	50,833,399
TOTAL EQUITY AND LIABILITIES	88,584,441	93,726,739
NET CURRENT LIABILITIES	(3,689,461)	(4,608,689)

Approved by the Board of Directors on 29 March 2016 and are signed on its behalf by:

Wu Jing

Ying Xuejun

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the 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 2014	9,982,310	4,223,835	10,842,720	8,148	4,020	3,108,322	28,169,355
Total comprehensive income for the year	-	-	-	-	-	3,011,152	3,011,152
Transfer from restricted reserve	-	-	-	(5,868)	-	5,868	-
Transfer to surplus reserve	-	349,350	1,590,132	-	-	(1,939,482)	-
Dividends paid	-	-	-	-	-	(1,597,205)	(1,597,205)
At 31 December 2014	9,982,310	4,573,185	12,432,852	2,280	4,020	2,588,655	29,583,302
At 1 January 2015	9,982,310	4,573,185	12,432,852	2,280	4,020	2,588,655	29,583,302
Total comprehensive income for the year	-	-	-	-	-	4,931,246	4,931,246
Transfer from restricted reserve	-	-	-	(2,280)	-	2,280	-
Transfer to surplus reserve	-	457,146	858,351	-	-	(1,315,497)	-
Dividends paid	-	-	-	-	-	(1,730,305)	(1,730,305)
At 31 December 2015	9,982,310	5,030,331	13,291,203	-	4,020	4,476,379	32,784,243

34. 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) 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

34. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(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.

(c) 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

35. LONG-TERM LOANS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Long-term bank loans	124,119,908	136,790,681
Other long-term loans	18,585,503	14,134,183
	142,705,411	150,924,864

Long-term loans are repayable as follows:

	2015			2014		
	Long-term bank loans <i>RMB'000</i>	Other long- term loans <i>RMB'000</i>	Total <i>RMB'000</i>	Long-term bank loans <i>RMB'000</i>	Other long- term loans <i>RMB'000</i>	Total <i>RMB'000</i>
Within one year	11,199,286	1,444,913	12,644,199	12,290,426	942,799	13,233,225
More than one year, but not exceeding two years	13,558,244	1,317,909	14,876,153	14,602,765	1,642,300	16,245,065
More than two years, but not more than five years	41,662,380	13,342,181	55,004,561	54,824,846	8,093,343	62,918,189
More than five years	57,699,998	2,480,500	60,180,498	55,072,644	3,455,741	58,528,385
	124,119,908	18,585,503	142,705,411	136,790,681	14,134,183	150,924,864
Less: Amount due for settlement within 12 months (shown under current liabilities)	(11,199,286)	(1,444,913)	(12,644,199)	(12,290,426)	(942,799)	(13,233,225)
Amount due for settlement after 12 months	112,920,622	17,140,590	130,061,212	124,500,255	13,191,384	137,691,639

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

35. LONG-TERM LOANS (Continued)

Long-term loans are classified as follows:

	2015			2014		
	Long-term bank loans	Other long- term loans	Total	Long-term bank loans	Other long- term loans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Secured loans	33,670,942	–	33,670,942	41,774,669	–	41,774,669
Guaranteed loans	9,605,743	13,619,562	23,225,305	11,356,610	8,729,949	20,086,559
Unsecured loans	80,843,223	4,965,941	85,809,164	83,659,402	5,404,234	89,063,636
	124,119,908	18,585,503	142,705,411	136,790,681	14,134,183	150,924,864
Less: Amount due for settlement within 12 months (shown under current liabilities)						
Secured loans	(2,189,422)	–	(2,189,422)	(3,256,986)	–	(3,256,986)
Guaranteed loans	(1,424,940)	(199,708)	(1,624,648)	(1,483,681)	(163,979)	(1,647,660)
Unsecured loans	(7,584,924)	(1,245,205)	(8,830,129)	(7,549,759)	(778,820)	(8,328,579)
	(11,199,286)	(1,444,913)	(12,644,199)	(12,290,426)	(942,799)	(13,233,225)
Non-current portion						
Secured loans	31,481,520	–	31,481,520	38,517,683	–	38,517,683
Guaranteed loans	8,180,803	13,419,854	21,600,657	9,872,929	8,565,970	18,438,899
Unsecured loans	73,258,299	3,720,736	76,979,035	76,109,643	4,625,414	80,735,057
	112,920,622	17,140,590	130,061,212	124,500,255	13,191,384	137,691,639

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

35. LONG-TERM LOANS (Continued)

The carrying amounts of the Group's long-term loans are denominated in the following currencies:

	2015			2014		
	Long-term bank loans	Other long- term loans	Total	Long-term bank loans	Other long- term loans	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RMB	123,653,692	18,285,941	141,939,633	136,651,307	13,695,965	150,347,272
USD	443,140	299,562	742,702	139,374	409,949	549,323
EUR	23,076	–	23,076	–	28,269	28,269
	124,119,908	18,585,503	142,705,411	136,790,681	14,134,183	150,924,864

The interest rates for long-term loans per annum at 31 December were as follows:

	2015	2014
Long-term bank loans	3.00% – 6.80%	5.23% – 7.14%
Other long-term loans	1.13% – 6.61%	1.13% – 6.55%

Long-term loans of RMB14,103,656 thousand (2014: RMB14,863,850 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

35. LONG-TERM LOANS (Continued)

At 31 December 2015, long-term bank loans amounted to RMB1,750,000 thousand (2014: RMB1,746,000 thousand) were secured by the following assets:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Property, plant and equipment	3,814,509	3,872,135

At 31 December 2015, long-term bank loans amounted to RMB31,920,942 thousand (2014: RMB40,028,669 thousand) were secured by the following assets of the Group:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Tariff collection rights	4,151,687	4,086,474
Others	1,082,202	1,136,725
	5,233,889	5,223,199

At 31 December 2015, long-term bank loans amounted to RMB9,605,743 thousand (2014: RMB11,356,610 thousand) were guaranteed by the following parties:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
The Company	7,665,747	8,942,345
Certain subsidiaries of the Company	16,000	20,000
China Datang	1,680,000	2,100,000
Certain non-controlling shareholders of subsidiaries	179,696	222,825
Others	64,300	71,440
	9,605,743	11,356,610

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

35. LONG-TERM LOANS (Continued)

At 31 December 2015, other long-term loans amounted to RMB794,600 thousand (2014: RMB794,600 thousand) which were borrowed from China Datang were unsecured and interest-bearing ranging from 3.60% to 5.40% (2014: 3.60% to 5.40%) per annum.

At 31 December 2015, other long-term loans amounted to RMB2,926,300 thousand (2014: RMB3,813,800 thousand) which were borrowed from Datang Finance were unsecured and interest-bearing ranging from 4.35% to 5.97% (2014: 5.54% to 6.15%) per annum.

At 31 December 2015, other long-term loans amounted to RMB30,000 thousand (2014: RMB30,000 thousand) which were borrowed from Datang Leasing Company were unsecured and interest-bearing at 4.75% (2014: 6.40%) per annum.

At 31 December 2015, other long-term loans included a loan amounted to RMB299,562 thousand (2014: RMB409,949 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 2015, another other long-term loans amounted to RMB3,000,000 thousand (2014: RMB3,000,000 thousand) were also guaranteed by China Datang.

At 31 December 2015, other long-term loans amounted to RMB10,320,000 thousand (2014: RMB5,320,000 thousand) were guaranteed by the Company.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

36. LONG-TERM BONDS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Medium-term notes (i)	3,474,661	3,467,532
Corporate bonds (ii)	11,935,357	11,926,626
Non-public debt financing instruments (iii)	–	4,995,369
Offshore RMB bonds (iv)	–	497,909
	15,410,018	20,887,436
Less: Amount due for settlement within 12 months (shown under current liabilities)	–	(5,493,278)
Amount due for settlement after 12 months	15,410,018	15,394,158

Notes:

- (i) Medium-term notes represented unsecured notes issued by the Company in inter-bank market on 22 August 2014 with par value of RMB100 each totalling RMB3.5 billion (2014: RMB3.5 billion). Such medium-term notes are of 5-year term with fixed annual coupon and effective interest rates of 5.20% (2014: 5.20%) and 5.41% (2014: 5.41%), respectively. At 31 December 2015, accrued interest for these notes amounted to RMB65,639 thousand (2014: RMB65,819 thousand).
- (ii) Corporate bonds represented unsecured bonds issued by the Company on 19 August 2009, 22 April 2011, 27 March 2013 and 3 November 2014 with par value of RMB100 each totalling RMB12 billion (2014: RMB12 billion). Such bonds, which are secured by China Datang and of which 65.29% of RMB3 billion were counter-guaranteed by the Company, are of 10-year term with fixed annual coupon and effective interest rates of 5.00%/5.25%/5.10%/5.00% and 5.10%/5.36%/5.20%/5.10%, respectively. At 31 December 2015, accrued interest for these bonds amounted to RMB307,541 thousand (2014: RMB308,384 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 2015, accrued interest for these instruments amounted to nil (2014: RMB179,540 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 2015, accrued interest for these bonds amounted to nil (2014: RMB2,166 thousand).

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

37. DEFERRED INCOME

Deferred income primarily represented government grants received by the Group from local environmental protection authorities for undertaking approved environmental protection projects and excess of sales proceeds over the carrying amounts of certain sale and finance leaseback assets.

38. 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	Depreciation RMB'000	Government grants RMB'000	Impairment of assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2014	4,778	824,134	593,951	40,629	39,842	43,724	175,664	1,722,722
(Charge)/credit to profit or loss for the year	(287)	(632,316)	48,075	(981)	152,636	188,730	(63,053)	(307,196)
At 31 December 2014 and 1 January 2015	4,491	191,818	642,026	39,648	192,478	232,454	112,611	1,415,526
(Charge)/credit to profit or loss for the year	(209)	(140,398)	69,570	2,955	(6,059)	(144,569)	(14,243)	(232,953)
At 31 December 2015	4,282	51,420	711,596	42,603	186,419	87,885	98,368	1,182,573

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

38. DEFERRED TAX (Continued)

The following are the deferred tax liabilities (before offset) recognised by the Group:

	Assets revaluation <i>RMB'000</i>	Depreciation <i>RMB'000</i>	Mining safety and development funds <i>RMB'000</i>	Deferred housing benefits <i>RMB'000</i>	Fair value gain on available- for- sale financial assets <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2014	625,264	6,924	23,061	5,155	11,443	5,564	677,411
(Credit)/charge to profit or loss for the year	(29,952)	(2,372)	1,289	(2,497)	–	(174)	(33,706)
Charge to other comprehensive income for the year	–	–	–	–	29,813	–	29,813
At 31 December 2014 and 1 January 2015	595,312	4,552	24,350	2,658	41,256	5,390	673,518
(Credit)/charge to profit or loss for the year	(22,583)	(2,373)	2,961	(2,616)	–	(492)	(25,103)
Credit to other comprehensive income for the year	–	–	–	–	(40,304)	(1,126)	(41,430)
At 31 December 2015	572,729	2,179	27,311	42	952	3,772	606,985

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Deferred tax assets	1,182,573	1,386,234
Deferred tax liabilities	(606,985)	(644,226)
	575,588	742,008

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

38. DEFERRED TAX (Continued)

No deferred tax asset has been recognised in respect of certain unused tax losses of RMB10,722,227 thousand (2014: RMB9,045,546 thousand) due to the unpredictability of future profit streams. The related unrecognised tax losses will expire in the following years ending 31 December:

	2015 RMB'000	2014 RMB'000
2015	–	273,786
2016	302,065	531,031
2017	377,763	430,902
2018	2,302,650	2,304,836
2019	3,209,194	5,504,991
2020	4,530,555	–
	10,722,227	9,045,546

39. PROVISIONS

	Litigation RMB'000	Mine disposal and environmental restoration RMB'000	Total RMB'000
At 1 January 2015	–	42,191	42,191
Provisions	328,588	–	328,588
Changes in present value	–	1,359	1,359
At 31 December 2015	328,588	43,550	372,138

The litigation provision represents legal claims brought against the Group by banks relating to the accounts receivables factoring loans to a supplier of a subsidiary of the Group. The provision is made based on legal advice received.

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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

40. OTHER NON-CURRENT LIABILITIES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Finance lease payables	21,429,012	11,771,745
Others	2,079,792	2,172,960
	23,508,804	13,944,705
Less: Amount due for settlement within 12 months (shown under current liabilities)	(4,023,660)	(2,564,319)
	19,485,144	11,380,386

Finance lease payables

	Minimum lease payments		Present value of minimum lease payments	
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within one year	3,622,653	2,964,436	2,684,119	2,361,152
In the second to fifth years, inclusive	18,446,766	8,411,382	15,987,558	6,816,302
After five years	3,017,099	2,690,235	2,757,335	2,594,291
	25,086,518	14,066,053	21,429,012	11,771,745
Less: Future finance charges	(3,657,506)	(2,294,308)	N/A	N/A
Present value of lease obligations	21,429,012	11,771,745	21,429,012	11,771,745
Less: Amount due for settlement within 12 months (shown under current liabilities)			(2,684,119)	(2,361,152)
Amount due for settlement after 12 months			18,744,893	9,410,593

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

40. OTHER NON-CURRENT LIABILITIES (Continued)

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 8 years (2014: 9 years). At 31 December 2015, the average effective borrowing rate was 4.95% (2014: 5.98%) 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 RMB2,521,800 thousand (2014: RMB2,473,085 thousand) were secured by the following assets of the Group:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Restricted deposits, all of which will be refunded after settlements of last instalments of respective finance lease arrangements	127,836	127,836
Tariff collection rights	101,685	86,618
	229,521	214,454

At 31 December 2015, finance lease payables amounted to RMB6,253,177 thousand (2014: RMB5,042,227 thousand) which were due to associates were unsecured and interest-bearing ranging from 4.41% to 5.87% (2014: 5.40% to 7.47%) per annum.

At 31 December 2015, finance lease payables amounted to RMB351,615 thousand (2014: nil) which were due to a subsidiary of China Datang were unsecured and interest-bearing ranging from 4.56% to 4.96% (2014: nil) per annum.

At 31 December 2015, finance lease payables guaranteed by China Datang and the Company amounted to RMB7,936,935 thousand (2014: nil) and RMB9,387,180 thousand (2014: nil) respectively.

At 31 December 2015, the total future minimum sublease payments expected to be received under non-cancellable subleases amounted to RMB22,325 thousand (2014: RMB40,167 thousand).

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

41. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Accounts and notes payables		
Fuel and materials payables to third parties	7,087,569	10,006,589
Fuel and materials payables to related parties	554,146	170,332
Notes payables to third parties	1,495,939	2,109,388
Notes payables to related parties	600,000	200,000
	9,737,654	12,486,309
Construction payables to third parties	11,281,741	8,419,241
Construction payables to related parties	507,312	676,683
Acquisition considerations payables	101,779	101,779
Receipts in advance from third parties	289,308	298,985
Receipts in advance from related parties	13,477	15,027
Salaries and welfares payables	117,919	166,798
Interests payables	609,980	1,049,234
Other payables to related parties	1,070,021	586,262
Others	3,874,072	4,827,178
	27,603,263	28,627,496

The ageing analysis of the accounts and notes payables is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within one year	8,270,774	10,375,066
Between one to two years	575,759	1,318,491
Between two to three years	524,844	349,168
Over three years	366,277	443,584
	9,737,654	12,486,309

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

42. SHORT-TERM LOANS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Short-term bank loans	11,807,757	11,895,634
Other short-term loans	2,978,000	1,857,500
	14,785,757	13,753,134

Short-term loans are classified as follows:

	2015			2014		
	Short-term bank loans <i>RMB'000</i>	Other short- term loans <i>RMB'000</i>	Total <i>RMB'000</i>	Short-term bank loans <i>RMB'000</i>	Other short- term loans <i>RMB'000</i>	Total <i>RMB'000</i>
Secured loans	-	-	-	470,497	-	470,497
Guaranteed loans	4,180,000	-	4,180,000	320,000	-	320,000
Unsecured loans	7,627,757	2,978,000	10,605,757	11,105,137	1,857,500	12,962,637
	11,807,757	2,978,000	14,785,757	11,895,634	1,857,500	13,753,134

The carrying amounts of the Group's short-term loans are denominated in the following currencies:

	2015			2014		
	Short-term bank loans <i>RMB'000</i>	Other short- term loans <i>RMB'000</i>	Total <i>RMB'000</i>	Short-term bank loans <i>RMB'000</i>	Other short- term loans <i>RMB'000</i>	Total <i>RMB'000</i>
RMB	11,795,082	2,978,000	14,773,082	11,525,831	1,857,500	13,383,331
USD	12,675	-	12,675	369,803	-	369,803
	11,807,757	2,978,000	14,785,757	11,895,634	1,857,500	13,753,134

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

42. SHORT-TERM LOANS (Continued)

The interest rates for short-term loans per annum at 31 December were as follows:

	2015	2014
Short-term bank loans	2.00% – 6.15%	1.32% – 6.60%
Other short-term loans	3.92% – 5.35%	5.04% – 6.10%

Short-term loans of RMB12,809,257 thousand (2014: RMB12,764,134 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 2015, short-term bank loans amounted to nil (2014: RMB470,497 thousand) were secured by certain tariff collection rights of the Group.

At 31 December 2015, short-term bank loans amounted to RMB4,180,000 thousand (2014: RMB320,000 thousand) were guaranteed by the Company.

At 31 December 2015, other short-term loans amounted to RMB2,976,000 thousand (2014: RMB1,855,000 thousand) which were borrowed from Datang Finance were unsecured and interest-bearing ranging from 3.92% to 5.35% (2014: 5.04% to 6.10%) per annum.

43. SHORT-TERM BONDS

At 31 December 2015, short-term bonds represented unsecured bonds issued by the Group in March 2015, May 2015, June 2015, July 2015 and August 2015 (2014: July 2014, August 2014, October 2014 and December 2014) at par value of RMB100 each with annual coupon and effective interest rate of ranging from 3.00% to 4.98% (2014: 4.30% to 5.50%) and matured within 12 months.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation from profit before tax to cash generated from operations

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Profit before tax	6,544,471	5,172,316
Adjustments for:		
Depreciation of property, plant and equipment	11,329,960	11,432,921
Depreciation of investment properties	24,306	18,150
Amortisation of intangible assets	51,333	57,302
Amortisation of long-term prepaid expenses	174,308	124,848
Amortisation of deferred income	(1,068,443)	(101,727)
Amortisation of deferred housing benefits	20,929	24,738
Net gains on disposals of property, plant and equipment	(20,273)	(4,347)
Write-off of property, plant and equipment	28,848	36,179
Interest income	(76,585)	(88,881)
Finance costs	7,783,435	8,517,299
Investment income	(160,865)	(220,069)
Impairment losses on available-for-sale financial assets	38,672	208,992
Impairment losses on property, plant and equipment	1,332,132	2,203,912
Impairment losses on intangible assets	–	42,457
Allowance for inventories	347,385	15,153
Reversal of allowance for inventories	(5,555)	–
Allowance for accounts receivables	341,427	338,020
Allowance for other receivables	907,770	437,366
Reversal of allowance for other receivables	(28,832)	(9,155)
Shares of profits of associates	(515,041)	(606,547)
Shares of profits of joint ventures	(389,595)	(112,703)
Other gains	(100,619)	(8,391)
Operating profit before working capital changes	26,559,168	27,477,833
Increase in inventories	(536,930)	(77,474)
Decrease/(increase) in accounts and notes receivables	1,516,618	(235,483)
(Increase)/decrease in prepayments and other receivables	(1,043,029)	521,659
Increase in accounts payables and accrued liabilities	2,035,350	1,019,994
(Decrease)/increase in taxes payables	(353,090)	289,721
Cash generated from operations	28,178,087	28,996,250

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Disposals of subsidiaries

On 27 November 2011, the Group entered into an agreement with another shareholder of Ningxia Datang International Daba Power Generation Company Limited ("Daba Power Company"), which holds 50% equity interest in Daba Power Company. Pursuant to this agreement, prior to 1 January 2015, the Group and the another shareholder would nominate 4 directors and 3 directors respectively. Therefore, the Group obtained control over Daba Power Company and consolidated the financial statements of Daba Power Company. Starting from 1 January 2015, the another shareholder and the Group would nominate 4 directors and 3 directors respectively. Accordingly, the Group lost control but maintains significant influence over Daba Power Company.

On 31 March 2015, the Group disposed of 69.78% interest in Chongqing Luozitang Hydropower Company Limited ("Luozitang Hydropower Company").

Net assets at the date of disposals were as follows:

	Daba Power Company RMB'000	Luozitang Hydropower Company RMB'000	Total RMB'000
Property, plant and equipment	3,534,114	82	3,534,196
Inventories	81,739	–	81,739
Accounts and notes receivables	287,090	–	287,090
Prepayments and other receivables	4,661	–	4,661
Cash and cash equivalents	26,985	90	27,075
Long-term loans	(2,565,500)	–	(2,565,500)
Other non-current liabilities	(99,138)	–	(99,138)
Accounts payables and accrued liabilities	(386,498)	(148)	(386,646)
Taxes payables	(5,901)	(2)	(5,903)
Short-term loans	(145,000)	–	(145,000)
Current portion of non-current liabilities	(397,208)	–	(397,208)
Net assets disposed of	335,344	22	335,366
Non-controlling interests	(167,672)	(7)	(167,679)
Fair value of investment in the subsidiary retained	(167,672)	–	(167,672)
Gain on disposal of a subsidiary	–	452	452
Total consideration – satisfied by cash	–	467	467

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Disposals of subsidiaries (Continued)

	Daba Power Company <i>RMB'000</i>	Luozitang Hydropower Company <i>RMB'000</i>	Total <i>RMB'000</i>
Net cash (outflow)/inflow arising on disposal:			
Cash consideration received	–	467	467
Cash and cash equivalents disposed of	(26,985)	(90)	(27,075)
	(26,985)	377	(26,608)

(c) Capital withdrawal from non-controlling interests

During the year, the non-controlling shareholders of the Group's interests in a 60.61% subsidiary withdrew all their capital resulting in an increase in the Group's interest in that subsidiary to 100%. The effect of the capital withdrawal on the equity attributable to the owners of the Company is as follows:

	<i>RMB'000</i>
Carrying amount of non-controlling interests decreased	146,796
Capital withdrawal from non-controlling interests	(69,400)
Gain on capital withdrawal recognised directly in equity	77,396

(d) Material non-cash transactions

Additions to property, plant and equipment during the year of RMB650,000 thousand (2014: RMB2,402,773 thousand) were financed by finance leases.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

45. 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:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Associates	881,181	716,040
Joint ventures	241,032	379,597
Other equity investee	–	12,000
	1,122,213	1,107,637

Based on historical experience, no claims have been made against the Group since the date of granting of the above financial guarantees.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

46. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Property, plant and equipment	19,036,316	8,352,953
Equity investment	–	45,223
Share of capital commitments of joint ventures	908,483	1,958,664
	19,944,799	10,356,840

47. LEASE COMMITMENTS

At 31 December 2015 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within one year	41,893	49,113
In the second to fifth years inclusive	46,757	39,940
After five years	13,868	18,363
	102,518	107,416

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

48. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with its related parties 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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
China Datang Group		
Clean development mechanism income	10,575	–
Sales of coal	–	32,967
Sales of desulfurisation materials	182	4,083
Sales of desulfurisation and denitrification assets (i)	2,019,992	–
Alternative power generation income (ii)	115,242	128,259
Provision of repairs and maintenance services	9,339	24,050
Provision of desulfurisation and denitrification services	19,813	–
Provision of technical support services	2,221	–
Purchase of indicators of small-capacity generating units (iii)	332,223	–
Provision of project management services	24,184	–
Provision of property management services	79	–
Purchases of materials and equipment (iv)	744,944	635,768
Purchases of fuel	29,157	46,365
Receipt of construction services	–	61,070
Receipt of construction tendering agency services	–	1,510
Receipt of construction consulting services	41,052	26,624
Operating lease expenses for buildings and facilities	22,228	22,228
Receipt of repairs and maintenance services	12,240	8,950
Receipt of desulfurisation and denitrification and technological transformation services (v)	1,474,030	1,221,129
Receipt of construction supervision services	–	8,782
Receipt of technical supervision services (ii)	44,878	–
Receipt of technical support services	20,052	4,508

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

48. 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)

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
China Datang Group (Continued)		
Receipt of management services	23,524	3,488
Receipt of finance lease services (ii)	350,000	–
Drawdown of loans	–	43,600
Interest expense on loans	29,799	27,451
Increase in entrusted loans	–	10,000
Interest income on entrusted loans	413	647
Provision of agency and custody services	15,807	15,563
Clean development mechanism expenses	2,263	13,865
Provision of heat supply services	–	113
Provision of training services	–	6
Rental income	–	597
Associates of the Group		
Receipt of technical support services	43,503	39,185
Receipt of finance lease services (ii)	3,760,000	1,397,286
Rental income	615	825
Drawdown of loans	11,649,500	7,910,000
Interest expense on loans (vi)	328,625	302,675
Interest income on deposits (ii)	61,257	44,183
Increase in entrusted loans	19,810	150,000
Interest income on entrusted loans	11,847	34,427
A subsidiary of an associate of the Group		
Purchases of fuel	137,489	245,267
Joint ventures of the Group		
Purchases of fuel	191,730	360,304
Increase in entrusted loans	–	876,600
Interest income on entrusted loans	19,098	41,451

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

48. 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 injected capital to two subsidiaries (2014: one subsidiary) of the Company totalled RMB747,880 thousand (2014: RMB474,680 thousand).

During the year, China Datang injected capital to an associate of the Company totalled RMB1,561,069 thousand (iii) (2014: nil).

During the year, the Company injected capital to two (2014: four) of its associates which are the subsidiaries of China Datang totalled RMB184,341 thousand (2014: RMB377,948 thousand (vii), of which RMB132,088 thousand represented capital injected to an associate by transferring all its 24% equity interest in an associate, CNNC Liaoning Nuclear Power Co., Ltd. to that associate with a gain of RMB7,633 thousand).

During the year, the Company set up a subsidiary with China Datang for a capital injection of RMB20,500 thousand and RMB18,090 thousand respectively.

- (ii) Financial guarantees and financing facilities with China Datang Group and associates and joint ventures of the Group

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
China Datang Group		
Long-term loans of the Group guaranteed by China Datang	4,859,737	5,345,970
Long-term bonds of the Group guaranteed by China Datang	12,000,000	12,000,000
Associates of the Group		
Long-term loans of the associates guaranteed by the Company	881,181	716,040
Integrated credit facilities provided by an associate	24,000,000	24,000,000
Joint ventures of the Group		
Long-term loans of joint ventures guaranteed by the Company	241,032	379,597

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

48. RELATED PARTY TRANSACTIONS (Continued)

(a) Significant transactions with related parties (Continued)

(iii) Significant transactions with government-related entities

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.

During the years ended 31 December 2015 and 2014, 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 10 to the consolidated 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 2015 and 2014, 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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Basic salaries and allowances	3,679	4,186
Bonus	2,841	2,610
Retirement benefits	543	575
Other benefits	1,190	1,273
	8,253	8,644

Further details of directors' and supervisors' remunerations are included in note 14 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

48. 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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
China Datang Group		
Deposits paid for property, plant and equipment (included in property, plant and equipment)	303,888	245,473
Accounts receivables	65,054	31,109
Prepayments and other receivables	132,372	60,953
Accounts payables and accrued liabilities	2,108,441	1,392,799
Long-term loans (including current portion)	794,600	794,600
Short-term entrusted loans	–	10,000
Other non-current liabilities (including current portion)	351,615	–
Associates of the Group		
Long-term entrusted loans (including current portion)	121,778	435,889
Prepayments and other receivables	23	23
Short-term loans	2,976,000	1,855,000
Accounts payables and accrued liabilities	625,553	222,896
Long-term loans (including current portion)	2,956,300	3,843,800
Other non-current liabilities (including current portion)	6,253,177	5,042,227
A subsidiary of an associate of the Group		
Accounts payables and accrued liabilities	10,962	32,609
Joint ventures of the Group		
Short-term entrusted loans	–	803,170

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 35, 42, 40, 25 and 30 respectively to the consolidated financial statements.

48. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant balances with related parties (Continued)

(ii) Significant balances with Government-Related Entities

At 31 December 2015, the long-term loans (including current portion) and short-term loans payable to Government-Related Entities included in long-term loans (including current portion) and short-term loans amounted to RMB123,723,266 thousand (2014: RMB89,381,997 thousand) and RMB11,807,757 thousand (2014: RMB11,631,268 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 RMB2,013,733 thousand (2014: nil) constitute connected transactions under the Listing Rules, details of which are included in the section headed "Connected transactions" of the Report of the Directors.
- (ii) 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.
- (iii) 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.
- (iv) Certain transactions totalled RMB628,243 thousand (2014: RMB615,212 thousand) and nil (2014: RMB2,470 thousand) 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.
- (v) Certain transactions totalled RMB852,222 thousand (2014: RMB367,311 thousand) and RMB549,123 thousand (2014: RMB652,217 thousand) 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.
- (vi) Certain transactions totalled RMB326,815 thousand (2014: RMB300,728 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.
- (vii) These transactions constitute connected transactions under the Listing Rules.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2015 are as follows:

(a) Subsidiaries acquired from business combination under common control

Name	Place of incorporation/ registration and operation	Registered and paid-up capital <i>RMB'000</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
Liaoning Datang International Renewable Power Company Limited ("Liaoning Renewable Power Company")	PRC	1,716,420	53.85%	–	Wind power generation
Liaoning Datang International Changtu Wind Power Company Limited	PRC	899,680	–	100%	Wind power generation
Datang Hulunbeier 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

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
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
Fujian Datang International Ningde Power Generation Company Limited ("Ningde Power Company")	PRC	825,090	51%	–	Power generation

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
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	1,399,560	51%	24.5%	Hydropower generation
Datang International (Hong Kong) Limited	Hong Kong	USD102,900,000	100%	–	Import of power related fuel
Qinghai Datang International Zhiganglaka Hydropower Development Company Limited ("Zhiganglaka Company")	PRC	380,000	–	90%	Hydropower generation
Hebei Datang International Wangtan Power Generation Company Limited ("Wangtan Power Company")	PRC	450,000	70%	–	Power generation
Chongqing Datang International Shizhu Power Generation Company Limited	PRC	585,910	70%	–	Power generation
Sichuan Datang International Ganzi Hydropower Development Company Limited ("Ganzi Hydropower Company")	PRC	1,625,063	52.5%	–	Hydropower generation
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

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
Inner Mongolia Datang International Tuoketuo II Power Generation Company Limited ("Tuoketuo II Power Company") (i)	PRC	749,900	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 ("Fuzhou Power Company")	PRC	1,811,616	51%	–	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
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

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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		Principal activities
			Direct	Indirect	
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
Inner Mongolia Datang International Renewable Energy Resource Development Company Limited (“Renewable Energy Resource 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	2,946,200	–	90%	Coal-based natural gas generation
Inner Mongolia Datang International Keshiketeng Qi Coal-based Gas Company Limited (“Keshiketeng Qi Coal-based Gas Company”)	PRC	5,090,974	–	51%	Coal-based natural gas generation

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
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
Duolun County Huachuan Zhuoyue Plastic Products Company Limited	PRC	7,000	–	100%	Production of plastic products
Jiangsu Datang Shipping Company Limited	PRC	264,900	98.11%	–	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")	PRC	840,530	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
Tibet Datang International Nujiang Upstream Hydropower Development Company Limited	PRC	310,000	100%	–	Hydropower generation
Datang International Nuclear Power Company Limited	PRC	237,746	100%	–	Nuclear power generation

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
Datang Tongzhou Technology Company Limited	PRC	100,000	100%	–	Sales of coal ash and integrated application of solid wastes
Beijing Tongzhou High Voltage Environmental Protection Technology Company Limited	PRC	1,600	–	100%	Sales of ash
Ningbo Datang Tongzhou Environmental Protection Technology Company Limited (formerly known as "Zhejiang Datang Tongzhou Environmental Protection Technology Company Limited")	PRC	4,000	–	100%	Sales of ash
Tianjin Datang Tongzhou Tongxin Technology Company Limited	PRC	4,000	–	100%	Sales of ash
Fujian Datang Tongzhou Yicai Environmental Protection Technology Company Limited	PRC	5,000	–	75%	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
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

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
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	513,090	–	60%	Hydropower generation
Yunnan Datang International Hengjiang Hydropower Development Company Limited	PRC	2,000	–	70%	Hydropower generation
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 plant construction and operations
Yunnan Datang International Renewable Power Company Limited	PRC	83,000	–	100%	Solar power generation
Yunnan Datang International Binchuan Renewable Power Company Limited	PRC	43,000	–	100%	Solar power generation

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
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	133,910	100%	–	Water conservancy hub construction and management
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
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%	–	Hydropower generation
Qinghai Datang International Golmud Photovoltaic Power Generation Company Limited	PRC	79,970	100%	–	Solar power generation
Inner Mongolia Baoli Coal Company Limited	PRC	50,000	70%	–	Coal mining

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
Sichuan Jinkang Electricity Development Company Limited ("Sichuan Jinkang Company")	PRC	195,000	54.44%	–	Hydropower generation
Shanxi Datang International Renewable Power Company Limited	PRC	328,110	100%	–	Wind power generation
Zhejiang Datang International Jiangshan Xincheng Thermal Power Company Limited	PRC	261,740	100%	–	Power generation and heat supply
Zhejiang Datang International Shaoxing Jiangbin Thermal Power Company Limited	PRC	600,000	90%	–	Power generation and heat supply
Erdos Ruidefeng Mining Company Limited	PRC	237,220	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	PRC	302,330	100%	–	Wind power generation
Shenzhen Datang Baochang Gas Power Generation Company Limited ("Baochang Gas Company")	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

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. 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 <i>RMB'000</i> <i>unless otherwise stated</i>	Percentage of equity interest		Principal activities
			Direct	Indirect	
Guangdong Datang International Renewable Power Company Limited	PRC	35,000	100%	–	Wind power generation
Qinghai Datang International Renewable Power Company Limited	PRC	95,680	100%	–	Solar power generation
Ningxia Datang International Renewable Power Company Limited	PRC	227,000	100%	–	Wind power generation
Sichuan Datang International Renewable Power Company Limited	PRC	20,000	100%	–	Solar power generation
Liaoning Datang International Shendong Thermal Power Company Limited	PRC	10,000	100%	–	Power generation and heat supply
Guangdong Datang International Leizhou Power Generation Company Limited (“Leizhou Power Company”) (iii)	PRC	Registered capital: 100,000; paid-up capital: 74,590	34%	–	Power plant construction and operation
Inner Mongolia Datang International Xilinhaote Power Generation Company Limited	PRC	Registered capital: 10,000; paid-up capital: 29,760	100%	–	Power generation
Hebei Datang International Tangshan Beijiao Thermal Power Generation Company Limited	PRC	Registered capital: 20,000; paid-up capital: 37,910	100%	–	Power generation and heat supply

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

All the above subsidiaries are limited liability companies except that Zhiganglaka Company is also a foreign investment enterprise while Baochang Gas Company and Fuzhou Power Company are also sino foreign equity joint ventures.

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 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 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 Company. Therefore, the Company obtained control over Renewable Energy Resource Company and accounted for it as a subsidiary onwards.
- (iii) The Company entered into an agreement with China Datang, one of the shareholders of Leizhou Power Company, which holds 30% equity interest in Leizhou Power Company in 2015. 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 Leizhou Power Company. Therefore, the Company obtained control over Leizhou Power Company and accounted for it as a subsidiary onwards.

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

The following table shows information on the 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	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	46.15%/46.15%	46.15%/46.15%	25%/25%	25%/25%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	3,564,742	3,597,464	1,426,131	1,794,367
Current assets	438,518	594,132	535,948	360,291
Non-current liabilities	(1,219,081)	(1,385,375)	–	(176,000)
Current liabilities	(464,552)	(604,764)	(365,676)	(370,215)
Net assets	2,319,627	2,201,457	1,596,403	1,608,443
Accumulated NCI	1,070,508	1,015,972	399,101	402,110
Year ended 31 December:				
Revenue	465,209	416,312	1,784,627	2,218,367
Profit	118,170	68,282	454,135	517,972
Total comprehensive income	118,170	68,282	454,135	517,972
Profit allocated to NCI	54,536	31,512	113,535	129,493
Dividends paid to NCI	–	–	(116,544)	(77,020)
Net cash generated from operating activities	546,908	434,412	715,690	850,781
Net cash used in investing activities	(269,299)	(162,611)	(70,995)	(105,509)
Net cash used in financing activities	(286,117)	(262,222)	(646,410)	(746,478)
Net (decrease)/increase in cash and cash equivalents	(8,508)	9,579	(1,715)	(1,206)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Tuoketuo Power Company		Shentou Power Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	40%/40%	40%/40%	40%/40%	40%/40%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	6,656,003	10,019,468	1,928,777	2,351,552
Current assets	2,370,292	1,148,944	176,196	264,842
Non-current liabilities	(3,156,621)	(4,783,452)	(154,515)	(650,818)
Current liabilities	(1,856,356)	(2,358,720)	(739,256)	(717,728)
Net assets	4,013,318	4,026,240	1,211,202	1,247,848
Accumulated NCI	1,604,480	1,609,998	484,480	499,139
Year ended 31 December:				
Revenue	5,316,543	5,953,630	1,422,382	1,811,416
Profit	1,465,394	1,489,265	319,325	395,524
Total comprehensive income	1,465,394	1,489,265	319,325	395,524
Profit allocated to NCI	585,809	595,671	127,730	158,210
Dividends paid to NCI	(591,327)	(601,813)	(142,389)	(110,296)
Net cash generated from operating activities	2,547,383	2,511,234	584,416	730,230
Net cash generated from/ (used in) investing activities	1,197,091	(316,816)	164,023	(149,118)
Net cash used in financing activities	(3,617,479)	(2,052,466)	(748,482)	(581,097)
Net increase/(decrease) in cash and cash equivalents	126,995	141,952	(43)	15

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Lvsigang Power Company		Chaozhou Power Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	45%/45%	45%/45%	47.5%/47.5%	47.5%/47.5%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	7,411,738	8,006,658	7,779,468	8,596,704
Current assets	906,677	1,202,718	871,204	1,631,719
Non-current liabilities	(4,401,314)	(5,001,438)	(2,171,062)	(3,243,898)
Current liabilities	(2,159,365)	(2,567,144)	(1,730,688)	(3,467,405)
Net assets	1,757,736	1,640,794	4,748,922	3,517,120
Accumulated NCI	797,599	744,810	2,203,915	1,618,809
Year ended 31 December:				
Revenue	4,320,112	4,764,137	5,016,486	6,059,366
Profit	592,188	527,240	1,231,802	1,412,307
Total comprehensive income	592,188	527,240	1,231,802	1,412,307
Profit allocated to NCI	266,484	237,259	585,106	670,846
Dividends paid to NCI	(213,861)	(251,858)	–	(626,750)
Net cash generated from operating activities	1,370,691	1,873,276	1,765,668	2,348,673
Net cash generated from/ (used in) investing activities	60,513	(192,421)	677,442	(280,355)
Net cash used in financing activities	(1,502,114)	(1,605,166)	(2,442,987)	(2,068,369)
Net (decrease)/increase in cash and cash equivalents	(70,910)	75,689	123	(51)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Ningde Power Company		Pengshui Hydropower Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	49%/49%	49%/49%	36%/36%	36%/36%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	6,309,176	6,924,296	11,114,376	11,740,507
Current assets	746,279	969,382	264,539	230,241
Non-current liabilities	(3,269,928)	(4,215,755)	(8,754,656)	(9,479,748)
Current liabilities	(2,476,035)	(2,221,167)	(787,389)	(729,507)
Net assets	1,309,492	1,456,756	1,836,870	1,761,493
Accumulated NCI	684,678	714,103	662,126	634,990
Year ended 31 December:				
Revenue	3,381,943	4,649,260	1,614,969	1,615,278
Profit	415,210	642,374	545,920	522,276
Total comprehensive income	415,210	642,374	545,920	522,276
Profit allocated to NCI	203,453	314,763	196,532	188,019
Dividends paid to NCI	(232,878)	–	(169,396)	(25,457)
Net cash generated from operating activities	1,719,264	1,567,838	1,381,708	1,594,717
Net cash (used in)/generated from investing activities	(101,732)	(210,470)	46,129	(274,923)
Net cash used in financing activities	(1,467,357)	(1,344,979)	(1,495,680)	(1,247,842)
Net increase/(decrease) in cash and cash equivalents	150,175	12,389	(67,843)	71,952

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Wulong Hydropower Company		Wangtan Power Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	24.5%/24.5%	24.5%/24.5%	30%/30%	30%/30%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	6,582,088	6,532,912	2,673,167	2,883,628
Current assets	89,149	93,728	222,946	263,762
Non-current liabilities	(4,349,270)	(4,349,200)	(898,334)	(1,037,692)
Current liabilities	(528,856)	(506,707)	(1,098,984)	(1,265,632)
Net assets	1,793,111	1,770,733	898,795	844,066
Accumulated NCI	439,598	437,158	268,811	252,391
Year ended 31 December:				
Revenue	796,853	795,797	1,805,817	2,185,877
Profit	223,623	237,268	387,098	366,927
Total comprehensive income	223,623	237,268	387,098	366,927
Profit allocated to NCI	54,787	58,130	116,130	110,078
Dividends paid to NCI	(52,348)	(20,224)	(99,710)	(49,396)
Net cash generated from operating activities	604,774	583,906	836,195	928,001
Net cash (used in)/generated from investing activities	(100,571)	(266,205)	61,671	(134,521)
Net cash used in financing activities	(516,593)	(304,885)	(871,352)	(793,060)
Net (decrease)/increase in cash and cash equivalents	(12,390)	12,816	26,514	420

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Ganzi Hydropower Company		Beijing Datang Fuel	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	47.5%/47.5%	47.5%/47.5%	49%/49%	49%/49%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	28,195,104	22,467,778	65,352	264,615
Current assets	332,140	35,921	4,441,131	6,932,904
Non-current liabilities	(20,929,568)	(16,712,261)	(328,589)	–
Current liabilities	(2,669,956)	(2,337,228)	(3,902,691)	(5,715,752)
Net assets	4,927,720	3,454,210	275,203	1,481,767
Accumulated NCI	2,339,380	1,633,866	97,889	691,047
Year ended 31 December:				
Revenue	153,663	5,661	11,884,341	18,210,265
Profit/(loss)	16,030	(2,660)	(1,206,564)	(413,738)
Total comprehensive income	16,030	(2,660)	(1,206,564)	(413,738)
Profit/(loss) allocated to NCI	7,614	(1,264)	(593,158)	(206,778)
Net cash generated from operating activities	83,449	1,426	279,535	85,950
Net cash (used in)/generated from investing activities	(3,656,949)	(4,917,575)	754,076	(2,652)
Net cash generated from/ (used in) financing activities	3,764,359	4,577,307	(1,228,457)	193,030
Net increase/(decrease) in cash and cash equivalents	190,859	(338,842)	(194,846)	276,328

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Wushashan Power Company		Xilinhaote Mining Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	49%/49%	49%/49%	40%/40%	40%/40%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	5,237,675	5,638,447	12,983,400	12,994,738
Current assets	688,793	767,654	1,862,556	1,306,263
Non-current liabilities	(198,780)	(509,164)	(9,081,790)	(9,702,962)
Current liabilities	(2,862,333)	(3,278,504)	(7,091,963)	(5,192,124)
Net assets/(liabilities)	2,865,355	2,618,433	(1,327,797)	(594,085)
Accumulated NCI	1,404,024	1,283,032	(671,433)	(373,844)
Year ended 31 December:				
Revenue	4,202,037	5,091,413	326,367	513,220
Profit/(loss)	945,464	776,158	(721,468)	(1,358,855)
Total comprehensive income	945,464	776,158	(721,468)	(1,358,855)
Profit/(loss) allocated to NCI	463,278	380,318	(285,346)	(552,503)
Dividends paid to NCI	(342,286)	(381,235)	–	(1,590)
Net cash generated from/ (used in) operating activities	1,637,510	1,725,039	(1,015,837)	(395,518)
Net cash generated from/ (used in) investing activities	19,289	(139,544)	(450,723)	(489,593)
Net cash (used in)/generated from financing activities	(1,659,906)	(1,645,649)	1,614,607	939,323
Net (decrease)/increase in cash and cash equivalents	(3,107)	(60,154)	148,047	54,212

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Tuoketuo II Power Company		Fuzhou Power Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	60%/60%	60%/60%	49%/49%	49%/49%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	3,931,309	3,290,168	5,530,481	2,657,741
Current assets	169,486	274,702	522,201	25,523
Non-current liabilities	(1,891,000)	(1,737,625)	(2,146,000)	(1,053,000)
Current liabilities	(683,705)	(628,866)	(1,965,065)	(159,087)
Net assets	1,526,090	1,198,379	1,941,617	1,471,177
Accumulated NCI	915,654	722,621	951,392	720,876
Year ended 31 December:				
Revenue	1,786,096	2,045,985	–	–
Profit	532,466	510,672	–	–
Total comprehensive income	532,466	510,672	–	–
Profit allocated to NCI	319,480	306,403	–	–
Dividends paid to NCI	(267,402)	(262,483)	–	–
Net cash generated from operating activities	1,005,393	1,051,614	–	–
Net cash used in investing activities	(936,647)	(52,112)	(1,954,642)	(1,531,597)
Net cash (used in)/generated from financing activities	(69,583)	(998,235)	1,937,973	1,537,224
Net (decrease)/increase in cash and cash equivalents	(837)	1,267	(16,669)	5,627

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Duolun Coal Chemical Company		Fuxin Coal-based Gas Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	40%/40%	40%/40%	10%/10%	10%/10%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	22,944,279	23,754,855	14,809,675	14,674,412
Current assets	1,373,717	912,222	688,953	691,765
Non-current liabilities	(13,556,316)	(13,385,548)	(7,214,506)	(7,638,877)
Current liabilities	(15,874,140)	(13,577,208)	(6,544,182)	(4,687,656)
Net (liabilities)/assets	(5,112,460)	(2,295,679)	1,739,940	3,039,644
Accumulated NCI	(2,043,209)	(920,356)	173,994	303,964
Year ended 31 December:				
Revenue	981,909	1,117,587	152	139
(Loss)/profit	(2,818,867)	(4,866,973)	(1,299,705)	106
Total comprehensive income	(2,818,867)	(4,866,973)	(1,299,705)	106
(Loss)/profit allocated to NCI	(1,126,713)	(1,944,894)	(129,970)	10
Net cash (used in)/generated				
from operating activities	(923,986)	(1,458)	913	141
Net cash used in investing activities	(163,278)	(168,614)	(836,084)	(1,040,282)
Net cash generated from financing activities	1,082,949	166,340	877,969	660,657
Net (decrease)/increase in cash and cash equivalents	(4,315)	(3,732)	42,798	(379,484)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Keshiketeng Qi Coal-based Gas Company		Inner Mongolia Renewable Power Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	49%/49%	49%/49%	49%/49%	49%/49%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	23,881,163	22,495,989	2,440,997	2,461,588
Current assets	1,976,338	1,654,243	172,998	225,886
Non-current liabilities	(579,018)	(740,540)	(1,095,924)	(1,097,544)
Current liabilities	(20,097,135)	(18,278,241)	(192,873)	(321,196)
Net assets	5,181,348	5,131,451	1,325,198	1,268,734
Accumulated NCI	2,537,081	2,514,411	649,347	621,680
Year ended 31 December:				
Revenue	338,921	–	270,215	311,304
Profit/(loss)	49,897	(296)	56,464	50,727
Total comprehensive income	49,897	(296)	56,464	50,727
Profit/(loss) allocated to NCI	24,446	(145)	27,667	24,856
Net cash generated from operating activities	150,329	–	281,703	264,432
Net cash used in investing activities	(832,587)	(1,569,761)	(163,927)	(101,231)
Net cash generated from/ (used in) financing activities	717,886	1,619,660	(121,265)	(159,246)
Net increase/(decrease) in cash and cash equivalents	35,628	49,899	(3,489)	3,955

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Fujian Renewable Power Company		Yunnan Electric Power Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	46.36%/46.36%	46.36%/46.36%	39.09%/39.09%	39.09%/39.09%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	1,244,850	1,303,851	15,146,977	15,143,717
Current assets	120,240	115,458	700,087	442,868
Non-current liabilities	(397,200)	(444,700)	(11,206,156)	(10,163,464)
Current liabilities	(103,911)	(140,600)	(2,263,083)	(2,736,438)
Net assets	863,979	834,009	2,377,825	2,686,683
Accumulated NCI	400,541	386,646	1,018,227	1,180,941
Year ended 31 December:				
Revenue	172,824	162,184	1,614,008	1,578,427
Profit/(loss)	29,971	12,479	(308,369)	(539,499)
Total comprehensive income	29,971	12,479	(308,369)	(539,499)
Profit/(loss) allocated to NCI	13,895	5,785	(162,225)	(294,070)
Dividends paid to NCI	–	–	(489)	(9,090)
Net cash generated from operating activities	177,312	145,271	662,014	900,139
Net cash used in investing activities	(30,370)	(38,991)	(561,724)	(527,508)
Net cash used in financing activities	(102,997)	(121,288)	(110,733)	(381,267)
Net increase/(decrease) in cash and cash equivalents	43,945	(15,008)	(10,443)	(8,636)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Hebei Renewable Power Company		Zhunge'er Mining Company	
	2015	2014	2015	2014
Principal place of business/ country of incorporation	PRC/PRC		PRC/PRC	
% of ownership interests/ voting rights held by NCI	48.06%/48.06%	48.06%/48.06%	48%/48%	48%/48%
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:				
Non-current assets	3,442,880	3,576,134	964,687	955,084
Current assets	392,773	433,995	216,810	219,760
Non-current liabilities	(1,453,800)	(1,536,890)	(497,374)	(497,374)
Current liabilities	(339,693)	(510,267)	(969)	(1,074)
Net assets	2,042,160	1,962,972	683,154	676,396
Accumulated NCI	981,462	943,404	324,826	322,355
Year ended 31 December:				
Revenue	428,666	453,366	6	5
Profit	79,187	137,217	6,758	8,068
Total comprehensive income	79,187	137,217	6,758	8,068
Profit allocated to NCI	38,058	65,946	2,471	1,558
Net cash generated from/ (used in) operating activities	404,026	379,326	(2,544)	(8,540)
Net cash (used in)/generated from investing activities	(87,658)	(139,133)	(339)	1,609
Net cash used in financing activities	(306,477)	(288,283)	–	–
Net increase/(decrease) in cash and cash equivalents	9,891	(48,090)	(2,883)	(6,931)

Notes to the Consolidated Financial Statements

For The Year Ended 31 December 2015

49. PRINCIPAL SUBSIDIARIES (Continued)

Name	Sichuan Jinkang Company	
	2015	2014
Principal place of business/country of incorporation	PRC/PRC	
% of ownership interests/voting rights held by NCI	45.56%/45.56%	45.56%/45.56%
	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December:		
Non-current assets	4,561,405	4,424,264
Current assets	101,297	84,462
Non-current liabilities	(2,382,404)	(2,433,234)
Current liabilities	(599,350)	(414,992)
Net assets	1,680,948	1,660,500
Accumulated NCI	766,163	756,847
Year ended 31 December:		
Revenue	173,560	132,499
Profit	24,235	12,920
Total comprehensive income	24,235	12,920
Profit allocated to NCI	12,768	5,886
Dividends paid to NCI	(19,785)	(24,562)
Net cash generated from operating activities	134,653	100,151
Net cash used in investing activities	(168,970)	(453,872)
Net cash generated from financing activities	39,082	320,986
Net increase/(decrease) in cash and cash equivalents	4,765	(32,735)

50. 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 2016” (the “First Tranche Super Short-term Debentures”) on 25 February 2016. The issuance amount for the First 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 2.63%. Bank of China Limited acts as the underwriter and bookkeeper for the First Tranche Super Short-term Debentures and Shanghai Pudong Development Bank Co., Ltd. acts as the joint lead underwriter for the First Tranche Super Short-term Debentures. The proceeds from the First Tranche Super Short-term Debentures will be used to replace part of the loans of the Company, adjust its debt structure and lower its financing costs.

The Company completed the issuance of “The Second Tranche of Datang International Power Generation Co., Ltd.’s Super Short-term Debentures in 2016” (the “Second Tranche Super Short-term Debentures”) on 15 March 2016. The issuance amount for the Second Tranche Super Short-term Debentures was RMB3 billion with a maturity of 178 days. The unit nominal value is RMB100 and the issuance interest rate is at 2.42%. China CITIC Bank Corporation Limited acts as the underwriter and bookkeeper for the Second Tranche Super Short-term Debentures and China Everbright Bank Company Limited acts as the joint lead underwriter for the Second Tranche Super Short-term Debentures. The proceeds from the Second Tranche Super Short-term Debentures will be used to replace part of the loans of the Company, adjust its debt structure and lower its financing costs.

On 7 July 2014, the Company entered into a reorganisation framework agreement with China Reform Holdings Corporation Limited for the proposed reorganisation of the Company’s coal-to-chemical business segment and related projects. On 29 March 2016, the Company and China Reform Holdings Corporation Limited entered into termination agreement of the reorganisation framework agreement. After the negotiation between both parties, stipulations under the reorganisation framework agreement shall no longer be carried out. After negotiation with China Datang, China Datang will take the lead in facilitating the reorganisation in relation to the Company’s coal-to-chemical business segment and related projects.

Differences Between Financial Statements

For the Year Ended 31 December 2015

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	
		2015 RMB'000	2014 RMB'000
Net assets attributable to owners of the Company under IFRS		45,297,483	44,164,881
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)	(3,360)	(24,289)
Difference in accounting treatment on mining funds	(c)	(332,996)	(428,957)
Applicable deferred tax impact of the above GAAP Differences		(4,317)	(3,662)
Non-controlling interests' impact of the above GAAP Differences after tax		(40,113)	(10,990)
Net assets attributable to owners of the Company under PRC GAAP		45,023,163	43,803,449

	Note	Net profit	
		2015 RMB'000	2014 RMB'000
Profit for the year attributable to owners of the Company under IFRS		2,787,739	1,767,417
Impact of IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits	(b)	20,929	24,738
Difference in accounting treatment on mining funds	(c)	2,707	14,619
Applicable deferred tax impact of the above GAAP Differences		(655)	(1,785)
Non-controlling interests' impact of the above GAAP Differences after tax		(1,687)	(6,631)
Net profit for the year attributable to owners of the Company under PRC GAAP		2,809,033	1,798,358

Differences Between Financial Statements

For the Year Ended 31 December 2015

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,
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People's Republic of China

Principal place of business in Hong Kong

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15 Queen's Road Central,
Hong Kong

Legal representative

Chen Jinhang

Authorised representatives

Wu Jing
Ying Xuejun

Secretary to the board

Ying Xuejun

Principal bankers

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Xuanwu Branch
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People's Republic of China

Outside the PRC:

Bank of China (Hong Kong) Limited
One Garden Road,
Central,
Hong Kong

Domestic auditor

Ruihua Certified Public Accountants
(Special General Partnership)
5-11F, West Tower,
China Overseas Property Plaza,
7F, 8 Xibinhe Road,
Yongding Men,
Dongcheng District,
Beijing,
People's Republic of China

International auditor

RSM Hong Kong
Certified Public Accountants
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28 Yun Ping Road,
Causeway Bay,
Hong Kong

Legal advisors

as to PRC law:

Beijing Hylands Law Firm
5A Hanwei Plaza,
No. 7 Guanghua Road,
Chaoyang District,
Beijing,
People's Republic of China

as to Hong Kong law:

Eversheds
21/F, Gloucester Tower, The Landmark,
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,
183 Queen's Road East,
Wanchai, Hong Kong

Information of the company

Available at:

Secretariat of Board of Directors
Datang International Power Generation Company Limited
No. 9 Guangningbo Street,
Xicheng District,
Beijing,
People's Republic of China

and

Alpha Financial Press Limited
7/F, Nexus Building,
41 Connaught Road Central,
Hong Kong

Glossary of Terms

The following terms have the following meaning in this annual report, unless otherwise required by the context.

“Coal consumption for power supply”	The average amount of standard coal consumed by the thermal power generation unit to produce 1 KWh of power; unit of measurement: g/kWh
“Electricity consumption rate of power plants”	The ratio of electricity consumed during power generation to the electricity generated; unit of measurement: %
“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
“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)
“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.